

ADEPT

Changes to organisational status

Members briefing 6th January 2022

To recap:

ADEPT is currently an unincorporated association. This means:

- It is not a legal body – it does not have a ‘legal personality’
- It cannot enter into contracts, own property or directly employ staff
- Members of Leadership Team are personally liable for any debt. The likelihood of this is small; nonetheless, it remains a risk.

ADEPT

Having reviewed the options and taken legal advice, the Leadership Team recommended to members - at the AGM in May 2021 - that ADEPT becomes constituted as a company limited by guarantee.

Since then, we have worked with lawyers to finesse the details.

What is a CLG?

- Type of legal corporation commonly used by non-profit organisations
- No share capital or shareholders – it has members who act as guarantors of the company's liabilities. Members undertake to contribute an amount specified in the Articles of Association - usually £1 - in the event of insolvency or in the winding up of the company
- It is 'incorporated' and has voting members
- It is controlled by a group of directors who are normally unpaid

Recommendation 1

Companies limited by guarantee have both company law members and directors. This two-tier governance structure is common to all companies in England and Wales. **It is proposed that ADEPT adopts the ‘foundation model’** whereby the legal members and directors are the same individuals, and that the President, Immediate Past President and the three Vice-Presidents shall ex-officio be directors of the company.

Recommendation 2

All other members will be classified as '**Associate Members**' and will retain the rights currently enjoyed by members of the unincorporated association.

Recommendation 3

It is proposed to **retain the Leadership Team** with its current constituency. That includes the President, Immediate Past President, Vice Presidents – as company directors/legal members – along with the chairs of the Regional and Subject Boards, CCS Wales, SCOTS, the Department for Infrastructure Northern Ireland plus the CEO. Its role will be to continue **to act as a consultative body**, advising the Board of Directors on behalf of the wider membership.