

26.8.2022

Dear Richard

Thank you for your email and “the paper” from a Branch Secretary relating to the FAQ’s on NARPO’s legal structure.

I take the opportunity to clarify why the FAQ’s have been distributed and the purpose of my presentation at Conference.

1. The discussion on NARPO’s structure came about from a training workshop I gave to the NEC in January 2022 which included a review of membership organisations structures.
2. The NEC decided it would be beneficial for Conference to hear my presentation so as to enable members to consider whether a change in the NARPO legal structure would be beneficial.
3. The presentation at Conference is to inform members, answer questions and enable members to consider whether a change in legal structure is something they wish the NEC to investigate.
4. I understand there is no intention to ask Conference to agree to any change in structure but merely to consider whether a review should take place and then a paper be presented to Conference in September 2023 about possible options. Only Conference can make a decision to change the structure of NARPO.
5. The FAQ’s have been prepared to give some initial information but are not sufficient to consider this matter without members having had the benefit of the presentation and asking questions.
6. It may assist if I also add that if Conference was supportive of reviewing the structure, I had explained to the NEC that other membership organisations had undertaken meeting with their Branches to update them on the review during the year prior to the Conference. I understand that the NEC do wish to do this.

May I also respond briefly to the paper from the Branch Secretary:

7. The information in “the paper” which the writer confirms is taken from the internet does not apply in NARPO’s circumstances as
 - Sections of this paper relate to legal jurisdictions outside England and Wales, are therefore neither applicable nor relevant and do not apply to the legal structures I will present on at Conference.
 - Some parts of this paper refers to fees and tax which do not apply in England and Wales, and therefore do not apply to NARPO.
 - Other parts of this paper refer to incorporated structures which are profit making businesses and the distribution of those profits which are not relevant to NARPO.
8. If NARPO decided to incorporate Branches can remain autonomous and I understand from the NEC that this would be the requirement. I have worked with other membership organisations and their Branches have remained autonomous. This is preferable and brings a number of advantages which I will explain in my presentation.

9. Incorporation would not mean that branches would have to “adhere’ to new and strict financial accounting rules and systems. These would be no stricter than the ones branches currently follow.
10. Members will be able to make payment to a branch and not to NARPO HQ.
11. Whilst members of the NEC would become directors their powers are then codified under the Companies Act 2006 and this means that their duties are strictly controlled. Indeed, this would mean that there is greater protection for the organisation and members than currently exists with regards to the NEC.
12. The NEC members, as directors, could not deal with NARPO assets as they wish. They must do so in accordance with the duties set out under the Companies Act. I will explain this in greater detail in my presentation.
13. Incorporation does not create a structure that enables NARPO Ltd to take funds from the autonomous branches or have any control over those funds.

My role in this, is to explain to members the legal difference, pros and cons of legal entities and for members to discuss the proposal and to make a decision at Conference whether there should be a review.

Kind regards

Bernard

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