

NOTE TO CPRE CHESHIRE MEMBERS

(for consideration at branch AGM/EGM on 14 May 2025)

AGENDA ITEM 11 - PROPOSAL FOR CPRE CHESHIRE BRANCH TO CONVERT TO BECOME A CHARITABLE INCORPORATED ORGANISATION (CIO)

1. Background

- 1.1 At its meeting on 16 July 2024, the branch Executive Committee agreed in principle that CPRE Cheshire should convert from its current status as an unincorporated association charity to become a Charitable Incorporated Organisation (CIO).
- 1.2 The Government has published guidance on its website¹ about the different types of charity governance. In the case of CPRE Cheshire, CIO status offers the following advantages over and above our current status:
 - greater protection for Trustees: the members and Trustees of a CIO will not usually be personally liable for the charity's debts; and
 - legal personality: A CIO has a legal personality of its own, enabling it to conduct business and employ staff in its own name, rather than the name of the Trustees.
- 1.3 Another option would be to convert to charitable company status. However, CIO status is considered to be a better option for CPRE Cheshire because it offers a simpler structure, with fewer registration and filing requirements and costs. Several other branches of CPRE (e.g. CPRE Lancashire) have already converted to form CIOs. The national CPRE Board of Trustees has approved this change of status for Cheshire CPRE. The change will make little practical difference to most branch members.

2. Key steps

- 2.1 Government guidance² identifies 3 main stages in converting an existing charity to a CIO:
 - Step 1. Set up and register a new CIO with the Charity Commission;
 - Step 2. Transfer the assets and liabilities of the current charity to the new charity;
 - Step 3. Close the existing charity after the transfer.
- 2.2 The new CIO charity will require a new constitution, which would replace CPRE Cheshire's current constitution (dated 2007). Taking account of guidance prepared by CPRE national and the Charity Commission, the branch Executive Committee has created a draft CIO constitution for the Cheshire branch. This is available to view on the branch website at www.cprecheshire.org.uk/news/agm-announcement-2025/.

3. The approval that is now sought from CPRE Cheshire members

- 3.1 As the conversion to CIO status would involve dissolution of the current charity it is necessary to comply with clause 15 of CPRE Cheshire's current constitution. This states in summary that if the Branch Executive decide to dissolve the branch, approval would be

¹ <https://www.gov.uk/guidance/charity-types-how-to-choose-a-structure>

² <https://www.gov.uk/guidance/change-your-charity-structure>

needed by not less than two-thirds of the members present and voting at a General Meeting of the branch.

3.2 Approval is therefore sought to convert the branch from its current unincorporated status to become a Charitable Incorporated Organisation (CIO), and that in pursuance of this objective:

- 1) a new CIO charity of the same charitable purposes as the existing branch be registered with the Charity Commission;**
- 2) the constitution of the new charity shall be based upon the draft which has been made available, subject to any revisions which may be required for example by the Charity Commission;**
- 3) the first Trustees of the new CIO when it is first registered shall be the same persons who are the Trustees of our existing charity at that time;**
- 4) all assets, liabilities and membership of the branch be transferred to the new CIO charity once it has been registered; and**
- 5) following the completion of steps 1) to 4) above, the current branch charity be dissolved in due course under the terms of clause 15 of the existing branch constitution dated August 2007.**

Jonathan Clarke, Chairman of CPRE Cheshire