



CONSULTATION ON CHANGES TO THE MEMBERSHIP STRUCTURE FOR THE RBF

The Board of Management is proposing changes to the governance of the Railway Benevolent Institution, known as the Railway Benefit Fund (RBF). This document sets out the reasons for the proposed changes, and invites comments on the proposal.

Membership

The RBF's governing documents are its Royal Charter, Rules and Bye-laws. The Rules of the RBF dictate that Members of the RBF are to be drawn from 'railwaymen' who make financial donations (currently set at £100 pa) to support the charity's aims and objectives.

Members are entitled to attend the AGM, agree the Report and Accounts and appoint the President, Vice-Presidents and Board Members. Members may also table resolutions to a Special Meeting. Any changes to the Rules must be agreed by the Members at an AGM.

Review of membership

The Board of Management has reviewed whether the current membership arrangements are aligned with its strategy to increase its relevance to the current industry.

The Board proposes that there is a more effective way to manage governance of the organisation than continuing with the current widely based membership

Reasons for change

The prime reasons why the Board is proposing this change are:-

- **Membership does not define or assist our ability to meet our charitable objectives and the delivery of our strategic objectives**

Membership does not assist us in meeting our objectives to meet the needs of people working in the Rail Industry. Originally additional support was made available principally to members and former members; this policy has now been adjusted to meet current Charity Commission guidelines that we should not discriminate in favour of donors. Also, with the current £100 threshold for membership, it is unlikely that current members will meet our hardship criteria. Since the last rule change to establish the £100 limit, no member has sought charitable assistance.

The Transport Benevolent Fund (TBF) operates a well-defined membership scheme where charitable support is accessed solely by its membership who pay monthly subscriptions. We are often confused with the TBF, with potential claimants being deterred from applying for assistance because they have not 'contributed'. We want to differentiate our service offering from the TBF's, with our key message being that we are for everyone the Industry.

Our founding ethos was one of a universal offer, where "railwaymen" contributed to ensure that their colleagues and their families in hardship were provided for. The Board of

Management is firmly committed to ensuring that this continues. The concept of membership when our offer is a universal one based upon hardship appears inconsistent and confusing

- **Membership does not promote support**

Some charitable organisations, such as the National Trust, use membership to promote ownership among supporters, and provides services for payment in return. It is difficult to see how applies to the RBF.

The majority of our current donors are not members and their commitment to on-going donations does not appear to be based upon membership.

Currently out of the 2300 identified RBF supporters, we are only able to identify less than 100 individuals who meet the membership criteria and for whom we have full contact details. There are an estimated 40-50 others who provide over £100 annually in donations through payroll and pension giving. We have no direct contact details for, and in many circumstances no personal details of these potential members.

Developing our support base should not be undertaken on the basis of a membership requirement but on our ability to promote our service offer and inspire people from across the Rail Industry to support our work. Developing and maintaining our supporter base will not be without its challenges but separating the donor and supporter relationship from our governance simplifies our marketing and fundraising efforts. Our proposed arrangements will give all supporters the ability to challenge the Board, rather than just a few significant donors.

- **Governance arrangements for charities have changed significantly since the RBF was established.**

The original purpose of a membership organisation such as the RBF was to enable subscribers to have some say in the management and conduct of the organisation. Legislation relating to charities has changed considerably since the RBI was founded, and it is now regulated by the Charity Commission, which performs this function. Anyone who has any concerns about the operation of the charity may make a submission to the Charity Commission, regardless of whether they are members, subscribers or interested parties. This provides a more robust form of governance for the RBF than the membership structure.

- **AGM Quorum**

We require 20 members for the quorum for the AGM – this is from the pool of approximately 80 identified members, very few of whom regularly attend the meeting. At recent AGMs, the majority of voting members have also been Board members. Those who do attend the AGM are able to question and challenge the Board on various aspects of the charity's work, and we would hope that supporters will continue to attend and do this at the Annual Supporters Meeting

Proposal

The Board is proposing that going forward the Members shall be the Board of Management and vice versa.

This model of governance is used in many other charities as an efficient and effective governance structure that is fit for purpose. This is what the RBF wants to achieve.

The Board will continue to report to its supporters and involve them in the operation of the RBF, primarily through a specific Annual Supporters Meeting.

Consultation

The Board of Management welcomes your views on this proposal.

All responses to the consultation will be considered by the Board of Management at its next meeting. **Please respond by 12pm on Wednesday 24th May 2017.**

Please email your comments to jtetley@railwaybenefitfund.org.uk or write to

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Next Steps

After consideration of the consultation responses the Board of Management will write to the membership and other supporters confirming whether it will make a formal resolution to the RBF AGM in June. Any changes to the RBF Rules must be approved by a vote of the current membership.