

# Constitutional changes for Leamington and Warwick Musical Society – why now?

6 June 2022

LWMS currently runs according to the 1984 constitution of its predecessor, LWOS. Our rules do not conform to best practice in the 21st century. We are also an unincorporated association, which means that our members are 'jointly and severally liable' for any debts of the society. We were fortunate that, when we were forced to abandon *Crazy For You* due to the COVID-19 pandemic, our losses were largely insured. The management committee notes that production costs (such as venue and costume hire) are ever-growing, and pandemic events are no longer insurable risks. The financial impact of an uninsurable loss on the members would be greater now than it has ever been.

So, as we reached our 100th anniversary, the management committee has reviewed our constitutional arrangements and governance:

- to ensure our rules are representative of, and consistent with, modern practice;
- to seek an organisational structure to minimise the risk of financial liability for our members;
- to maximise financial efficiency, and minimise unnecessary costs.

The committee therefore proposes that LWMS becomes a Charitable Incorporated Organisation (CIO), registered with the Charities Commission. Small arts organisations like ourselves are increasingly set-up as CIOs – as charities, they are VAT-exempt. Being a CIO would allow us to increase income from any donations as Gift Aid, and would stop the liability of members for any financial losses.

It requires that we formally adopt a new *constitution*, containing the purposes, aims and overall philosophy that we aim to serve. Once we have registered with the Charities Commission, the process for changing the constitution is onerous, so this document is deliberately limited in detail, and legal in nature. It requires registered trustees to oversee its governance (the equivalent of the board of a company).

The day-to-day running of LWMS will be delegated to the management committee, as we do now. We have therefore also chosen to propose new bye-laws to set out our rules for membership and committee duties in more detail. As the bye-laws are outside the legal constitution, they can be changed and updated without requiring consent outside LWMS.

The committee notes that our production costs have increased considerably over recent years, and continue to do so. We are conscious of the pressures currently on household incomes, including those of our members, and our ticket-buying audiences. We also note that we have not increased our membership fees since 2013, and that our performers' fees remain considerably less than other local companies. As part of our new bye-laws, we are therefore setting new membership fees, with a modest increase of £10 per year for most performers.

If anyone has questions about the draft constitution or bye-laws, please get in touch. The committee believes that these changes will make LWMS more sustainable, and better able to withstand financial pressure as we begin our next 100 years. The committee strongly recommends that LWMS members vote in favour of the proposals.