

## **Constitution of a Charitable Incorporated Organisation with voting members other than its charity trustees**

**1. Name** The name of the Charitable Incorporated Organization (“the Trust”) is  
**THE LANCASTER CANAL TRUST** hereinafter called the Trust

**2. National Location of Principal Office**

The principal office of the Trust is in England.

**3. Objects**

The objects of the Trust are:

To promote the restoration to navigation of the unnavigable sections of the Lancaster Canal, whilst retaining its essential character and heritage, improving it for the benefit of the local community as a public amenity, in particular but not exclusively by:

- a) Stimulating and retaining public interest in the navigable and unnavigable sections of the Lancaster Canal as essential environmental and heritage features of Lancashire and Cumbria and to improve a natural wildlife corridor by providing a valuable amenity for walkers, cyclists, boaters, naturalists and visitors;
- b) Arranging physical works of repair and restoration, meetings, lectures, cruises and other similar events either alone or in collaboration with other bodies pursuing similar aims; and
- c) Restoring and assisting such other organisations or bodies as shall be thought fit to restore the Lancaster Canal to full navigation between Kendal and Tewitfield and to take ownership and operate any portion of the restored or partially restored or derelict canal within its ownership, or control as a navigation.

‘Canal’ is defined in clause 30 (Interpretation).

**4. Powers**

The Trust has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. In particular, the Trust’s powers include power to:

1. Borrow money and to charge the whole or any part of its property as security for the repayment of the money borrowed. The Trust must comply as appropriate with sections 124 and 125 of the Charities Act 2011 if it wishes to mortgage land.
2. Buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use.
3. Sell, lease or otherwise dispose of all or any part of the property belonging to the Trust. In exercising this power, the Trust must comply as appropriate with sections 117 and 119-123 of the Charities Act 2011
4. Employ and remunerate such staff as are necessary for carrying out the work of the Trust. The Trust may employ or remunerate a charity trustee only to the extent that it is permitted to do so by clause 6 (Benefits and payments to charity trustees and connected persons) and provided it complies with the conditions of those clauses.
5. Deposit or invest funds, employ a professional fund-manager, and arrange for the investments or other property of the Trust to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000.

**5. Application of Income and Property**

**5.1 Application**

The income and property of the Trust must be applied solely towards the promotion of the objects

- (a) A charity trustee is entitled to be reimbursed from the property of the Trust or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Trust.
- (b) A charity trustee may benefit from trustee indemnity insurance cover purchased at the Trust's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

## **5.2 Payments to Members**

None of the income or property of the Trust may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the Trust. This does not prevent a member who is not also a charity trustee receiving:

- (a) a benefit from the Trust as a beneficiary of the trust;
- (b) reasonable and proper remuneration for any goods or services supplied to the Trust.

**5.3** Nothing in this clause shall prevent a charity trustee or connected person receiving any benefit or payment which is authorised by Clause 6.

## **6. Benefits and Payments to Charity Trustees and Connected Persons**

### **6.1 General provisions**

No charity trustee or connected person may:

- (a) buy or receive any goods or services from the Trust on terms preferential to those applicable to members of the public;
- (b) sell goods, services, or any interest in land to the Trust;
- (c) be employed by, or receive any remuneration from, the Trust;
- (d) receive any other financial benefit from the Trust;

unless the payment or benefit is permitted by sub-clause (2) of this clause, or authorised by the court or the Charity Commission ("the Commission"). In this clause, a "financial benefit" means a benefit, direct or indirect, which is either money or has a monetary value.

### **6.2 Scope and Powers Permitting Trustees' or Connected Persons' Benefits**

- (a) A charity trustee or connected person may receive a benefit from the Trust as a beneficiary of the Trust provided that a majority of the trustees do not benefit in this way.
- (b) A charity trustee or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Trust here that is permitted in accordance with, and subject to the conditions in, section 185 to 188 of the Charities Act 2011.
- (c) Subject to sub-clause (3) of this clause a charity trustee or connected person may provide the Trust with goods that are not supplied in connection with services provided to the Trust by the charity trustee or connected person.
- (d) A charity trustee or connected person may receive interest on money lent to the Trust at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).
- (e) A charity trustee or connected person may receive rent for premises let by the trustee or connected person to the Trust. The amount of the rent and the other terms of the lease must be reasonable and proper. The charity trustee concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- (f) A charity trustee or connected person may take part in the normal trading and fundraising activities of the Trust on the same terms as members of the public.

### **6.3 Payment for Supply of Goods Only – Controls**

The Trust and its charity trustees may only rely upon the authority provided by sub-clause 2c of this clause if each of the following conditions is satisfied:

- (a) The amount or maximum amount of the payment for the goods is set out in a written agreement between the Trust and the charity trustee or connected person supplying the goods (“the supplier”).
- (b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.
- (c) The other charity trustees are satisfied that it is in the best interests of the Trust to contract with the supplier rather than with someone who is not a charity trustee or connected person. In reaching that decision the charity trustees must balance the advantage of contracting with a charity trustee or connected person against the disadvantages of doing so.
- (d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the Trust.
- (e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of charity trustees is present at the meeting.
- (f) The reason for their decision is recorded by the charity trustees in the minute book.
- (g) A majority of the charity trustees then in office are not in receipt of remuneration or payments authorised by clause 6.

#### **6.4 In sub-clauses 6.2 and 6.3**

- (a) “the Trust” includes any company in which the Trust:
  - (i) holds more than 50% of the shares; or
  - (ii) controls more than 50% of the voting rights attached to the shares; or
  - (iii) has the right to appoint one or more directors to the board of the company;
- (b) “connected person” includes any person within the definition set out in clause 30 (Interpretation)

### **7. Conflicts of Interest and Conflicts of Loyalty**

A charity trustee must:

- (1) declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Trust or in any transaction or arrangement entered into by the Trust which has not previously been declared; and
- (2) absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the Trust and any personal interest (including but not limited to any financial interest).

Any charity trustee absents himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter.

### **8. Liability of Members to Contribute to the Assets of the Trust if it is Wound Up**

If the Trust is wound up, the members of the Trust have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities

## **9 Membership of the Trust**

### **9.1 Admission of members**

#### **(a) Eligibility**

Membership of the Trust is open to anyone who is interested in furthering its purposes, and who, by applying for membership, has indicated his, her or its agreement to become a member and acceptance of the duty of members set out in sub-clause 9.3.

A member may be an individual, a corporate body, an organisation which is not incorporated, or an individual or corporate body representing an organisation which is not incorporated.

**(b) Admission Procedure** The charity trustees may require applications for membership to be made in any reasonable way that they decide;

#### **(c) Classes of membership**

- (a) Membership shall be open to all in one of the following forms;-

- i. Personal membership of an individual.
- ii. Family membership comprising both partners (or one adult in the case of a single parent family) and any children under 16 years of age.
- iii. Joint membership consisting of two adults at one address.
- iv. Young persons membership under 18 years of age
- v. Affiliated membership:
  - 1. any non profit organisation or corporate body which has an interest in the Lancaster Canal and the furtherance of the objectives of the Trust.
  - 2. any commercial organisation or corporate body which has an interest in the Lancaster Canal and the furtherance of the objectives of the Trust.
- vi. Life Membership

(b) Honorary Membership The Trustees may also admit individuals who have rendered outstanding service to the objectives of the Lancaster Canal Trust to Honorary Life Membership and such persons being so admitted shall have the benefits of membership (including the right to vote) except that they shall not be liable for any debts or liabilities of the Lancaster Canal Trust.

## **9.2 Transfer of Membership**

Membership of the Trust cannot be transferred to anyone else except in the case of an individual or corporate body representing an organisation which is not incorporated, whose membership may be transferred by the unincorporated organisation to a new representative. Such transfer of membership does not take effect until the Trust has received written notification of the transfer.

## **9.3 Duty of Members**

It is the duty of each member of the Trust to exercise his or her powers as a member of the Trust in the way he or she decides in good faith would be most likely to further the purposes of the Trust.

## **9.4 Termination of Membership**

(a) Membership of the Trust comes to an end if:

- (a) the member dies, or, in the case of an organisation (or the representative of an organisation) that organisation ceases to exist; or
- (b) the member sends a notice of resignation to the charity trustees
- (c) any sum of money owed by the member to the Trust is not paid in full within six months of its falling due; or
- (d) the charity trustees decide that it is in the best interests of the Trust that the member in question should be removed from membership, and pass a resolution to that effect.

(b) Notice Before the charity trustees take any decision to remove someone from membership of the Trust they must:

- (a) inform the member of the reasons why it is proposed to remove him, her or it from membership
- (b) give the member at least 21 clear days notice in which to make representations to the charity trustees as to why he, she or it should not be removed from membership.
- (c) at a duly constituted meeting of the charity trustees, consider whether or not the member should be removed from membership;
- (d) consider at that meeting any representations which the member makes as to why the member should not be removed; and
- (e) allow the member, or the member's representative, to make those representations in person at that meeting, if the member so chooses.

## **9.5 Membership Subscriptions**

The Trust may require members to pay reasonable membership subscriptions to the Trust

- (a) Subscriptions shall be set at a rate to be decided by the Trustees from time to time and may differ for different classes of membership.
- (b) Subscriptions shall become due on the first day of January each year. New Members joining after 30<sup>th</sup> September in any year shall have their membership extended to 31<sup>st</sup> December of the following year in which their membership started.

- (c) Life Members shall pay a single premium, the amount of which shall be decided by the Trustees from time to time.

## **10 Members' Decisions**

### **10.1 General Provisions**

Except for those decisions that must be taken in a particular way as indicated in sub-clause 10.3 decisions of the members of the Trust must be taken by vote at a general meeting as provided in sub-clause 10.2.

### **10.2 Taking Ordinary Decisions By Vote**

Any decision of the members of the Trust may be taken by means of a resolution at a general meeting. Such a resolution may be passed by a simple majority of votes cast at the meeting.

### **10.3 Decisions that must be taken in a particular way**

- (a) Any decision to remove a trustee must be taken in accordance with clause 15(2)
- (b) Any decision to amend this constitution must be taken in accordance with clause 28 of this constitution.
- (c) Any decision to wind up or dissolve the Trust be taken in accordance with clause 29 of this constitution (Voluntary winding up or dissolution). Any decision to amalgamate or transfer the undertaking of the Trust to one or more other CIO's or registered charitable trusts must be taken in accordance with the provisions of the Charities Act 2011.

## **11 General Meetings of Members**

### **11.1 Types of General Meeting**

There must be an annual general meeting (AGM) of the members of the Trust. The first AGM must be held within 18 months of the registration of the Trust, and subsequent AGMs must be held at intervals of not more than 15 months. The AGM must receive the annual statement of accounts (duly audited or examined where applicable) and the trustees' annual report, and must elect trustees as required under clause 13.

Other general meetings of the members of the Trust may be held at any time.

All general meetings must be held in accordance with the following provisions.

### **11.2 Calling General Meetings**

- (a) The charity trustees:
  - i. must call the annual general meeting of the members of the Trust in accordance with sub-clause 11.1 of this clause, and identify it as such in the notice of the meeting; and
  - ii. may call any other general meeting of the members at any time.
- (b) The charity trustees must, within 28 days, call a general meeting of the members of the Trust if:
  - i. they receive a request to do so from at least 5% of the members of the Trust; and
  - ii. the request states the general nature of the business to be dealt with at the meeting, and is authenticated by the member(s) making the request.
- (c) If, at the time of any such request, there has not been any general meeting of the members of the Trust for more than 12 months, then sub-clause 11.2(b) (i) of this clause shall have effect as if 2.5% were substituted for 5%.
- (d) Any such request may include particulars of a resolution that may properly be proposed, and is intended to be proposed, at the meeting.
- (e) A resolution may only properly be proposed if it is lawful, and is not defamatory, frivolous or vexatious.
- (f) Any general meeting called by the charity trustees at the request of the members of the Trust must be held within 28 days from the date on which it is called.
- (g) If the charity trustees fail to comply with this obligation to call a general meeting at the request of its members, then the members who requested the meeting may themselves call a general meeting.

- (h) A general meeting called in this way must be held not more than 3 months after the date when the members first requested the meeting.
- (i) The Trust must reimburse any reasonable expenses incurred by the members calling a general meeting by reason of the failure of the charity trustees to duly call the meeting, but the Trust shall be entitled to be indemnified by the charity trustees who were responsible for such failure.

### **11.3 Notice of General Meetings**

- (a) The charity trustees, or, as the case may be, the relevant members of the Trust, must give at least 14 clear days notice of any general meeting to all of the members, and to any charity trustee of the Trust who is not a member.
- (b) To assist members to comply with the provisions of 11.3(c) (e) the trustees will give informal notice of the date of the Annual General Meeting to all members at least 6 weeks before the date of the meeting.
- (c) Procedure for nominations and resolutions
  - i. Any resolution to be proposed by a member or members at an annual general meeting must be submitted in writing or electronically to the trustees at least 21 days before the date of the AGM.
  - ii. Any nomination of any officer or trustee must be submitted to the trustees at least 21 days before the date of the AGM
- (d) The notice of any general meeting must:
  - i. state the time and date of the meeting;
  - ii. give the address at which the meeting is to take place;
  - iii. give particulars of any resolution which is to be moved at the meeting, and of the general nature of any other business to be dealt with at the meeting; and
  - iv. if a proposal to alter the constitution of the Trust is to be considered at the meeting, include the text of the proposed alteration;
  - v. include, with the notice for the AGM, the annual statement of accounts and trustees' annual report, details of persons standing for election or re- election as trustee, or where allowed under clause 22 (Use of electronic communication), details of where the information may be found on the Trust website.
- (e) Proof that an envelope containing a notice was properly addressed, prepaid and posted; or that an electronic form of notice was properly addressed and sent, shall be conclusive evidence that the notice was given. Notice shall be deemed to be given 48 hours after it was posted or sent.
- (f) The proceedings of a meeting shall not be invalidated because a member who was entitled to receive notice of the meeting did not receive it because of accidental omission by the Trust.
- (g) If there are vacancies for trustees and insufficient nominations are received within the time limit for sending out the notice of the meeting then written nominations may be further received before the meeting or proposed from the floor at the meeting.

### **11.4 Chairing of General Meetings**

The President of the Trust shall be invited to take the chair at any general meeting. If the invitation is declined or the President is not present, the person nominated as chair by the charity trustees clause 19(2) (Chairing of meetings), shall, if present at the general meeting and willing to act, preside as chair of the meeting. Subject to that, the members of the Trust who are present at a general meeting shall elect a chair to preside at the meeting.

### **11.5 Quorum at General Meetings**

- (a) No business may be transacted at any general meeting of the members of the Trust unless a quorum is present when the meeting starts
- (b) Subject to the following provisions, the quorum for general meetings shall be the greater of 5% or ten members. An organisation represented by a person present at the meeting in accordance with sub-clause (7) of this clause, is counted as being present in person.
- (c) If the meeting has been called by or at the request of the members and a quorum is not present within 15 minutes of the starting time specified in the notice of the meeting, the meeting is closed.
- (d) If the meeting has been called in any other way and a quorum is not present within 15 minutes of the starting time specified in the notice of the meeting, the chair must adjourn the meeting. The

date, time and place at which the meeting will resume must be notified to the Trust's members at least seven clear days before the date on which it will resume.

- (e) If a quorum is not present within 15 minutes of the start time of the adjourned meeting, the member or members present at the meeting constitute a quorum.
- (f) If at any time during the meeting a quorum ceases to be present, the meeting may discuss issues and make recommendations to the trustees but may not make any decisions. If decisions are required which must be made by a meeting of the members, the meeting must be adjourned.

### **11.6 Voting at General Meetings**

- (a) Any decision other than one falling within clause 10.4 (Decisions that must be taken in a particular way) shall be taken by a simple majority of votes cast at the meeting. Every member has one vote unless otherwise provided in the rights of a particular class of membership under this constitution. Each adult joint and family member shall have one vote each.
- (b) A resolution put to the vote of a meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded. A poll may be demanded by the chair or by at least 10% of the members present in person at the meeting.
- (c) A poll demanded on the election of a person to chair the meeting or on a question of adjournment must be taken immediately. A poll on any other matter shall be taken, and the result of the poll shall be announced, in such manner as the chair of the meeting shall decide, provided that the poll must be taken, and the result of the poll announced, within 30 days of the demand for the poll.
- (d) A poll may be taken:
  - i. at the meeting at which it was demanded; or
  - ii. at some other time and place specified by the chair; or
  - iii. through the use of postal or electronic communications.
- (e) In the event of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall have a second, or casting vote.
- (f) Any objection to the qualification of any voter must be raised at the meeting at the vote is cast and the decision of the chair of the meeting shall be final.

### **11.7 Representation of organisations and corporate members**

An organisation or a corporate body that is a member of the Trust may, in accordance with its usual decision-making process, authorise a person to act as its representative at any general meeting of the Trust.

The representative is entitled to exercise the same powers on behalf of the organisation or corporate body as the organisation or corporate body could exercise as an individual member of the Trust.

### **11.8 Adjournment of Meetings**

The chair may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting to another time and/or place. No business may be transacted at an adjourned meeting except business which could properly have been transacted at the original meeting.

## **12 Charity Trustees**

### **12.1 Functions and Duties of Charity Trustees**

The charity trustees shall manage the affairs of the Trust and may for that purpose exercise all the powers of the Trust. It is the duty of each charity trustee:

- (a) to exercise his or her powers and to perform his or her functions as a trustee of the Trust in the way he or she decides in good faith would be most likely to further the purposes of the Trust; and
- (b) to exercise, in the performance of those functions, such care and skill as is reasonable in the circumstances having regard in particular to:
  - i. any special knowledge or experience that he or she has or holds himself or herself out as having; and
  - ii. if he or she acts as a charity trustee of the Trust in the course of a business or profession, to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession.

## 12.2 Eligibility for Trusteeship

- (a) Every charity trustee must be a natural person.
- (b) No one may be appointed as a charity trustee:
  - if he or she is under the age of 16 years; or
  - if he or she would automatically cease to hold office under the provisions of clause 15.1(f).
- (c) No one is entitled to act as a charity trustee whether on appointment or on any re-appointment until he or she has expressly acknowledged, in whatever way the charity trustees decide, his or her acceptance of the office of charity trustee.

## 12.3 Number of Charity Trustees

- (a) There should be not less than 6 nor more than 12 elected trustees;
- (b) There must be at least three charity trustees. If the number falls below this minimum, the remaining trustee or trustees may act only to call a meeting of the charity trustees, or appoint new charity trustees.
- (c) The maximum number of charity trustees that can be appointed is as provided in sub-clause (a) of this clause. No trustee appointment may be made in excess of these provisions.

## 12.4 First Charity Trustees

The first charity trustees of the Trust are –

Christopher David GIBSON Address	DoB 28 April 1943 Kepp House, Barnoldswick Lane, Burton in Lonsdale, Carnforth, LA6 3LZ
Charles Peter Spencer JONES Address	DoB 28 April 1944 14 Blencathra Gardens, Kendal LA9 7HL
William David JOYNER Address	DoB 14 February 1948 279 Garstang Road, Fulwood, Preston, PR2 9XH
David Peter MOLL Address	DoB 21 October 1952 83 Main Street, Great Broughton, Cocker mouth, CA13 0YJ.
Helen Margaret THOMAS Address	DoB 06 June 1940 7 Bay View, Over Kellet, Carnforth LA6 1DR
Robin Timothy YATES Address	DoB 14 February 1948 Glenrae, Brigsteer Road, Kendal, LA9 5DY

## 12.5 President and Vice-President(s)

The President and any Vice-President(s) shall be nominated by the Trustees and approved by the Annual General Meeting. The term of office of the President & Vice President(s) shall not exceed three years from the date of their last election and they shall be eligible for re-election. They are not eligible to be trustees.

## 12.6 The Officers of the Trust

- (a) The Officers of the Trust shall consist of a Chairman; Vice-Chairman; General Secretary; Treasurer and shall be elected or appointed from the Trustees by the Trustees at their first meeting following the AGM and will continue in office until the first trustees meeting following the AGM unless they resign in the meantime. Other Trustees may be appointed by the Trustees to whatever office or position they see fit.
- (b) An individual trustee may hold more than one office or appointment. A representative of an affiliated organisation may not hold office.
- (c) Retiring Trustees, except the officers set out in (a) above shall cease to be trustees and those newly elected shall become trustees at the close of the Annual General Meeting at which their term of office ceases.
- (d) The Trustees shall approve the appointment of a person to inspect or audit the Accounts
- (e) Affiliated bodies are entitled to nominate a representative to attend meetings of the Trustees. Such representatives may address the Trustees, but may not vote.



## **12.7 Extra Constitutional Matters**

The Trustees shall be empowered to deal with any matter not provided for in the constitution, but shall report any such matter to the next General Meeting.

## **13 Appointment of Charity Trustees**

**13.1** (1) At the first annual general meeting of the members of the Trust all the charity trustees shall retire from office but may be re-elected.

**13.2** (i) At every subsequent annual general meeting of the members of the Trust, one-third of the charity trustees shall retire from office. If the number of charity trustees is not three or a multiple of three, then the number nearest to one-third shall retire from office, but if there is only one charity trustee, he or she shall retire;

(ii) A trustee may be elected or re-elected for up to 3 years at the annual general meeting.

**13.3** The charity trustees to retire by rotation shall be those who have been longest in office since their last appointment or reappointment. If any trustees were last appointed or reappointed on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

**13.4** The vacancies so arising may be filled by the decision of the members at the annual general meeting; any vacancies not filled at the annual general meeting may be filled as provided in sub-clause 13.5.

**13.5** The members or the charity trustees may at any time decide to appoint a new charity trustee, whether in place of a charity trustee who has retired or been removed in accordance with clause 15 (Retirement and removal of charity trustees), or as an additional charity trustee, provided that the limit specified in clause 12(3) on the number of charity trustees would not as a result be exceeded.

**13.6** A person so appointed by the members of the Trust shall retire in accordance with the provisions of sub-clauses (2) and (3) of this clause. A person so appointed by the charity trustees shall retire at the conclusion of the next annual general meeting after the date of his or her appointment, and shall not be counted for the purpose of determining which of the charity trustees is to retire by rotation at that meeting.

## **14 Information for New Charity Trustees**

The charity trustees will make available to each new charity trustee, on or before their first meeting:

- (a) a copy of this constitution and any amendments made to it ;
- (b) a copy of the Trust's latest trustees' annual report and statement of accounts
- (c) any byelaws made under the provisions of this constitution.
- (d) a copy of booklet CC3 'The essential trustee: what you need to know, what you need to do' and
- (e) a copy of form CC CSD 1382 'Declaration of Eligibility' to be signed before taking up their duties.

## **15 Retirement and Removal of Charity Trustees**

**15.1** A charity trustee ceases to hold office if he or she:

- (a) retires by notifying the Trust in writing (but only if enough charity trustees will remain in office when the notice of resignation takes effect to form a quorum for meetings);
- (b) is absent without the permission of the charity trustees from all their meetings held within a period of six months and the trustees resolve that his or her office be vacated;
- (c) dies;
- (d) in the written opinion, given to the company, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a trustee and may remain so for more than three months;
- (e) is removed by the members of the Trust in accordance with sub-clause (2) of this clause; or
- (f) is disqualified from acting as a charity trustee by virtue of section 178-180 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision).

**15.2** A charity trustee shall be removed from office if a resolution to remove that trustee is proposed at a general meeting of the members called for that purpose and properly convened in accordance with clause 11 and the resolution is passed by a two-thirds majority of votes cast at the meeting.

**15.3** A resolution to remove a charity trustee in accordance with this clause shall not take effect unless the individual concerned has been given at least 14 clear days' notice in writing that the resolution is to be proposed, specifying the circumstances alleged to justify removal from office, and has been given a reasonable opportunity of making oral and/or written representations to the members of the Trust.

## **16 Reappointment of Charity Trustees**

Any person who retires as a charity trustee by rotation or by giving notice to the Trust is eligible for reappointment.

## **17 Taking of Decisions by Charity Trustees**

Any decision may be taken either:

at a meeting of the charity trustees; or  
by resolution in writing or electronic form agreed by all of the charity trustees, which may comprise either a single document or several documents containing the text of the resolution in like form to each of which one or more charity trustees has signified their agreement.

## **18 Delegation by Charity Trustees**

**18.1** The charity trustees may delegate any of their powers or functions to a sub committee or sub committees and, if they do, they must determine the terms and conditions on which the delegation is made. The charity trustees may at any time alter those terms and conditions, or revoke the delegation.

**18.2** This power is in addition to the power of delegation in the General Regulations and any other power of delegation available to the charity trustees, but is subject to the following requirements -a committee may consist of two or more persons, but at least one member of each committee must be a charity trustee;

- (a) the acts and proceedings of any committee must be brought to the attention of the charity trustees, in writing or electronically, as a whole as soon as is reasonably practicable; and
- (b) the charity trustees shall from time to time review the arrangements which they have made for the delegation of their powers.

## **19 Meetings and Proceedings of Charity Trustees**

### **19.1 Calling meetings**

- (a) Any charity trustee may call a meeting of the charity trustees.
- (b) Subject to that, the charity trustees shall decide how their meetings are to be called, and what notice is required.

### **19.2 Chairing of Meetings**

The charity trustees may appoint one of their number to chair their meetings and may at any time revoke such appointment. If no-one has been so appointed, or if the person appointed is unwilling to preside or is not present within 10 minutes after the time of the meeting, the charity trustees present may appoint one of their number to chair that meeting.

### **19.3 Procedure at meetings**

- (a) No decision shall be taken at a meeting unless a quorum is present at the time when the decision is taken. The quorum is a minimum of 3 trustees, or the number nearest to one third of the total number of charity trustees, whichever is greater, or such larger number as the charity trustees may decide from time to time. A charity trustee shall not be counted in the quorum present when any decision is made about a matter upon which he or she is not entitled to vote.
- (b) Questions arising at a meeting shall be decided by a majority of those eligible to vote.
- (c) In the case of an equality of votes, the chair shall have a second or casting vote.

### **19.4 Participation in Meetings by Electronic Means**

- (a) A meeting may be held by suitable electronic means agreed by the charity trustees in which each participant may communicate with all the other participants.

- (b) Any charity trustee participating at a meeting by suitable electronic means agreed by the charity trustees in which a participant or participants may communicate with all the other participants shall qualify as being present at the meeting.
- (c) Meetings held by electronic means must comply with rules for meetings, including chairing and the taking of minutes.

## **20 Saving Provisions**

**20.1** Subject to sub-clause 20.2 all decisions of the charity trustees, or of a committee of charity trustees, shall be valid notwithstanding the participation in any vote of a charity trustee:

- (a) who was disqualified from holding office;
- (b) who had previously retired or who had been obliged by the constitution to vacate office;
- (c) who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;

if, without the vote of that charity trustee and that charity trustee being counted in the quorum, the decision has been made by a majority of the charity trustees at a quorate meeting.

**20.2** Sub-clause (1) of this clause does not permit a charity trustee to keep any benefit that may be conferred upon him or her by a resolution of the charity trustees or of a committee of charity trustees if, but for clause 20.1, the resolution would have been void, or if the charity trustee has not complied with clause 7 (Conflicts of interest).

## **21 Execution of Documents**

**21.1** The Trust shall execute documents either by signature or by affixing its seal (if it has one).

**21.2** A document is validly executed by signature if it is signed by at least two of the charity trustees and the document and the authority to sign is minuted.

**21.3** If the Trust has a seal:

- (a) it must comply with the provisions of the General Regulations; and
- (b) it must only be used by the authority of the charity trustees or of a committee of charity trustees duly authorised by the charity trustees. The charity trustees may determine who shall sign any document to which the seal is affixed and unless otherwise determined it shall be signed by two charity trustees.

## **22 Use of Electronic Communications**

### **22.1 General**

The Trust will comply with the requirements of the Communications Provisions in the General Regulations and in particular:

- (a) the requirement to provide within 28 days to any member on request a hard copy of any document or information sent to the member otherwise than in hard copy form;
- (b) any requirements to provide information to the Commission in a particular form or manner.

### **22.2 To The Trust**

Any member or charity trustee of the Trust may communicate electronically with the Trust to an address specified by the Trust for the purpose, so long as the communication is authenticated in a manner which is satisfactory to the Trust.

### **22.3 By The Trust**

- (a) Any member or charity trustee of the Trust, by providing the Trust with his or her email address or similar, is taken to have agreed to receive communications from the Trust in electronic form at that address, unless the member has indicated to the Trust his or her unwillingness to receive such communications in that form.
- (b) The charity trustees may, subject to compliance with any legal requirements, by means of publication on its website –
  - i. provide the members with the notice referred to in clause 11(3) (Notice of general meetings);
  - ii. give charity trustees notice of their meetings in accordance with clause 19.1 (Calling meetings);and

- iii. submit any proposal to the members or charity trustees for decision by written resolution or postal vote in accordance with the Trust's powers under clause 10 (Members' decisions).
- (c) The charity trustees must:
- i. take reasonable steps to ensure that members and charity trustees are promptly notified of the publication of any such notice or proposal;
  - ii. send any such notice or proposal in hard copy form to any member or charity trustee who has not consented to receive communications in electronic form.

## **23 Keeping of Registers**

The Trust must comply with its obligations under the General Regulations in relation to the keeping of, and provision of access to, registers of its members and charity trustees.

## **24 Minutes**

The charity trustees must keep minutes of all:

- (a) appointments of officers made by the charity trustees;
- (b) proceedings at general meetings of the Trust;
- (c) meetings of the charity trustees and sub committees of charity trustees including:
  - i. the names of the trustees present at the meeting;
  - ii. the decisions made at the meetings; and
  - iii. where appropriate the reasons for the decisions;
  - iv. the start and finish times of the meeting
- (d) decisions made by the charity trustees otherwise than in meetings.

## **25 Accounting Records, Accounts, Annual Reports and Returns, Register Maintenance**

**25.1** The charity trustees must comply with the requirements of the Charities Act 2011 with regard to the keeping of accounting records, to the preparation and scrutiny of statements of accounts, and to the preparation of annual reports and returns. The statements of accounts, reports and returns must be sent to the Charity Commission, regardless of the income of the Trust, within 10 months of the financial year end.

**25.2** The charity trustees must comply with their obligation to inform the Commission within 28 days of any change in the particulars of the Trust entered on the Central Register of Charities.

**25.3** The Financial year of the Trust shall be from 1<sup>st</sup> April to 31<sup>st</sup> March.

## **26 Rules**

The charity trustees may from time to time make such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the Trust, but such rules or bye laws must not be inconsistent with any provision of this constitution. Copies of any such rules or bye laws currently in force must be made available to any member of the Trust on request.

## **27 Disputes**

If a dispute arises between members of the Trust about the validity or propriety of anything done by the members under this constitution, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

## **28 Amendment of constitution**

As provided by clauses 224-227 of the Charities Act 2011

**28.1** This constitution can only be amended:

- (a) by resolution agreed in writing by all members of the Trust; or
- (b) by a resolution passed by a 75% majority of votes cast at a general meeting of the members of the Trust.

**28.2** Any alteration of clause 3 (Objects), clause 29 (Voluntary winding up or dissolution), this clause, or of any provision where the alteration would provide authorisation for any benefit to be obtained by charity trustees or members of the Trust or persons connected with them, requires the prior written consent of the Charity Commission.

**28.3** No amendment that is inconsistent with the provisions of the Charities Act 2011 or the General Regulations shall be valid.

**28.4** A copy of any resolution altering the constitution, together with a copy of the Trust's constitution as amended, must be sent to the Commission within 15 days from the date on which the resolution is passed. The amendment does not take effect until it has been recorded in the Register of Charities.

## **29 Voluntary Winding Up or Dissolution**

**29.1** As provided by the Dissolution Regulations, the Trust may be dissolved by resolution of its members. Any decision by the members to wind up or dissolve the Trust can only be made:

- (a) at a general meeting of the members of the Trust called in accordance with clause 11 (Meetings of Members), of which not less than 14 days' notice has been given to those eligible to attend and vote:
  - i. by a resolution passed by a 75% majority of those voting, or
  - ii. by a resolution passed by decision taken without a vote and without any expression of dissent in response to the question put to the general meeting; or
- (b) by a resolution agreed in writing by all members of the Trust.

**29.2** Subject to the payment of all the Trust's debts:

- (a) Any resolution for the winding up of the Trust, or for the dissolution of the Trust without winding up, may contain a provision directing how any remaining assets of the Trust shall be applied.
- (b) If the resolution does not contain such a provision, the charity trustees must decide how any remaining assets of the trust shall be applied.
- (c) In either case the remaining assets must be applied for charitable purposes the same as or similar to those of the Trust.

**29.3** The Trust must observe the requirements of the Dissolution Regulations in applying to the Commission for the Trust to be removed from the Register of Charities, and in particular:

- (a) the charity trustees must send with their application to the Commission:
  - i. a copy of the resolution passed by the members of the Trust;
  - ii. a declaration by the charity trustees that any debts and other liabilities of the Trust have been settled or otherwise provided for in full; and
  - iii. a statement by the charity trustees setting out the way in which any property of the CIO as been or is to be applied prior to its dissolution in accordance with this constitution;
- (b) the charity trustees must ensure that a copy of the application is sent within seven days to every member and employee of the CIO and to any charity trustee of the CIO who was not privy to the application

**29.4** If the CIO is to be wound up or dissolved in any other circumstances, the provisions of the Dissolution Regulations must be followed.

## **30 Interpretation**

In this constitution:

**"Canal"** means according to the context, the Lancaster Canal between Preston and Kendal or any connected part of it whether in the ownership of the Canal and River Trust any other person or corporate body, including the Trust and whether navigable or not, in water or derelict.

**"connected person"** means:

- (a) a child, parent, grandchild, grandparent, brother or sister of the charity trustee;
- (b) the spouse or civil partner of the charity trustee or of any person falling within sub-clause (a) above;
- (c) a person carrying on business in partnership with the charity trustee or with any person falling within sub-clause (a) or (b) above;

- (d) an institution which is controlled –
  - i by the charity trustee or any connected person falling within sub clause (a), (b) or (c) above;
  - ii by two or more persons falling within sub-clause (d)(i), when taken together, have substantial interest;
  
- (e) a body corporate in which –
  - i the charity trustee or any connected person falling within sub=clauses (a) to (c) has a substantial interest; or
  - ii two or more persons falling within sub-clause (e) (i) who, when taken together, have substantial interest.

Section 118 of the Charities Act 2011, or any subsequent amending act, regulation or re-enactment thereof , applies for the purposes of interpreting the terms used in this constitution.

**“General Regulations”** means the Charitable Incorporated Organisations (General) Regulations 2012 or any subsequent amendment or re-enactment thereof.

**“Dissolution Regulations”** means the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012.

The **“Communications Provisions”** means the Communications Provisions in Part 10, Chapter 4 of the General Regulations.

**“charity trustee”** means a charity trustee of he Trust.

A **“poll”** a counted vote or ballot, usually (but not necessarily) in writing.

C David Gibson

9 May 2016