**Balloch Community Association**

**DRAFT minutes of BCA Special General Meeting on 14 Nov 2016**

**Present**: D McDonald, J MacKinnon, M MacKinnon. S Cullen, A Hulse, S Fraser, I Williams, R MacLennan, E Reid, D Reid, E Campbell, M Campbell, B Campbell, A Bennet, C Lambert, G Rodger, M Tyrer, J Card, H Johnston, R Arkell, C Thomson, J Thom, J Barclay, M Reid, L Robertson, A Robertson, and Jay Muirhead of Signpost and Mr Muirhead.

**Apologies**:

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| **item** | | **discussion** | | | **Action by** |
| **1.** |  | **Introduction** | | |  |
| **1.** | 1 | Morven Reid, vice-President, welcomed those present and thanked everyone for attending. | | |  |
| 1. | 2 | Allan Robertson, Secretary, briefly gave the background to the reason for the meeting:  The BCA had been formed by residents of Balloch in the early 1970’s with the purpose of building a community centre or village hall for the use and benefit of the residents of Balloch and its surrounding area – approximating to the catchment area of the Balloch primary school. Funds were raised by the association and grants applied for. Mr Guy Goodbody of Balloch Home Farm gifted land for the hall to the BCA in 1979 and the Hall was built in the early 1980’s.  In April 2016 the Scottish Government stopped its water charge relief to halls like Balloch’s unless they were charities and so in April the BCA had to pay £950 for its 2016-17 water services.  After that the BCA committee investigated the possibility of becoming a charity in order to avoid the additional annual expense of about £1,000 having to be passed on to Hall users.  This Special General Meeting had been called to ascertain whether the wider BCA members agreed that the BCA should become a charity.  He introduced Jay Muirhead of Signpost who was advising the BCA on applying for charitable status; Signost having been recommended to the BCA by the Office of the Scottish Charities Regulator (OSCR) | | |  |
| **2.** |  | **BCA becoming a Charity**  see also <http://www.oscr.org.uk/charities/guidance/being-a-charity-in-scotland>  (published 20 Feb 2017) | | |  |
| **2.** | **1** | Jay Muirhead explained what the BCA would have to do before applying to be registered as a a charity: | | |  |
| **2.** | 1.1 | Decide **what kind of organisation** the charity ought to be:  - a company,  - a trust,  - a Scottish Charitable Incorporated Organisation (SCIO), or  - an association.  After discussing the possibilities at a recent meeting the BCA’s Committee had agreed and now recommended that becoming a SCIO best fitted what the BCA and the Hall required. | | |  |
| **2.** | 2.2 | Decide **who would run the charity as** **the ‘charity’s trustees’**.  Anyone contemplating becoming a charity trustee should read the ‘Guidance for Charity Trustees’, available on the website [www.oscr.org.uk](http://www.oscr.org.uk) and at [info@oscr.org.uk](mailto:info@oscr.org.uk) | | |  |
| **2.** | 2.3 | Prepare a governing document,such as a **constitution**, which set out the  purposes, the rules of how the charity would be run, what it can do with its  assets and how it can make changes to itself. The BCA’s present constitution would have to be adapted to incorporate specific charity requirements | | |  |
| **2.** | **3** | **Scottish Charitable Incorporated Organisation** | | |  |
| **2.** | 3.1 | A Scottish Charitable Incorporated Organisation is a legal structure which has been ‘purpose-built’ for the charity sector in Scotland.    It provides limited liability and a separate legal identity to organisations which want to become charities but do not want or need the complex structure of company law.  This means that even the smallest charity can access the benefits of incorporation – including limited liability and legal capacity.  Becoming a SCIO is only available to charities with a principal office in Scotland and is regulated by OSCR and subject to the Charities and Trustee Investment Act (Scotland) 2005. | | |  |
| **2.** | 3.2 | **Two tier or single tier?** | | |  |
|  |  | There are two structures available for the SCIO, two tier and single tier.  The **two tier structure** is similar to that of a voluntary association like the BCA, and to a company limited by guarantee where it is the membership of the organisation that appoints trustees and has decision making powers.  The **single tier structure** is similar to a trust in that the trustees appoint new trustees and don’t have to answer to a wider body.  Both structures require at least two members (in the single tier SCIO the members and the Trustees are the same people) and must have at least three trustees. | | |  |
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| **2.** | **4** | **Advantages and Disadvantages if an organisation becomes a SCIO:** | | |  |
|  |  | **Advantages** | **Disadvantages** | |  |
| **2.** | 4.1 | Provides the key benefits of becoming a company, such as a defined legal entity and limited liability whilst removing some of the associated burdens. | Members are subject to some of the same duties as charity trustees, specifically, they must act in the interests of the SCIO, and seek, in good faith, to ensure the SCIO acts in a manner which is consistent with its charitable purposes. | |  |
| Can hold property, enter into leases and other contracts, employ people, etc, in its own name. | Cannot convert or amalgamate with non-SCIO, though assets can be transferred to a non-SCIO charitable organisation. | |
| **2.** | 4.2 | Less administration – no requirement to notify any regulator about appointments or resignations of board members. | Existence is dependent upon charitable status. Loss of charitable status would mean that the SCIO would cease to exist. | |  |
| **2.** | 4.3 | Unlike company law, where the volume of legislation and case law can be overwhelming, the law relating to SCIOs is self-contained and very manageable. | Some changes must be notified to OSCR, and some require prior consent, eg change of name or charitable purposes. | |  |
| **2.** | 4.4 | It provides creditor protection and reassurance for those entering into contracts. | There is a duty to keep and provide a register of charity trustees and members (if an organisation has a lot of fluidity in its membership eg a Student Union, a SCIO may not be the most appropriate legal form). | |  |
| **2** | 4.5 | Only needs to be registered with OSCR, unlike a charitable company, which would also need to register with Companies House. | |  |  |
| **2** | 4.6 | Is subject to the same accounting thresholds as unincorporated charities, and so may not have to produce fully accrued accounts. | |  |  |
| **2.** | 4.7 | Generally regarded by funding bodies and public agencies as a more ‘stable’ structure than a voluntary association. | |  |  |
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| **3.** |  | **Discussion of Jay Muirhead’s presentation** | | |  |
| **3.** | 1 | Gaener Roger pointed out that the 2nd Balloch Brownies is a charity and that complying with the rules was not over complicated.  Rachel Arkell agreed as the Balloch Village Trust was also a charity  . | | |  |
| **3.** | 2 | Other comments were that a SCIO was the correct form with the benefit of its legal protection of the BCA and its Hall.  The constitution would be in a recognised form and the overall governance of the BCA’s work would be subject to OSCR oversight. This would reassure the committee, the wider community, and also bodies from which grants might be available.  The Snooker Club would be included in the requirement for compliance with charity requirements. | | |  |
| **4.** |  | **Decision** | | |  |
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| 4. | 1 | Morven Reid asked the meeting whether the Committee should proceed with making an application to become a SCIO.  By a show of hands the meeting agreed unanimously that it should. | | |  |
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|  |  | Morven Reid thanked thanked Jay Muirhead for her time and for her presentation.  She then thanked all those present for attending and voting to allow the Committee to proceed. | | |  |