



EXPLANATORY NOTE TO PROPOSED CONSTITUTION CHANGES AT THE 2026 AGM

The Society of Construction Law ('SCL') Council is recommending changes to the SCL Constitution and governance structure and seeks the approval of these changes from the membership via an electronic vote as part of the 2026 Annual General Meeting.

This note sets out the rationale for these recommendations: there are two sets of immediate proposed changes to the Constitution, and one request for a mandate from the membership to undertake preparatory work for a larger future governance change.

1. Change to allow Co-Chairs

The current Constitution envisages that Council will have four officers: Chair, Vice-Chair, Treasurer and Secretary. All members of Council are unpaid volunteers and undertake their roles on Council around their employment / self-employment and other professional obligations. Since its establishment in 1983, the size of the SCL and the scale of its activities has grown considerably, such that the work required of its Chair is now a considerable commitment. This has resulted in some concern that otherwise suitable or worthy candidates for the position may feel unable to stand for election to it. To address this concern, Council proposes an amendment to the definitions in Clause 2 to introduce the option for two members of Council to stand for election as Co-Chairs. A related amendment is proposed to Clause 6(d) to ensure that majority decisions can be made in Council meetings. The introduction of an option for Co-Chairs is in line with modern practice in other comparable organisations and will, it is hoped, increase the diversity of candidates standing for election to this position by Council.

2. Change to the object of SCL

As part of a longer-term objective of modernising and improving the organisation and governance of SCL, Council has recently obtained legal advice on the constitution of the Society. That advice has indicated that the objectives of the Society, as currently drafted, envisage what could be read as a wholly charitable objective, such that SCL ought to be registered as a charity with the Charity Commission.



Council has discussed the potential advantages and disadvantages of registration with the Charity Commission and formed the view that it does not recommend SCL be registered as a charity at this time. If SCL were to be registered as a charity, some aspects of its current offering of learning and social events would likely need to change, such that registration as a charity would be at odds with what has become the practice of SCL and that which its members enjoy.

In short, SCL's objects could be seen as exclusively charitable, although SCL has not operated in such a way. To ensure that there is no doubt that SCL is **not** a charity, we propose to amend the objects in Clause 3 to reflect this. A related change to Clause 12 is also proposed for clarity and to avoid confusion.

3. Mandate to prepare for the potential incorporation of SCL as a company limited by guarantee

As noted above, Council has been working in recent years on modernising and strengthening good governance in the organisation of SCL. SCL is, and has been since its creation, an unincorporated association governed by the terms of its Constitution. It has no distinct legal personality. Since its creation, the size and scale of SCL and its activities has grown considerably, and Council's view is that the unincorporated structure is no longer the best one for SCL. For example, contracts for hiring venues for events must be entered into by individual members of Council as SCL cannot do this in its own right.

To address such issues, and to improve the governance of SCL, Council has obtained advice on and considered the option of incorporating SCL as a company limited by guarantee. A company limited by guarantee is a structure commonly adopted by not-for-profit associations and clubs. As a company, it has a distinct legal personality but, rather than having shareholders, it has members who have voting rights at general meetings. Where a company limited by guarantee is used for a not-for-profit structure, the Articles of Association will prohibit the distribution of profits to members, with any surpluses instead being used to further the company's objects. Council considers that this structure would be an appropriate one for SCL.



Before being able to present a complete proposal to the membership for a vote, Council in the first instance asks the members to approve Council proceeding with the work required to prepare a complete proposal, including preparing draft Articles of Association and an explanation of the practical and legal steps required for incorporation. If such a mandate is given, Council will then present a complete proposal to the membership for a vote at either the next AGM, or alternatively, an EGM. Council therefore seeks a mandate from the membership to take these preparatory steps.

Voting

Members should receive individual voting details by email to allow them to cast their votes on the three issues listed above electronically. Voting will remain open until 6pm on the day of the AGM, 20 May 2026. Any members with questions are encouraged to attend the AGM, which starts at 5pm on 20 May 2026.

If either or both recommended sets of changes 1 and 2 are approved, those changes to the Constitution will come into effect immediately. As explained above, if recommendation 3 is approved, Council will proceed to prepare a more detailed proposal to be put to the members in a future meeting, but no changes will be made to the Constitution or legal structure of SCL without further approval from the members.

SCL Council
4 May 2026