

# Articles & Byelaws Update Proposal

## Background & Explanation

Following an in-depth review of Scottish Cycling's constitutional documents (the Articles and the Byelaws) in consultation with our corporate lawyers, Dentons, the following changes are being proposed by the Board.

The changes are designed to achieve three things, namely to:

1. simplify the constitutional documentation by merging the appropriate provisions of the highly duplicative Byelaws with the more comprehensive and up to date Articles;
2. encourage Clubs that still wish to work together on a regional basis to continue to do so and to make claims, by 31 March 2029, on monies that sit in the existing Regional Development Fund; and
3. clarify inconsistencies and minor confusions within the Articles.

The Board considered these changes in detail at a separate board meeting called specifically for this purpose on Monday 25 September 2023.

They were satisfied that not only did the proposed changes improve and simplify overall governance, but they were also being implemented in a way that ensured that no rights or entitlements of Members were being lost.

**Accordingly, the board approved the changes and recommend them for approval at the Annual General Meeting** under the following Special Resolution:

### ***SPECIAL RESOLUTION***

*THAT, the draft articles of association produced to the meeting, and for identification purposes signed by one of the directors, be approved and adopted as the articles of association of the Company in substitution for and to the complete exclusion of the existing articles of association of the Company.*

Should any Member wish to consider and examine the changes in more detail, they are set out in the three-part Appendix attached, and in the redline comparison PDF copy of the revised Articles also attached.

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## Part 1 – Byelaws

### Background

The Byelaws were last updated in 2015 when some minor changes were made to take account of the establishment of Regional Development Groups (**RDGs**).

Since then a number of changes have been made to the Articles, as well as general operational changes, which have not been reflected in the Byelaws. As such they are now out of date and in need of updating.

It is being proposed that rather than rewrite them, the relevant sections are now merged into the Articles to result in a single constitutional and governing document.

The following sets out the details of sections of the Byelaws where there was duplication with the Articles or where changes are proposed to be made to the Articles.

### Section 1 – Definitions

- a. The Articles already contain a much more comprehensive set of definitions.

### Section 2 – Annual General Meetings

- a. The Articles set out the regulations for the conducting of annual general meetings in far greater detail.
- b. The proposed changes to Article 9.9, as set out in Part 3 of this paper (below), will strengthen the information to be provided by prospective Directors to reflect the current requirements under the Byelaws.

### Section 3 – Procedures at General Meetings

- a. The Articles contain far greater detail on this already.

### Section 4 – The Board

- a. The operation and powers of the Board are very clearly defined within the Articles and in much greater detail than the current Byelaws.
- b. A large part of this section is now covered by work that has been delegated to sub-committees including Development & Performance and Finance & Governance. These sub-committees have their own Terms of Reference approved by the Board.

### Section 5 – Handbook

- a. This is now produced by British Cycling with input from Scottish Cycling.

### Section 6 – Regional Development Groups

- a. The proposed changes to RDGs as set out in Part 2 of this paper (below), will be incorporated into the Articles, as set out in Part 3 of this paper (below), to provide greater clarity and detail.

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### Section 7, 8 & 9 – Clubs, Associations & Track League etc.

- a. The proposed changes to the Articles, as set out in Part 3 of this paper (below), include the need for all members, be they Clubs, Associations or Groups, to meet the Minimum Operating Standards approved by the Board and reviewed on a regular basis. This ensures current legislation and best practice is adhered to at all times.

### Section 10 & 11 – Disciplines & Appeals

- a. Along with Articles 18 & 19, disciplinary actions and appeals are now covered by British Cycling's handbook and full details can be found therein.

### Section 12 – Finance

- a. The majority of this has been delegated to the Finance & Governance sub-committee who report on a quarterly basis to the Board.
- b. Expenses are covered by a separate Expenses Policy.
- c. Levies are now administered by British Cycling.
- d. The proposed changes to RDGs means the membership rebate is no longer applicable.

### Section 13 – Accident Procedures

- a. Member insurance, accident procedures and claims are now administered by British Cycling with details contained in the British Cycling Handbook.

### Updates to the Articles

With all the necessary points now covered in the revised Articles, there will be no need in the Articles to refer to Byelaws. The following updates to the Articles are required (and are included in the updated set of Articles and redline comparison PDF):

#### Article 1 – Preliminary

The definition of "Rules" has been updated to remove any reference to Byelaws.

#### Articles 9.6.7, 9.6.10, 9.8 & 9.19 – Administration

These Articles have been updated to remove any reference to Byelaws.

#### Article 13.2 – Powers of the Board

This Article has been updated to remove any reference to Byelaws.

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## Part 2 – Regional Development Groups

### Summary

The intention is to better reflect the current situation with RDGs and encourage the spend of the increasing, but underspent, accrued regional funds for the development of cycling. Scottish Cycling will continue to support and encourage clubs to collaborate, either across a geographical Region or on a thematic topic, to develop cycle sport, such as with events and/or races.

### Background

At the 2013 AGM it was agreed that the then existing Centres/Associations, which took responsibility for regional events and finance, be replaced by RDGs within Scottish Cycling. The changes came into effect from 1 January 2015 and are written into both the current Articles and Byelaws.

Since then, the existence, role and activity of RDGs has been extremely varied. Post Covid-19, the only functioning RDG is North East (Grampian). This situation is mirrored across other sports and the wider voluntary sector, where the capacity and appetite for formal cross club/regional infrastructures has dwindled, with greater focus of volunteer time being on their own clubs.

Income to RDGs comes from a variety of sources, is held centrally by Scottish Cycling, and has continued to accrue with little expenditure. As of 31 March 2023, there is a total across all Regions of £52,546, broken down as follows:

- North £10,341
- North East (Grampian) £9,182
- North East (Tayside) £9,983
- East & Central £12,158
- South West £4,269
- West £6,613

Scottish Cycling conducted a review of RDGs in 2020 which determined that (a) supporting and (b) coordinating events are the main motivating factors that brought people together to collaborate. This wasn't always on a regional basis, and was also driven by the focus audience (e.g. Women or Young People) or the discipline.

The review helped to inform the new Event Governance Structure which we launched in 2022, and which provides a mechanism for members to advise and support the delivery of the Domestic Events Strategy.

### What is the proposal?

Scottish Cycling is committed to engaging with clubs and members through a variety of forums that provide a platform to share information and identify ways in which we can work together to support the development of cycling and ultimately deliver the new strategy, Developing a Nation of Cyclists 2.0.

To make it easier for clubs to collaborate and access the accumulated regional funds there will be two mechanisms:

1. Each Region will still have the ability to form a RDG, as per the appropriate terms of reference, to develop the sport within that Region or across Regions in conjunction with other RDGs.

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2. A more informal grouping within a Region may be set up, from time to time, in discussion with the Club Development Team, for a specific purpose such as the promotion of events or providing support to a specific discipline.

We recognise that some clubs value a regional connection and identity, and these will be safeguarded within the updated Articles as per below:

- North - Highland, Orkney Islands, Moray and Western Isles
- North East (Grampian) - Aberdeen, Aberdeenshire and Shetland Islands
- North East (Tayside & Fife) - Angus, Dundee, Fife and Perth & Kinross
- East & Central - Clackmannan, East Lothian, Edinburgh, Falkirk, Midlothian, Scottish Borders, Stirling, West Lothian
- South West - Dumfries & Galloway, East Ayrshire, North Ayrshire, and South Ayrshire
- West - Argyll & Bute, East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire

Where a RDG is in place and functioning e.g. North East (Grampian), Scottish Cycling will enter into an agreement with that RDG to continue to support any reasonable ongoing financial commitments for the benefit of developing cycle sport across that Region.

The ongoing contributions to regional funds will stop from 1 April 2024 and the Articles will be updated to reflect the current situation and this proposal.

### Allocation of Existing Regional Funds

The regional funds currently accrued will be ring-fenced, per Region, for a period of three years from 1 April 2024, to allow clubs working together to apply for funds which can be used to develop, grow and enhance opportunities for riders of all ages and abilities, run events and support the development of volunteers. If there is a functioning RDG in place, the allocation of funding within that Region will be decided by that RDG.

After the initial three-year period, any unspent funds from specific Regions, that doesn't have a functioning RDG, will then be unrestricted, for a further period of two years e.g. clubs from any Region will be able to apply for remaining funds from a national pot in the period between 1 April 2027 and 31 March 2029.

Clubs/groups of clubs will be able to apply for funds through a simple process that will be overseen by the new Sport Commission which includes representatives from across regions and disciplines.

The fund will cover three main themes and can be used for the following purposes:

- supporting existing and encouraging new innovative events;
- supporting volunteers; and
- supporting riders.

If there are any funds remaining after 31 March 2029, they will be utilised by Scottish Cycling to support the implementation of the Domestic Events Strategy. If the accumulated funds are spent and there is a demand for the continuation of funding after the initial five years, that will make a tangible difference to cycle sport, Scottish Cycling will allocate an annual budget for clubs/groups of clubs to apply to.

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### Updates to the Articles

As a result of the changes to RGDs set out above, the following updates to the Articles are required (and are included in the updated set of Articles and redline comparison PDF):

#### Article 1 – Preliminary

- a. A new definition of “Region” has been added. The relevant Local Authorities included in each Region are set out in Article 4.2.1
- b. The definition of “Regional Development Groups” has been updated.

#### Article 4 – Membership

- a. Article 4.2.1 has been updated to show the relevant Local Authorities that make up each Region.
- b. Article 4.3 has been updated to reflect the updated role of RDGs.
- c. Article 4.4 has been updated to set out the alternative to a formal RDG.

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### Part 3 – Updates to the Articles – Housekeeping Changes

During the work to update the Articles last year it became clear that a general tidy up of the Articles was required to clarify a number of omissions and inconsistencies.

Following a further review of the Articles in consultation with our corporate lawyers, Dentons, an updated set of Articles and a redline comparison PDF have been prepared that clearly set out the changes proposed. Some of these changes, such as use of capital letters, are self-explanatory. The following changes require further explanation and clarification:

#### Article 1 – Preliminary

- a. A number of definitions, including definitions for “Chair”, “Company Secretary”, “President” and “Union Badge of Honour” have now been added for clarity.
- b. The Registered Office definition has been updated to clarify it refers to the Registered Office of Scottish Cycling by including the address.
- c. All references to “Codes of Ethics” have been removed as these are included within a single code of conduct for all involved with the Sport, which is covered by the amended definition of Codes of Conduct.

#### Article 3 – Badge of Honour

- a. In Article 3.1 the word “signal” has been changed to “outstanding” to bring greater clarity to the reason for awarding the Badge of Honour.

#### Article 5 – Obligations of Members

- a. “Groups” have been added to this section to bring a consistent approach to all membership categories.

#### Article 6 – Election of Members

- a. The changes to Articles 6.2 & 6.3 bring a consistent approach and the addition of Article 6.4 ensures the same approach for Groups which had not previously been included in this Article.
- b. The addition of a reference to minimum operating standards makes sure that this important requirement remains post-removal of the Byelaws.

#### Article 9 – General Meetings

- a. The addition of “Groups” in Article 9.7.1 is to ensure a consistent approach for all membership categories.
- b. The changes to Article 9.9 bring a consistent approach to who can nominate Directors whilst at the same time setting out what information a prospective Director needs to provide as part of the nomination process. This had previously been included in the Byelaws.
- c. The addition of Articles 9.20.4 & 9.20.5 is to ensure those listed (9.20.4 – “the Company Secretary” and 9.20.5 – “any other person, member of staff or official the Directors consider necessary and/or appropriate”) can legally attend the AGM.

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- d. The change to Article 9.21.2 is to correct an error in the number of votes an Association has at a general meeting. Associations should always have had only one vote, the same as Groups, as Scottish Cycling has no way to verify membership numbers of Associations or Groups.

### Article 16 – Finance

- a. Articles 16.4 and 16.5 have been added at the suggestion of our accountants, Azets, as part of the recent VAT review. These Articles will ensure Scottish Cycling is able to take full advantage of any VAT benefits available to “not-for-profit” organisation.