



CONSULTATION ON ROYAL CHARTER AND BYE LAW CHANGE

INTRODUCTION

The RSA takes pride in ensuring that it listens to its Fellowship and that its governance structures are relevant to the context within which it operates. This means the RSA has throughout its long history constantly evolved to fit the needs of the Fellowship and fulfil its Royal Charter.

In 2015 the Board and Fellowship Council, through their sub-committee the Nominations Panel, have reviewed the RSA's Royal Charter and Bye-Laws to build upon the more wide ranging governance review that took place in 2011 and to see how, four years on and with two Fellowship Council election cycles having taken place, we might continue to strive to involve the Fellowship, bring meaningful impact and have a global world view.

The Fellowship Council and Board together now wish to seek the view of the Fellowship before the proposals are put formally to the Fellowship at the October 2015 AGM. Please note that the Fellowship Council, the elected advisory body of the Fellowship, has seen and approved these recommendations.

Feedback on changes outlined should be sent to Nicholas Bull, Governance Manager and Legal Counsel at the RSA. These can either be sent electronically to nicholas.bull@rsa.org.uk or in writing to 8 John Adam Street; alternatively, Fellows are welcome to contact him informally by telephone on 020 7451 6846.

In making the following the recommendations to the Fellowship, the Nominations Panel and Board have sought to maintain the principles enshrined within 2011 Governance Review, namely:

- To have a Board where members will be co-opted/elected on merit, background, professional disciplines and skills to suit strategic priorities and ensure organisational performance and with a majority of elected members.
- To strengthen the links between the Board, the Fellowship Council and the Regions, Nations and Chapters by proper representation.
- To enhance the quality of engagement between the Board and the Fellows.

Vikki Heywood CBE
Chairman of the RSA

SUMMARY OF RECOMMENDATIONS

This document sets out in detail the recommendations that the Nominations Panel is making, they can be summarised as follows:

- An amendment to the Charitable Objects of the Society to bring it in line with modern charity law and to delete legacy clauses that do not represent the current worldwide make up of Fellows (page 3).
- A change of name for the Nominations Panel to the Nominations and Governance Panel to reflect the work it undertakes and to give it an additional formal remit (page 4).
- An amendment to the elected Trustee appointment process to enable a preferred candidates who best fulfils the skills that are found to missing from a skills audit of the Board (where one has taken place) to be recommended to the Fellowship (page 4).
- Facility for a discretionary increase in size to the Board to include international elected representation (page 5).
- A change in term from 'Region' to 'Region/Nation' (page 5).
- More flexibility in the make-up of the Fellowship Council and the appointment of Councillors with specific areas of expertise to support the work of the RSA (page 6).
- Changes to improve General Meetings to ensure wider participation (pages 7 and 8).
- Technical changes to the Fellow membership procedure (page 9).
- Increased flexibility in the Medal procedure (page 9).

The full changes are set out in Appendix 1.

ROYAL CHARTER AMENDMENT

The RSA takes pride in its long history and the wide range of work that it has been known for including prizes and lectures, awards for safety at work, the founding of the modern day examination boards and the impetus behind the Great Exhibition.

To continue the wide remit of work, our legal advisors have highlighted the need to change our charitable objects. In particular, the term 'Arts, Manufacturing and Commerce' as it had been envisaged in our founding documents no longer carries the wide understanding in present day legal interpretation and the objects could, on a strict interpretation, not encompass the broad work that the RSA carries out with the full encouragement of the Fellowship. This is both through the Action & Research Centre and through Fellows in its Regional/National/International networks.

Our legal advisors have also advised that modern charitable practice is to widen the remit of work that a charity undertakes to encompass all possible charitable purposes as technology is evolving at such a pace that charities find themselves having to respond at a speed that can leave their charitable purposes rapidly out of date. To do this the Nominations Panel wish to also consult on incorporating a catch all clause so we may cover work not just undertaken currently, but also work Fellows or the Trustees may want to undertake in the future, but that is not currently envisaged.

The Nominations Panel wish to consult on removing the terms 'colonial' and 'British', which in the modern world appear at odds with the world wide representation that the RSA has in its Fellows and counterproductive as a frame of reference for the charity.

We have also been asked by the Office of the Scottish Charity Regulator to include a specific provision covering the sale of property.

To this end we propose to seek to consult the Fellowship on whether we should apply to the Privy Council to amend our Royal Charter as follows (amendments in red):

Amendment to paragraph 6:

“...for the encouragement of the Arts Manufactures and Commerce of the Country firstly by bestowing rewards for such productions inventions or improvements as should tend to the employment of the poor to the increase of trade and to the riches and honour of the Kingdom by promoting industry and emulation and which the Society from that period hitherto as is represented to us has been engaged in promoting those objects of national interest by bestowing pecuniary and honorary rewards for meritorious works in the various departments of the Fine Arts for discoveries inventions and improvements in Agriculture Chemistry Mechanics Manufactures and other useful Arts for the application of such natural and artificial products whether of home ~~colonial~~ or foreign growth and manufacture as appeared likely to afford fresh objects of industry and to increase the trade of the realm by extending the sphere and operations of ~~British~~ Commerce and secondly by the advancement of education in and the encouragement and conduct of research into the sustainable context within which the said Arts Manufactures and Commerce may prosper *and be managed efficiently including research on all Commerce Design Industry Public Services Science Technology Social Enterprises Voluntary and other Arts* ~~and~~ to make *both* such research findings available to the public *as well as all other exclusively charitable purposes* ...”

Amendment to paragraph 14:

“AND we further will grant and declare that the whole property of the said body politic and corporate shall be vested and we do hereby vest the same solely and absolutely in the Members thereof and that they shall have full power and authority to sell alienate charge and otherwise dispose of the same as they shall think proper but that no sale mortgage incumbrance or other disposition of the House of the said body politic and corporate at 8 John Adam Street, London WC2N 6EZ shall be made except with the approbation and concurrence of a General Meeting and *for purposes which are only charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 or succeeding laws or statutes of our realm.*”

NOMINATIONS PANEL CHANGE OF NAME AND ADDITIONAL REMIT

The Nominations Panel and Board have recognised that the Nominations Panel plays an important role in the governance of the RSA, being uniquely constituted equally from the Board and the Fellowship Council (three representatives from each) and currently having a majority of elected rather than co-opted Fellows (five elected compared to one co-opted). It therefore has become increasingly a panel that makes recommendations on RSA constitutional matters to the Board. The Trustee Board therefore request feedback on a change of its definition within section 1 of the Bye-Laws, and where referenced through the Bye-laws, so that the Panel be referenced as the 'Nominations and Governance Panel'.

Similarly it is proposed that an additional item be added to the Nominations Panel to reflect the practical reality of its work under Bye-Law 8.6 as item 'f', namely *"to make recommendation on the governance process and structure of the Society to the Board and ensure those processes are working effectively"*.

INCREASING THE NUMBER OF TRUSTEES TO INCLUDE INTERNATIONAL REPRESENTATION AND ALLOWING FOR ONE TRUSTEE FROM THE FELLOWSHIP COUNCIL TO BE UNELECTED

The current Royal Charter allows for 14 trustee positions whereas the Bye-laws currently prescribe 12. The Nominations Panel note that the current 12 trustee positions are filled by UK nationals. The RSA increasingly seeks to have a global outlook and would therefore welcome greater representation from the worldwide Fellowship Network. To this end the Nominations Panel recommends giving the Board the discretionary power to elect, by a preferred candidate scheme outlined above, up to two additional Fellows from international groupings.

Additionally currently both Trustees appointed from the Fellowship Council must be elected Councillors. The proposals within this paper contain a change to include selected representatives who bring expertise on particular subjects on the Fellowship Council. It is proposed that the Fellowship Council may nominate one of those representatives to represent its thoughts to the Board as a representative of the Fellowship Council.

This change involves amendments to Bye-Law 3.2 along with consequent renumbering throughout the document.

"3.2 The Board of Trustees shall at any time consist of:

- a) up to five Fellows co-opted by the Board;
- b) up to five Fellows directly elected by the Fellowship; and
- c) up to two Fellows elected by the Fellowship Council **with at least one** from amongst their elected numbers;
- d) *up to two Fellows may be directly elected by the Fellowship from an International Chapter or other such other international grouping as has been authorised under Bye-Law 15. The Board has sole discretion as to whether nominations for such elected representative or representatives should be invited and from which International Chapter or grouping any such Fellow or Fellows should be elected from."*

ELECTED TRUSTEE BOARD APPOINTMENT PROCESS

Elected Trustees are a vital part of the Board and a crucial part of the governance mechanism with the Fellowship. The Nominations Panel have been concerned that with direct election it is not always easy to ensure that the Board has the right balance of skills across its composition as a whole. The Nominations Panel ask the Fellowship to consider the amendment of the method of direct election to include a publicly advertised preferred candidates system, inviting all Fellows to consider putting themselves forward who think they may meet the needs the Board has identified.

The preferred candidates will still be put to a direct ballot along with all other nominated Fellows. The preferred candidates will simply receive an endorsement from the Nominations Panel that those Fellows best fulfil the criteria that the Board are looking for in a new Trustee. It will be open to any Fellow to disagree with that view point and vote for other candidates:

The proposed process to consult on would be as follows:

1. The Nominations Panel in any election cycle will conduct a skills audit of the Board.
2. If missing skills are identified, the Board may notify the Fellowship of those missing skills and in doing so then invite Fellows to apply to be a preferred candidate.
3. A Panel shall be formed of three people to make a selection from applicant Fellows that Panel shall comprise the Chief Executive or other nominated Executive Team Member, the Chairman of the Board or other nominated Board Member and the Chair of the Fellowship Council or other nominated Fellowship Council Member.
4. The chosen candidates for an elected position will then be presented as a preferred candidates to the Fellowship for vote along with all other Fellows putting themselves forward as a nominee for election by the Fellowship.

This change would involve a change to Bye-law 1 and Bye-Law 8.7 introducing the definition of 'selection panel' with corresponding addition of Bye-laws 3.13 and 3.14:

“3.13 Where an election takes place for Trustees elected under Bye-law 3.2(b) or 3.2(d) the Board may invite the Nomination and Governance Panel to conduct a skills audit on its behalf and make a formal recommendation to the Board of areas of strength and weakness that the Board may have. Any recommendations from the audit if approved by the Board shall be notified to the Fellowship as part of the Board's obligations under Bye-law 3.9.

3.14 In each calendar year not less than 60 days before the AGM the Board may invite Fellows who meet the criteria of missing skills under Bye-law 3.13 to take part in an open selection scheme approved by the Board upon which the Board may make recommendation to the Fellowship as to preferred candidates for appointment under Bye-Law 3.2(b) or 3.2(d) through the use of a selection panel as defined by Bye-Law 8.7. “

“8.7 For the purpose of selection or recommendation of Fellows to the Board, Fellowship Council or Committees where permitted under these Bye-laws a “Selection Panel” may be formed. A Selection Panel shall comprise the Chief Executive or in their absence a nominated Executive Team Member; the Chair or Deputy Chair of the Society or in their absence a nominated Trustee and the Chair or Deputy Chair of the Fellowship Council or in their absence a nominated Fellowship Councillor. “

A CHANGE IN TERM FROM 'REGION' TO 'REGION/NATION'

The Bye-Laws technically use the term Region to define the regional framework that the RSA use. The Fellowship Council have adopted the term Region/Nation which more accurately describes the position of Ireland, Scotland and Wales. The proposal therefore is to change the term throughout the Bye-laws as well as the technical definition with Bye-Law 14.1:

“14.1 The Board may from time to time define (and vary) the areas divisions or regions (collectively called 'Region(s)/Nation(s)') and any sub-divisions of Regions into which and through which the activities of the Society may be organised and administered.”

FELLOWSHIP COUNCIL APPOINTMENT PROCESS

Bring increased flexibility to the regional makeup of the Fellowship Council

The Fellowship Council is an important governance forum from which the Board can seek advice and can support the RSA in engaging with Fellows on the ground. The current Regional framework is very rigid in requiring fourteen regional/national Chairs and fourteen Regional Council members. The current regional boundaries are based on old NHS regional boundaries no longer in use. The Nominations Panel and Fellowship Council ask the Fellowship to consider a change in the Bye-Laws to be less prescriptive as to the office or form in future so that the Fellowship Council may be more responsive to changes in the regions and the RSA.

This change involves a change to Bye-Law 7.2 and Bye-Law 14.3.

Bringing expertise on particular subjects into the Fellowship Council

At present the Fellowship Council is additionally formed of co-opted and elected At-Large Councillors. There has been considerable feedback to the Nominations Panel of the need for the Fellowship Council to have designated expert representation on the work that the RSA undertakes. To this end the Nominations Panel and Fellowship Council wish to consult in replacing the At-Large Councillors with Fellows appointed with specific expertise. These would not be elected but would be appointed using the same panel as utilised to select preferred candidates for Board election.

This change involves a change to Bye-Law 7.2

The new Bye-Law 7.2 and 14.3 would therefore read as follows with the above changes:

- “7.2 The Fellowship Council shall at any time consist of up to 40 Fellows **made up as following:**
- a. up to, ~~of whom 5~~ 12 tasked with engaging Fellows and supporting the work of the Society within areas of work designated by the Board who shall be appointed by a ~~the Board~~ **Selection Panel under Bye-Law 8.7 following written notice to the Fellowship in a scheme of selection prescribed by the Nominations and Governance Panel from time to time.**
 - b. up ~~and 35~~ to 28 shall be elected by ~~the Fellowship in Regions and other similar representative groupings such as International Chapters which may be approved by the Board including up to 14 Regional Chairs or~~ as Regional Representatives ~~being ex-officio members on the Council. Up to 21 Fellows shall be elected by Regions~~ under a scheme of election prescribed by the ~~Board~~ **Nominations and Governance Panel** from time to time.

If, by virtue of an insufficiency of nominations, or by virtue of a casual vacancy, there shall at any time be less than ~~21 elected~~ **18 (or such other number as the Nominations and Governance Panel has determined up to 40)** members of the Fellowship Council, then the ~~Board~~ **Nominations and Governance Panel** may make additional appointments to restore its number ~~to 40~~; any such appointees shall serve until the expiry of the term of office applicable to the vacant position.”

“14.3 The constitutional arrangements for every Region/**Nation** may only be prescribed and varied from time to time by the Board and may include any and all arrangements for inter alia committees for the same (by whatever named called), the powers and functioning of such committees, the holding of meetings of any such committee(s), the role of Fellows in the Regions/**Nations**, the calling and holding of meetings of Fellows within the Regions/**Nations**, the election of any such committee (or part of the same) and of officers (to include a Chair of the Region/**Nation** or **other regional representative**), the tenure removal and role of any such, and all other matters which seem fit to the Board to prescribe for the Regions/**Nations** their roles and their governance.”

GENERAL MEETINGS PROCEDURE: CONVENING AND BUSINESS/PROCEDURE

The Nominations Panel wish to consult on a change to the General Meetings procedure as follows:

1. That the Board be obliged to display a notice of a General Meeting on the RSA's website. . (A change to Bye-Law 10.2).

"10.2 Notice of every AGM shall be prominently ~~electronically~~ exhibited ~~on the Society's website, at the Society's House and shall be given in or with the appropriate issue of the Journal and exhibited at the Society's House~~ and/or by such other written and/or electronic means as the Board shall determine. Accidental failure of any such notice to reach any Fellow shall not invalidate the meeting concerned."
2. Practice has been that the AGM's purpose is no longer the conduct of elections but it is the forum by which elections are announced, in order to reflect modern voting procedures required by the regional, national and international nature of the Fellowship The Nominations Panel therefore wish to consult on a change to reflect this in Bye-Law 10.4.

"10.4 The business of an AGM shall be the ~~holding of elections~~, announcement of the results of any elections, ~~voting upon resolutions concerning the Society and required under its Bye-Laws and Royal Charter~~, the reception and consideration of the Report of the Board and the Statement of Accounts submitted by them, and the disposal of any other business which may consistently with the Constitution be considered and dealt with at such Meeting (as the Board shall determine)."
3. That the current practice of the Chair presiding over AGM be enshrined through a change in Bye-law 11.1. While the President is an important Royal connection, the reality is that it is honorary position and the appropriate individual to respond to the questions is the incumbent Chairman, alongside a Treasurer and senior executive staff.

"11.1 At all General Meetings the ~~President~~ Chair shall preside or, if the ~~President~~ Chair is not present or is unwilling to act, one of the following (in order of priority) namely the ~~Chair~~, Deputy Chair, a Treasurer, a Trustee or a Member of the Fellowship Council."

GENERAL MEETINGS PROCEDURE: PROXIES AND VOTING

The Nominations Panel wish to consult on a change in the proxy voting system to ensure it can hear from Fellows not attending in London who are nonetheless an important part of the Fellowship. The changes to be consulted on are as follows:

1. The Chair can choose whether a show of hands or poll is used. This is to give the Chair flexibility over the vote format depending on the amount of proxy votes that have been received. The Nominations Panel wish to encourage as many Fellows as possible to exercise a proxy vote to encourage representation of the whole Fellowship. (A change to Bye-Law 12.1 and 12.6).

“12.1 Votes may be given at any General Meeting either personally or by proxy. ~~On a show of hands every Fellow present in person and entitled to vote at such meeting shall have one vote. In the case of a~~ Voting shall be by show of hands or poll as agreed by the Chair or other person acting under Bye-law 11.1. Every Fellow present in person or by proxy and entitled to vote at such meeting shall have one vote.”

“12.6 A poll ~~instead of a show of hands~~ may be demanded by the chair of a General Meeting or by any ten Fellows personally present and entitled to vote at such Meeting and, if so demanded, shall be organised in such manner and counted as the chair of the Meeting shall direct. A demand for a poll may be withdrawn with the consent of the chair of the meeting. No poll may be demanded on a question of procedure or adjournment.”

2. To enshrine the need for the Board to provide a proxy vote method for all Fellows. As previously stated the Nominations Panel wish to encourage as many Fellows as possible to exercise a proxy vote to encourage representation of the whole Fellowship. (A change to Bye-Law 12.3).

“12.3 The instrument appointing a proxy shall be in writing under the hand of the appointor or their attorney and shall be in such form as the Board shall from time to time prescribe which may include facsimile or electronic transmission. ~~The Board shall provide the Fellowship a proxy representative in the form of the Chair or other nominated Fellow to be a representative to whom any Fellow can provide a proxy vote to at a General Meeting.~~”

3. To bring increased flexibility to the proxy vote deadline. This is currently stipulated as 48 hours which is impractical if there is an AGM on a Tuesday, which is current custom and practice, as this makes proxy deadline fall on a Sunday. (A change to Bye-Law 12.4).

“12.4 The instrument appointing a proxy and the power of attorney (if any) under which it is signed shall be deposited with the Chief Executive’s office at the Society’s House or other office or agency as the Board shall from time to time prescribe, ~~not less than 48 hours by a deadline prescribed by the Board and published under Bye-Law 10.2 before the time for prior to the holding of the meeting but no more than 5 days before such a meeting, but~~ No instrument appointing a proxy shall be valid after the expiration of six calendar months from its date.”

4. To enshrine the need for the Board to provide notice of the proxy vote under new Bye-Law 12.8:

“12.8 A list of resolutions and the method of proxy voting made available by the Board should be included with any notice served under Bye-Law 10.2.”

FELLOWS

The Nominations Panel ask the Fellowship to consider:

1. Giving the Nominations Panel flexibility as to the setting of the lapsing period under Bye-Law 13.5. The Nominations Panel wish to work with the Fellowship Department to improve the number of Fellows actively involved in the Society and with the growth of the online presence the ability to vary the timescales will aid the efficiency of Fellowship administration.

“13.5 If the annual subscription of any Fellow shall be in arrears for three months ~~or such other time period that Board agrees~~, notice shall be given to them; and, if such subscription shall continue in arrears at the expiration of one month ~~or such other time period that Board agrees~~ after such notice, the ~~Nominations Panel shall have power to strike the~~ name of such Fellow ~~shall be struck~~ off the register and they shall thereupon cease to be a Fellow but may ~~shall~~ remain liable for any arrears of subscription. The Nominations ~~and Governance~~ Panel may re-admit any such defaulter as a Fellow on payment of arrears.”

2. A change to Bye-Law 13.7 which facilitates the resignation of a Fellow through other ways than writing to the Chief Executive, and the removal of the need for it to be writing, which is not always currently followed in practice through modern use of e-mail.

“13.7 A Fellow shall cease to be such if they resign their membership by sending their resignation ~~in writing~~ to the Chief Executive at the Society’s House ~~or such other person or persons nominated by the Nominations and Governance Panel~~ (such resignation taking effect in accordance with its terms or as from the time of receipt thereof).”

3. The addition of a new clause to Bye-Law 13.12 to make it clear that a person ceasing to be a Fellow shall not affect any contractual or employment obligation.

“13.12 Any person ceasing for any reason to be a Fellow shall thereupon cease to hold any other position title or office whatsoever with the Society; ~~this provision shall not affect any contractual or employment obligation.~~”

MEDALS

The award of medals is an important part of the RSA, both raising the profile of the Fellowship but also providing recognition and as a way to further enhance the aims of the organisation. The Nominations Panel ask the Fellowship to consider giving the Board greater flexibility to their use through a change to Bye- Law 17:

- “17.1 ~~The Board may designate Medals to be awarded to persons for publicly published criteria displayed on the Society’s website or in such other manner as approved by the Board and shall be selected in a manner authorised by the Board. Each Medal shall not be awarded more often than once a year. Medals can include:~~

- a. The Albert Medal, instituted in 1863 as a memorial of HRH the Prince Consort, for 18 years the President of the Society, ~~shall~~ to be awarded by the ~~President and the~~ Board to a person of any nationality for ‘distinguished merit in promoting Arts, Manufactures and Commerce’ ~~or such other criteria as the Board shall approve.~~
- b. The Benjamin Franklin Medal instituted in 1956 to recognise excellence in the fields of Arts Manufactures and Commerce ~~shall~~ to be awarded annually by the ~~President and the~~ Board to a citizen of the United States of America or a citizen of the United Kingdom (alternately) who has ‘forwarded the cause of Anglo-American understanding’ in those fields ~~or such other criteria as the Board shall approve.~~

~~17.2 — Each Medal shall not be awarded more often than once a year. “~~