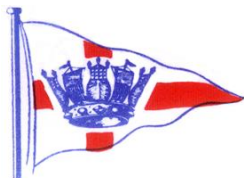


From Rear Admiral C R GARDNER CBE



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***Dear Members,***

1. As we approach the 2019 AGM and the start of a new season, I felt it was timely to update you on our progress to becoming a Charitable Incorporated Organisation (CIO). This journey started back in January 2014 as part of the Royal Navy's (RN) policy for Service Sports Associations (SSA) to be properly constituted, governed and managed in the interest of both the Service and members. It required proper arrangements to be in place, usually (and in RNSA's case 'must' due to our turnover) by the adoption of incorporated charitable status, to ensure the appropriate benefits are delivered, reputational and other risks are under effective control, staff, volunteers and members are appropriately protected and that the Associations are not burdened with unnecessary overheads or taxation. With the support of the Navy we have been working hard to meet this direction whilst ensuring members' interests are recognised and protected.

2. The good news is that after much hard work and some legal advice we now have a mature vision for RNSA's future and the Charity Commission is currently reviewing our refreshed application to become a CIO. We await their decision and any further advice.

3. Whilst the move to CIO status is a RN policy requirement if we wish to remain a SSA, I would like to remind you of the key benefits and why it is a really good idea for RNSA in any case:

a. In formally recognising the part that RNSA plays in supporting military efficiency, it both reinforces and promotes the links between serving and ex-serving personnel and thereby the RN community as a whole. This underpins the ability for RNSA and the RN to continue to enjoy a shared ethos.

b. As a CIO, RNSA will be run with additional governance and management controls appropriate for a modern (Service) Sports Association.

c. It will enhance the argument to maintain access to MOD property for the provision of moorings for members.

d. It will permit members to continue to fly the RNSA burgee and where apposite the blue ensign – a real privilege.

e. We are currently unincorporated and considered an excepted charity. Due to the level of our income we are required to update our legal status and comply with charity law. This change to a CIO will strengthen our credibility as a SSA and better protect our trustees, officers, administrators and members. This protection is critical

and will ensure that those volunteering to run activities as well as the Association as a whole are not financially exposed.

f. As a CIO we will be financially, organisationally and legally in a better position to support serving and ex-serving personnel, as well as dependents in their participation in waterborne activities.

g. Allows RNSA to be more ambitious in its future role and its offer to members and more strategically the RN.

h. CIO status will improve the ability for RNSA to fulfil its objectives and charitable objects by being more tax efficient as well as making it easier for the MOD, potential donors and legators to support us.

4. So, what will change? The transformation process will be managed in a phased approach and subject to the Charity Commission's final endorsement, the key elements will be:

a. The establishment of a Board of Trustees who will be responsible for oversight of the strategic direction of RNSA (CIO), financial management and ensuring that activity meets the charitable objects. Largely as today, under delegated powers from the Trustees, operational matters will be directed and managed by the Chief Executive Officer (CEO) / General Secretary, Flag Officers, Branch Captains and other appointed volunteers. RNSA's Chairman will maintain his formal SSA responsibilities to the Second Sea Lord, Naval Service Sports Board and UK Armed Forces Sports Board and provide subject matter expertise to the Trustees. He may delegate responsibility but not accountability in a similar manner to that described for the Trustees. The CIO and SSA lines of authority are complementary and integrated within the single RNSA entity. To underline coherent strategy development and clarity of governance, the Chairman of the SSA will also be the Chair of the Trustees. Our inaugural trustees will be Sir Simon Lister KCB OBE, Rear Admiral Peter Davies CB CBE, Commodore Robert Bellfield, Cdr Gavin Marshall RN, Commander Wayne Shirley RN and Commander Cedric Loughran RD MNM VR. To be clear, the vast majority of RNSA members will not notice any difference in the way RNSA operates on a day-to-day basis.

b. Branches will be able to operate much as they do currently. To enable this, and drawing on legal advice, they will very much be part of RNSA but sit outside the core CIO. We will establish an internal Memorandum of Understanding between the Branches and the RNSA (CIO) under the RNSA umbrella to clarify what this means and to ensure they run in line with RNSA policy whilst not being subject to charitable law. This should allow sufficient flexibility to minimise change and yet enable the 'all of one company' approach that is our strength. As an aside, this is a similar model to that of the Royal British Legion and Age UK. RNSA (CIO) will only be able to support Branches financially for their charitable outputs but money raised by the Branches can be used more flexibly. Much of what Branches do is of course charitable and we will just need to be fully transparent on the financial governance. Most importantly we will still all join and remain part of a single Association, RNSA.

c. Portsmouth Moorings (PNMF) will be part of the CIO with the funds accounted for separately as is currently the case. This will ensure the necessary agility to provide the expected service to berth holders. At an appropriate stage the PNMF trustees will stand down and the RNSA trustees assume oversight. Please note that 2 of the 3 current PNMF trustees will become RNSA (CIO) trustees. The position of other Branches' moorings, which are reliant on RNSA's formal relationship with MOD and/or Crown Estates, will need to be considered as part of the staged CIO implementation plan. The aim will be to allow the Branches to administer so far as possible whilst optimising the provision of moorings to members within the new model.

d. The CEO will generate a management plan and be delegated responsibility by the Chairman and Trustees for oversight of RNSA's day-to-day operational business, including chairing the Executive and Sailing Committees. He will also provide the appropriate annual reports and returns to the Trustees, Charity Commission and members.

e. The annual meeting and prize giving will still take place and will provide members with an update, including finances, and the opportunity to discuss RNSA business. It will not be an AGM as such since, under the CIO construct, the Trustees assume the formal governance responsibility on behalf of the membership. Indeed, except for no longer formally accepting the annual accounts, I do not believe the meetings will appear markedly different from the way AGMs have traditionally been run since RNSA was formed. As in all well-run charities, trustees will definitely want to hear and take note of members' views and ideas.

f. The Flag Officers, Branch Captains and supporting committees will remain an important aspect of executing RNSA business. An effective dialogue between members, volunteers, staff and Trustees will underpin success.

g. In terms of benefits to members, these are only expected to change for the better. You can still carry on sailing as you do now and enjoy being a member of a strong, credible Association with a proud heritage that maintains its strong links with the RN. Furthermore, we can all continue to appreciate everything that membership offers in the knowledge that we are striving to support the improvement of military efficiency.

5. I would also like to touch on the decision making process for this transformation programme. Following updates through AGMs, the website, newsletters and the Journal, I hope you are not too surprised by the contents of this letter. I, along with the Flag Officers, Committee and Trustees, fully endorse the plan for RNSA to transition from its current status as an Excepted Charity to an Incorporated one. We will then be on the same footing as the Army and RAF Sailing Associations, but more importantly comply with our legal obligations, meet RN policy and be better placed to assert ourselves as a major player on the sailing and wider boating scene. To that end, the forthcoming AGM is the moment formally to record the model and intent for our transformation. As you know, we have exhaustively examined a range of alternatives and confirmed that in reality they are all sub optimal or indeed do not really exist. Could I please request any strategic questions or thoughts you may have to help shape us moving forward are provided to the RNSA Office so that we can address them with you ahead of the AGM. Naturally, once approved by the Charity Commission and as we establish ourselves as a CIO there will be a degree of test and adjust. Your input will continue to be much appreciated as we move forward.

6. In sum, RNSA intends to establish itself as a CIO in order to comply with RN policy and charity law. This will ensure that the correct governance is in place for RNSA to remain a SSA and thereby retain our vital link with the RN and above all our ability to support the improvement of military efficiency through enabling serving, ex serving personnel and dependents to go sailing. This is embedded in our proposed charitable objects. I believe that from a RNSA perspective the necessary due diligence is now complete and look to the future with genuine excitement and ambition.

