

CONSTITUTION
of
CITY ON A HILL
Scottish Charitable Incorporated Organisation

CONTENTS		
INTERPRETATION	Interpretation and definitions	paragraphs 1 - 2
GENERAL	Type of organisation, principal office, name, purpose, Basis of Faith, powers, liability, indemnity, general structure	paragraphs 3 - 13
MEMBERS	Admission, initial Members, termination, register	paragraphs 14 - 21
DECISION MAKING BY MEMBERS	Members' Meetings, procedure	paragraphs 22 - 28
CHARITY TRUSTEES (known as Trustees)	Appointment, initial charity trustees, termination, register, chairman, powers and duties, code of conduct	paragraphs 29 - 44
DECISION-MAKING BY TRUSTEES	Trustees' Meetings, procedure	Paragraphs 45 - 50
MEETINGS AND COMMUNICATIONS	Participation, conflicts of interest, written resolutions, Reserved Matters, minutes, electronic communications	Paragraphs 51 - 65
ADMINISTRATION	Committees, operation of accounts, accounting records and annual accounts, winding up, alterations to constitution and Church Handbook and Foundations Document	Paragraphs 66 - 77
Appendix A	Basis of Faith	
Appendix B	Reserved Matters	

INTERPRETATION

- 1 References in this constitution to the Act include:
 - 1.1 any statutory provision which adds to, modifies or replaces that Act; and
 - 1.2 any statutory instrument issued in pursuance of that Act or in pursuance of any statutory provision falling under paragraph 1.1 above.
- 2 In this constitution:
 - 2.1 “the Act” means the Charities and Trustee Investment (Scotland) Act 2005 as amended, consolidated and re-enacted from time to time.
 - 2.2 “Annual Members’ Meeting” means the meeting convened for the purposes described in paragraph 22.
 - 2.3 “Basis of Faith” means the faith position of the Church as set out in paragraph 7.
 - 2.4 “chairman of the Meeting” means the person appointed under paragraph 27 or 39 (as the case may be).
 - 2.5 “Chairman of the Trustees” means the Trustee so appointed under paragraph 39.
 - 2.6 “charity law” means the Act and any other rule of law applying to the formation, governance and operation of Scottish charities.
 - 2.7 “charitable purpose” means a charitable purpose under section 7 of the Act which is also regarded as a charitable purpose in relation to the application of the Taxes Acts.
 - 2.8 “Church” means this Scottish Charitable Incorporated Organisation.
 - 2.9 “Foundations Document” means the document as amended from time to time described in paragraph 77.
 - 2.10 “Members” means the persons admitted under paragraphs 15 and/or 18 and having that status from time to time and “Member” means any one of them.
 - 2.11 “Members’ Meeting” means a duly convened meeting of the Members.
 - 2.12 “participate” and “participating” have the meanings used in paragraph 52.
 - 2.13 “Reserved Matters” means those matters listed in Appendix B to this constitution.
 - 2.14 “Trustees” means the persons appointed under paragraphs 30 and/or 34 and holding that office from time to time and “Trustee” means any one of them.
 - 2.15 “Trustees’ Meeting” means a duly convened meeting of the Trustees.
 - 2.16 “OSCR” means the Office of the Scottish Charity Regulator.

- 2.17 “Special Resolution” means, in the case of Trustees and Members respectively, (a) a resolution of not less than 75% in number of those entitled to participate in and vote at a Meeting of which full notice of the proposed resolution has been given or (b) subject to paragraph 58, the resolution has been agreed to by not less than 75% in number of those entitled to attend and vote at such Meeting (such agreement being signified either in writing or by email); and for the avoidance of doubt, in the case of both a Meeting and a written resolution, a Trustee or Member (as the case may be) who is, or who has a personal interest in, the subject matter of the resolution, will not be counted in the number of persons on which the 75% is based (and he or she will be precluded from voting under paragraph 54).

GENERAL

Type of organisation

- 3 The Church will, upon registration, be a Scottish Charitable Incorporated Organisation.

Scottish principal office

- 4 The principal office of the Church will always be in Scotland.

Name

- 5 The name of the Church is **CITY ON A HILL**.

Purpose

- 6 The Church’s purpose is the advancement of religion, as expressed by the Christian faith, for the public benefit through:
- 6.1 The worship of God.
 - 6.2 The discipling of people of all ages.
 - 6.3 Mission and outreach in the communities in which the Church works.
 - 6.4 Education in the Christian faith.
 - 6.5 The prevention and relief of poverty.

Basis of Faith

7. The Church’s basis of faith is set out in Appendix A to this constitution.

Powers

8. The Church has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so and which is in accordance with this constitution and the rules of charity law.
9. The income and property of the Church:
- 9.1. must be applied solely towards promoting the Church’s objects;

- 9.2. must not, except as provided in paragraph 43, be paid or transferred to any Trustee or Member;
- 9.3. must, in the event of any surplus arising on winding up, be paid over to one or more bodies established in Scotland, England & Wales or Northern Ireland for exclusively charitable purposes with objects similar to those of the Church.

Liability of Trustees and Members

10. Subject to the remaining provisions of this constitution and the applicable law of Scotland, neither the Trustees as charity trustees of the Church nor the Members will have any liability to pay any sums to help to meet the debts (or other liabilities) of the Church if it is wound up.
11. The Trustees have certain legal duties under the Act. Paragraph 10 does not exclude (or limit) any personal liabilities they might incur if they are in breach of those duties or in breach of other legal obligations or duties that apply to them personally and individually.

Indemnity

12. Subject to the applicable provisions of charity law but without prejudice to any indemnity to which a Trustee may otherwise be entitled, each Trustee shall be indemnified out of the assets of the Church against any loss or liability which he or she may sustain or incur in connection with the execution of the Trustee's duties of office including, without prejudice to that generality, any liability incurred in defending any proceedings, whether civil or criminal, in which judgement is given in his or her favour or in which the Trustee is acquitted or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Church.

General structure

- 13 The governance, management and administration of the Church will be the responsibility of the Trustees, whose appointment, removal and replacement will be the responsibility of the Members.

MEMBERS

Admission of Members

- 14 To be admitted as a Member, a person must (a) be aged 18 or over, (b) must not be disqualified from being a charity trustee under the Act, (c) must confirm a personal acceptance of the Basis of Faith to the satisfaction of the Members, (d) must meet the Biblical criteria for appointment as an elder and (e) must affirm a personal approval of the principles and practice set out in the Foundations Document.
- 15 Admission as a Member will be solely by Special Resolution of the Members.
- 16 There is no maximum number of Members.
- 17 The minimum number of Members is three.

Initial Members

- 18 The persons who were named as the first members in the application for incorporation of the Church are deemed to have been admitted as Members with effect from the date of incorporation of the Church.

Termination of Membership

- 19 A person will cease to be a Member on the earliest to occur of the following:
- 19.1 The death of the Member.
 - 19.2 (Without requiring any resolution of the Trustees or the Members) if the person becomes disqualified from being a charity trustee under the Act.
 - 19.3 Upon delivery by the person to the Church of a signed notice of resignation.
 - 19.4 The date of a Special Resolution of the other Members stating that in their opinion, that person is no longer fulfilling the qualifications set out in paragraph 14, but only where those Members are satisfied in their discretion that sufficient time has been allowed and all reasonable steps have been taken to assist and support the person to fulfil those qualifications.

Register of Members

- 20 The Trustees will keep a register of Members, setting out:
- 20.1 the full name and current address and date of admission of each current Member; and
 - 20.2 for a period of six years the full name and date of ceasing to be a Member for each former Member.
- 21 The Register of Members will be kept confidential by the Church and the contents disclosed only to the extent required by law.

DECISION-MAKING BY MEMBERS

Members' Meetings

- 22 The Members will meet as often as required for the purposes of reviewing the work of the Church but will meet at least once in each calendar year for the purposes of receiving the Trustees Report for the preceding financial year.
- 23 Members' Meetings will be convened by any Member giving not less than seven days' notice (unless 75% of the Members entitled to attend agree to shorter notice).

Procedure at Members' Meetings

- 24 Each Member personally present at a Members' Meeting will have one vote.
- 25 Members may cast their votes at a Members' Meeting in person and voting by proxy or by post will not be permitted except where the Members agree by Special Resolution, but subject always to the provisions of paragraphs 51 to 65 (inclusive). For the avoidance of doubt a proxy must be a person who is entitled to participate in the Members' Meeting.

- 26 A Members' Meeting cannot proceed without a quorum of 60% of the Members participating.
- 27 At the commencement of each Members' Meeting, the Members present will appoint as chairman of the Meeting either:
- 27.1 one of the Members present who will have a deliberative vote but no second or casting vote or
 - 27.2 a Trustee who is present at the Members' Meeting by invitation of the Members, who will have no deliberative or casting vote.
- 28 The provisions of paragraphs 51 to 65 (inclusive) will apply to Members' Meetings.

TRUSTEES

Appointment of Trustees

- 29 To be appointed as a Trustee a person (a) must be aged 18 or over, (b) must not be disqualified from being a charity trustee under the Act, (c) must confirm a personal acceptance of the Basis of Faith to the satisfaction of the Members and (d) must affirm a personal approval of the principles and practice set out in the Foundation Document.
- 30 Appointment as a Trustee will be solely by Special Resolution of the Members who, subject to paragraph 32, may appoint from among their own number. Without limiting the power of the Members to terminate the appointment of a Trustee by Special Resolution, the Members will generally review, and may by Special Resolution renew, the appointment of a Trustee after three years' service.
- 31 There is no maximum number of Trustees.
- 32 The minimum number of Trustees is three but there must always be a majority of Trustees who are not remunerated for their engagement or employment on a full-time or part-time basis by the Church.
- 33 If at any time the number of Trustees in office does not meet the requirements of paragraph 32, the Trustees must convene a Members' Meeting, or circulate an appropriate Written Resolution, for the purposes of fulfilling those requirements and meanwhile will not be able to take any other valid decisions.

Initial charity trustees

- 34 The persons who signed the charity trustee declaration forms which accompanied the application for incorporation of the Church were deemed to have been appointed as Trustees with effect from the date of incorporation of the Church.

Termination of office

- 35 A person will cease to hold office as a Trustee on the earliest to occur of the following:
- 35.1 (Without requiring any resolution of the Members or the Trustees) if he or she becomes disqualified from being a charity trustee under the Act;
 - 35.2 Upon delivery by him or her to the Church of a signed notice of resignation;

35.3 By Special Resolution of the Members.

Register of Trustees

- 36 The Church will keep a register of Trustees, setting out
- 36.1 for each Trustee in office, his or her full name and residential address, the date on which he or she was appointed as a Trustee and any office held by him or her in the Church;
 - 36.2 for each former Trustee, and for at least six years from the date on which he or she ceased to be a Trustee, his or her name, any office formerly held by him or her in the Church and the date on which he or she ceased to be a Trustee.
- 37 The Church will update the register of Trustees within 14 days of any change which arises from a resolution of the Trustees or which is notified to the Church.
- 38 The Church will provide a copy of the register of Trustees to any person (who is not a Trustee) within 28 days of such person making such a request but only where individual addresses and other personal details are redacted.

Chairman

- 39 The Trustees will appoint one of their number to be Chairman of the Trustees until otherwise resolved. If the Chairman of the Trustees is not present at a Trustees' Meeting, the Trustees present will appoint one of those Trustees present to be chairman of the Meeting.

Powers and duties of Trustees

- 40 Except where this constitution states otherwise, the Church (and its assets and activities) will be managed by the Trustees who may exercise all the powers of the Church in relation to its property and assets.
- 41 Each of the Trustees has a duty, in exercising functions as a Trustee, to act in the interests of the Church and, in particular, must:
- 41.1 seek, in good faith, to ensure that the Church acts in a manner which is in accordance with its purposes;
 - 41.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - 41.3 in circumstances giving rise to the possibility of a conflict of interest between the Church and any other person:
 - 41.3.1 put the interests of the Church before that of the other person;
 - 41.3.2 where any other duty prevents him or her from doing so, disclose the conflicting interest to the Church and refrain from participating in any deliberation or vote of the Trustees with regard to the matter in question;
 - 41.4 ensure that the Church complies with any direction, requirement, notice or duty imposed under the Act.

- 42 In addition to the duties outlined in paragraph 41, all of the Trustees must take such steps as are reasonably practicable for the purpose of ensuring:
- 42.1 that any breach of any of those duties by a Trustee is corrected by him or her and not repeated; and
 - 42.2 that any Trustee who has been in serious and persistent breach of those duties is removed as a Trustee.
- 43 Provided that a Trustee has declared an interest, that he or she has not voted on the question of whether or not the Church should enter into the arrangement, and subject to the provisions of charity law, the Church will be entitled:
- 43.1 to pay reasonable and proper remuneration to him or her or to a Member in return for professional, commercial, trade or other services actually rendered to the Church in a capacity other than that of Trustee;
 - 43.2 to pay interest at a rate not exceeding two per cent over Bank of England base rate from time to time on money advanced as a loan to the Church by him or her or by a Member;
 - 43.3 to pay rent at a rate not exceeding the open market rent for premises let to the Church by him or her or by a Member;
 - 43.4 to purchase assets from him or her or from a Member, providing that the consideration for such purchase is not more than market value;
 - 43.5 to sell assets to him or her or to a Member providing that the consideration for such sale is not less than market value;
 - 43.6 to make payment to him or her or to a Member in reimbursement of travelling and other out of pocket expenses incurred by him or her or that Member in providing services for the Church; and
 - 43.7 to pay remuneration to him or her or to a Member, including the provision of living accommodation, under a bona fide contract in a form approved by the Trustees.

Code of conduct for Trustees

- 44 Each of the Trustees shall comply with any code of conduct prescribed by the Trustees from time to time, the provisions of which shall be supplemental and subordinate to the provisions relating to the conduct of Trustees contained in this constitution and the duties imposed on charity trustees under charity law.

DECISION-MAKING BY TRUSTEES

Trustees' Meetings

- 45 The Trustees will meet as often as required for the purposes of reviewing the work of the Church.
- 46 Trustees' Meetings will be convened by any Trustee giving not less than seven days' notice (unless 75% of the Trustees entitled to attend agree to shorter notice).

Procedure at Trustees' Meetings

- 47 Each Trustee personally present at a Trustees' Meeting will have one vote and, in the event of equality of voting, the chairman of the Meeting shall have a casting as well as a deliberative vote.
- 48 Trustees may cast their votes at a Trustees' Meeting in person and voting by proxy or by post will not be permitted except where the Trustees agree by Special Resolution but subject always to the provisions of paragraphs 51 to 65 (inclusive). For the avoidance of doubt a proxy must be a person who is entitled to participate in the Trustees' Meeting.
- 49 A Trustees' Meeting cannot proceed without a quorum of 60% of the Trustees participating.
- 50 The provisions of paragraphs 51 to 65 (inclusive) will apply to Trustees' Meetings.

MEETINGS AND COMMUNICATIONS

Participation in meetings

- 51 The provisions of paragraphs 51 to 65 (inclusive) apply to both Members' Meetings and Trustees' Meetings ("Meetings") as appropriate.
- 52 A person participates in a Meeting, or part of a Meeting, when the Meeting has been called and takes place in accordance with this constitution and the following rules:
- 52.1 Each person entitled to participate in and vote must be able to communicate to the other such persons any information or opinions which he or she has on any particular item of the business of the meeting and to communicate his or her vote.
- 52.2 In determining whether a person entitled to participate and vote is participating in a Meeting, it is irrelevant where any such person is located or how all the persons so participating communicate with each other.
- 52.3 If all the persons so participating in a Meeting are not in the same place, they may decide that the Meeting is to be treated as taking place wherever any of them is.
- 52.4 The chairman of the meeting will ensure that, so far as reasonably possible, those persons who participate in a Meeting via an audio or audio-visual link are not disadvantaged with regard to their ability to contribute to discussions at the Meeting, as compared with those persons (if any) who are physically attending and attending together in the one location (and vice versa).
- 53 The Members participating in a Members' Meeting or the Trustees participating in a Trustees' Meeting may agree that persons who would not be entitled to participate in that Meeting may attend and speak at that Meeting but they will have no right to vote.

Conflicts of Interest

- 54 A person may not vote at a Meeting (or at a meeting of a committee) on any resolution which relates to a matter in which he or she has a personal interest or duty which conflicts (or may conflict) with the interests of the Church and he or she may be asked to withdraw from the meeting while that matter is being discussed.

55 For the purposes of paragraph 54:

55.1 an interest held by a person who is “connected” with the Trustee or Member under section 68(2) of the Act (husband/wife, partner, child, parent, brother/sister etc) shall be deemed to be held by him or her;

55.2 a person will be deemed to have a personal interest in relation to a particular matter if a body in relation to which he or she is an employee, director, member of the management committee, officer or elected representative has an interest in that matter.

Written Resolutions

56 Except as otherwise provided in this constitution, any matter which may be determined by vote cast at a validly convened Meeting may also be determined by Special Resolution which may be initiated and circulated by any person entitled to vote at such validly convened Meeting. Where a resolution is agreed to in writing (including by e-mail communication) by not less than 75% of those persons entitled to participate in and vote at such Meeting, such resolution shall be as valid as if duly passed at a Meeting at which a quorum of such persons participates.

57 A resolution under paragraph 56 shall not be valid unless a copy of the proposed resolution was circulated to all of those who would be entitled to attend and vote at a Meeting convened to consider such resolution, along with notice of the deadline for decision (which must be reasonable in the circumstances).

58 If a resolution is circulated under paragraph 57, any person entitled to vote on the resolution, if he or she considers that a Meeting should be held to discuss the matter which is the subject of the proposed resolution, may convene a Meeting for that purpose as soon as reasonably practicable.

Reserved Matters

59 No decision on a Reserved Matter shall be valid unless it has been passed both (A) as a Special Resolution of the Trustees and (B) as a Special Resolution of the Members.

Minutes

60 The Trustees will ensure that proper minutes are kept in relation to Members’ Meetings, Trustees’ Meetings and meetings of any committees formed under paragraph 66.

61 The minutes to be kept under paragraph 60 will include the names of those present and will be signed or otherwise validated by the chairman of the meeting as a true record.

62 The Trustees will keep confidential all minutes except as required by law.

Electronic communications

63 Any notice or document to be sent or supplied to a Trustee or a Member in connection with a Meeting may be sent or supplied by the means by which that Trustee or Member has asked, from time to time, to be sent or supplied with such notices or documents.

64 The means referred to in paragraph 63 include, without limitation, email and website publication.

65 Notices or documents sent under paragraph 63 are to be deemed to have been received 48 hours after being sent.

ADMINISTRATION

Delegation to committees

66 For such purposes and on such conditions as the Trustees may prescribe from time to time in their sole discretion, the Trustees may delegate:

66.1 any of their decision-making powers or their management or administrative duties to committees which may comprise persons who are not Trustees; and

66.2 any of their management or administrative duties to any one or more of their own number or such other persons associated with the Church in whom they have confidence

provided that (a) nothing in this paragraph will relieve the Trustees of their obligations as charity trustees and (b) the Trustees will have power to recall and terminate such delegation at any time.

Operation of accounts

67 The Trustees will determine the basis on which operations are conducted on the bank and other accounts held by the Church having due regard to security of funds.

68 Where the Church uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the arrangements made by the Trustees under paragraph 67.

Accounting records and annual accounts

69 The Trustees will ensure that proper accounting records are kept, in accordance with all applicable statutory requirements.

70 The Trustees will prepare an annual report and statement of accounts, complying with all relevant statutory requirements including those relating to the correct format of the accounts and the appropriate external scrutiny required by either a registered auditor or an appropriately qualified independent examiner.

Winding-up

71 If the Church is to be wound up or dissolved, the winding-up or dissolution process will be carried out in accordance with the procedures set out under the Act.

72 The Church may be wound up under the Act by a Special Resolution of the Trustees confirmed by a Special Resolution of the Members.

73 Any surplus assets available to the Church immediately preceding its winding up or dissolution must be used for purposes which are the same as, or which closely resemble, the purposes of the Church as set out in this constitution.

Alterations to the constitution

- 74 This constitution may (subject to paragraph 75) be altered by Special Resolution of the Trustees confirmed by a Special Resolution of the Members.
- 75 The Act prohibits taking certain steps (eg change of name, an alteration to the purposes, amalgamation, winding-up) without the consent of OSCR.

Church Handbook

- 76 The Trustees and the Members may publish, and amend and update from time to time, a handbook or manual which describes how they will act under this constitution for the spiritual edification of the Church and/or for aspects of the day-to-day operation of the Church, declaring for the avoidance of doubt that such handbook or manual will not form part of this constitution and will play no part in the governance of the Church.

Foundations Document

- 77 The Members may by Special Resolution decide to publish, and subsequently amend and update from time to time, a document which describes in detail their understanding of the Biblical principles which govern the basis on which a local church is to be formed and governed, on which leaders are to be appointed and on which the ministry and mission of the church is to be conducted.

APPENDIX A

Basis of Faith

We believe in the one true God who lives eternally in three persons – the Father, the Son and the Holy Spirit.

We believe the Bible, as originally given, to be without error, the fully inspired and infallible Word of God and final authority in all matters of faith and conduct.

We believe in the incarnation of God's eternal Son, the Lord Jesus Christ, born of the virgin Mary; truly God and truly human, yet without sin. We believe that He died on the cross, and in His resurrection, and that one day He will personally return to reign in power and glory.

We believe in the deity of the Holy Spirit and the necessity of His work in conviction of sin, repentance, regeneration and sanctification, and that the believer is also promised a giving of power as the gift of Christ through the baptism in the Holy Spirit with signs following.

We believe in the dignity and value of all people, made male and female in God's image to love, to be holy and care for creation, and yet corrupted by sin, which incurs divine wrath and judgement.

We believe in the justification of sinners solely by the grace of God through faith in Christ.

We believe in the baptism of believers in water in obedience to Jesus' instruction and the remembrance of Christ's death by observing the Lord's Supper until His return.

We believe in the spiritual unity and the priesthood of all believers in Christ and that these comprise the universal Church, the Body of Christ.

We believe in the leadership gifts that Christ has given to His Church: apostles, prophets, evangelists, pastors, and teachers, who are given to equip the Body of Christ to works of service.

We believe in the resurrection of both the saved and the lost, and a final judgement of all people, with those who are saved continuing to everlasting life and those who are lost to everlasting death.

APPENDIX B

Reserved Matters

- Amendment of this constitution
- Any commitment for the purchase or sale or lease of land and/or buildings and any decision to accept or make a gift of land and/or buildings.
- Merger of the Church with another organisation and demerger or transfer to another organisation of any significant part of the Church's activities.
- Winding up of the Church under the Act.
- Formal association of the Church with a network or organisation which involves acceptance of the jurisdiction of that network or organisation or which reduces the autonomy of the Church, as well as dissociation of the Church from such network or organisation.
- Appointment of a senior or lead pastor or other person who provides overall leadership of the Church, and termination of such appointment except where he or she ceases to qualify to be a Trustee or Member under this constitution.
- In principle commitments to any of the foregoing steps.
- Approval of the annual financial budget of the Church and any cumulative revision thereof by more than 10% from what was first approved.
- Publication and subsequent updating or amendment of any handbook or manual of the kind described in paragraph 76 of this constitution.