



CTC should become a unified membership charity

At the 2010 AGM, there will be a vote on CTC Council's proposal for CTC to become a charity. Here are the condensed arguments for and against

YES

Prof. David Cox, Vice Chair of CTC Council



In two months time, in Cycle magazine, you will receive a proxy voting form for the 2010 AGM. You will be asked to vote on whether CTC as an organisation should bring together the

current dual structure of a membership club (the 'Club') and our charitable trust arm (the 'Trust') into one unified membership charity, and to vote on related constitutional amendments. Please try to find time to give these important papers your attention.

As Vice Chair of CTC Council I'm satisfied that the AGM proposals from Council in support of the unified charity option will build a stronger and more open CTC with better governance and membership control over the full range of our activities. They will take us beyond the current cumbersome hybrid structure of the 'Club' and a separate charitable 'Trust' and will enhance the effectiveness of CTC as a whole, because:

- The change addresses what we hear from members at AGMs, in surveys and in consultations. You want an outward looking CTC that works for all cyclists.
- Converting to a charity the part of CTC we term the Club and absorbing into

it the work of the part we term the Charitable Trust will enable us to take all our charitable work into a single core organisation, to be known simply as the Club, whilst retaining all our present membership services, arrangements, democracy and heritage.

- Campaigning as a charity through the Trust for the last five years has achieved breakthroughs that had eluded CTC for 80 years as solely a membership organisation, without detriment to our club activities from charity law.
- The change provides further financial opportunities open only to charities, Gift Aid being but one example. Working partly as a charity already has saved CTC members £1,320,000 and reserves have grown consequently by £906,000.

The CTC website www.ctc.org.uk/charity covers the issues in depth, especially the finances. It includes the external advice we took from the Centre for Charity Effectiveness at City University, and Russell Cooke (Solicitors), who did comprehensive reviews showing that becoming a charity could be advantageous and appropriate for CTC. On the website you will also find an FAQ section and the opportunity for you to ask questions and give feedback.

Beyond considerations of our legal structure your Council, informed by what they hear from the majority of members, have considered the wider issues about what sort of activities a modern CTC should

engage in. Throughout its history, CTC has stood for some specific cycling values, identified in our constitutional documents and our core membership benefits, such as:

- The expectation that cycling will take place by right on the roads and bridleways – safely and enjoyably.
- Putting the journey at the heart of cycling – for utility, leisure, exercise and touring.
- Our sense of fellowship and community. We believe in cycling together, in safety and in numbers, and in supporting the groups, leaders and volunteers who have made us the UK's national cyclists' organisation.

The CTC should not become an exclusive club when it can encourage a new generation of cyclists from all our diverse communities to enjoy our type of cycling and ensure the future is not just on segregated cycle paths or in competition. As the wider society becomes aware of the health, social and environmental benefits of cycling we need to ensure that CTC's values are included in new cycling programmes.

There are undoubted financial and operational benefits to unifying as a charity, but this change isn't just about money, it is about who CTC is for – and having the organisation and additional funding to be able to fully support all our members while promoting to the public our way of cycling.

I hope you will join me in voting 'Yes' to a CTC for all at the AGM.

Each side would dispute each other's argument, but in the interests of fairness we've printed them as written, side by side. To join in the debate, write to Cycle Letters (p18), visit the CTC forum (forum.ctc.org.uk) and vote at the AGM. More on the AGM on pages 7 & 12.



NO

Simon Legg, former CTC councillor

For 130 years CTC has organised rides and holidays, and campaigned for cyclists. The Club still does that, but there's a kid on the block called the CTC Trust that does



something entirely different. The Trust is not a 'charity' in the sense that you and I think of charities. It is a Contractor that works for national and local Government. It derives nothing from the Club other than money. You're going to be asked by the National Office and Council to vote in favour of a takeover of the Club by the Trust. This is the abridged argument against. Please take a little time and go to savethectc.blogspot.com for the full story.

The present administration of the Trust is chaotic. Our governing structure is ideal for the Club, but amateur (and temporary) councillors have been unable to keep tabs on the finances of the Trust. In consequence the Club's funds have been used to prop up the Trust's loss-making 'commercially confidential' contracts. Last year's accounts showed a £388,000 loan from Club to Trust, for which no councillor

I spoke to was able to offer an explanation, and the latest figures show that this year alone the Club has donated about £750,000 to the Trust – on a turnover of about £1.5million. This dwarfs the £57,000 projected tax benefits of charitable status.

The Trust operates behind closed doors. To take as an example – the loss-making 'Professional Services' contracts offers advice to local authorities but it avoids any contact with the Right to Ride volunteers who, together, have more cycling wisdom than anybody else in the UK. The Club membership has subsidised Professional Services to the tune of almost £50,000 this year alone.

While management has been chasing contracts the administration of the Club has suffered. The membership system is in disarray. If you haven't read the independent report then please do so – and bear in mind that it's got worse since. We now ask people who paid last September to prove it! Local group secretaries wait for months to receive incomplete details of new members. Funding, training and support for the Right to Ride movement has all but dried up. Funding and support for local groups is minimal.

There may be room for an all-singing all-dancing cycling organisation that does what Sustrans does, but better. Good luck to those who wish to start and own it,

particularly at a time when Government funding is going to be cut. All that we ask is that the Club's funds are not put at risk. The Club should stick to what it does best:

- Campaigning for cyclists and organising rides, tours and holidays.
- Offering advice both technical and legal.
- Maintaining third party insurance for members.
- Publishing the best cycling magazine.

All this is put at risk by the Trust's insatiable need for funds.

The members set the aims and values of the Club, but the aims and values of the Trust are subject to charity law. Member benefits such as third party insurance, the mag, legal and technical advice, club rides and holidays are not charitable purposes, and will become 'discretionary'. The one core activity of the club that is charitable – campaigning – will have its scope and intentions limited by charity law. And, let's not forget: these changes are irreversible!

Let's tell Council to get a grip on the finances. Let's strip out the loss-making contracts that swallow income and resolve to keep the subscription rate steady at a time when member's spending is being hit hard. Let's see Council get back to supporting the membership rather than fantasising about projects founded on fast-dwindling government grants.

Let's not throw away 130 years of tradition, knowledge and joy.