Achmore Community Hall Association

Open Meeting, 11th December 2024

**Present:** Jackie Parsons (chair), Mhairi MacRae (Treasurer), Sue Wadell (secretary), Ruth Mocket, Neil MacRae, Chris Cartwright, Becky Milne, Melanie Pritz, Ellanne Fraser, Patti Heaviside, Colin Parsons, Maggie Byrne (KLCT), Anne Lloyd (Dornie Hall). Apologies: Mary MacBeth, Phil Game, Marion Howat, Jim Coomber, Annie Coomber.

The meeting was called to discuss the possibility of converting ACHA from an unincorporated charity to a Scottish Charitable Incorporated Organisation (SCIO).

**Introduction** – Jackie Parsons (chair):

The hall committee held the meeting because the governance of the hall needs brought up to date.

Before the hall refurbishment in 1999 the committee running the hall was a form of society or social club. In order to secure funding for the project the organising committee needed to have charitable status. At the time the only options available were either to be an unincorporated charity or a company limited by guarantee with charitable status. Because the latter was subject to company law and quite an onerous procedure, it was decided to become an unincorporated charity.

Fast forward to this year and there have been quite a lot of new things happening with grants received to update heating security etc. In the process of actioning these heating projects I have had to sign contracts for thousands of pounds in my own name, taking on a liability on behalf of the Hall committee, which felt a bit pressured and unfair, despite it being unlikely that debts would be incurred. We had also been in touch with Glenelg hall in a separate discussion and discovered that mounting electricity bills and debt had left their committee members liable. Our committee were also asked by the Charities Commission when we had last updated our constitution, which was never!

After a bit of investigation into governance within other village halls like Glenelg and Broadford who are/have applied for SCIO status, it seems the way forward is for our organisation to become a SCIO.

What is a SCIO?

In 2014 a new incorporated form of governance was set up for charities called a Scottish Charitable Incorporated Organisation or SCIO for short. It is a really popular form of governance for organisations such as ours because being incorporated reduces the risk of personal liabilities for Trustees and committee members.

What would this mean for our hall? The SCIO would be a membership organisation, and a legal requirement is that a register of members be kept (as with the Fernaig Community Trust). This would mean members would have to fill in a form (although there is a possibility of doing this on line), but membership would be free of charge. The hall committee and wider community becoming members.

The transfer of assets from three property trustees to the SCIO with conveyancing costs of around £2000

**Summary of the main points discussed;**

An ‘Umbrella’ SCIO?

The SCIO could be simply for the hall, and effectively a replacement of the existing structure, with the hall committee becoming or being replaced by the SCIO board. Alternatively, the SCIO could be a separate board to the hall committee. The hall committee would just deal with day to day events, maintenance, etc while the SCIO board would deal with governance, insurance, accounts etc. This set up would also allow other activity groups within the community but separate from the hall, (such as the Repair café or a walking group, for example), to come under the SCIO, allowing them to apply for funding etc. This is a common arrangement, used for example by Kilmuir, Broadford and Aird (nr Inverness) halls.

The ‘purposes’ of the SCIO, stated in its Constitution, would have to be broad in terms to cover this, but could be adapted at a future date if required. Any other Groups would have to come under the purposes. Maggie Byrne of KLCT stated that Kyle & Lochalsh Community Trust has broadly stated purposes, such as community benefit, promoting various things for public benefit etc in order to accommodate a variety of activities.

This was seen favourably, as it would allow the hall committee to concentrate on the hall. It would also benefit other groups in a similar way.

The SCIO board would include representatives of each group. There would be one bank account with columns in the spreadsheet to keep the moneys of each group separate. This would ease the accounting and reporting burdens for the groups. This is how other groups manage finances, with for example Aird having nine groups with considerable financial activity. It apparently works well.

**Fernaig Community Trust.**

The FCT are currently in the process of converting from a Company Limited by Guarantee (with Charitable status) to a SCIO. Someone from the floor asked if it might make sense to have one SCIO for our small community rather than two. There would be the option to merge the two SCIOs at a later date, but some thought it made sense to have one SCIO from the beginning. It was pointed out that the purposes of the hall would be quite different from the FCT, but the KLCT experience suggested that this would not be a problem with broadly expressed purposes based around community benefit.

Kyle had had some challenging issues when they had used a trading subsidiary for the pontoons. This had been resolved by demonstrating the community benefit of the pontoons, and bring them under the parent charity, and was possible because of broad and simple purposes. Kyle hall was currently not part of KLCT but could come under KLCT purposes, while retaining their autonomy.

It was pointed out that Dornie hall, who were considering a SCIO, could come under their District Community Trust, or could amalgamate at a later date.

One SCIO for our community was seen to be a simpler option and an approach to the FCT board was suggested. The FCT board members present didn’t feel able to speak for the Trust board. Several present said they couldn’t see the need for two SCIOs for the same membership/community.

A vote was required from the meeting by OSCR, and it was unanimously agreed that ACHA should go forward with conversion to a SCIO. It was seen as essential to protect individuals from personal liability. Indeed, it was thought that no-one would want to serve as a hall property Trustee or on the hall committee without this protection. The idea of broader purposes to allow other groups to come under the SCIO umbrella was also unanimously favoured.

A wider SCIO would hopefully encourage more activity and involve more people as administration would become less burdensome. Some were keen to be on the hall committee but reluctant to be on a SCIO board and others vice versa.

There would be conveyancing fees thought to be around £2,000, for transferring the assets of ACHA (the hall building) to the SCIO. Transfer of assets for FCT from a Company to a SCIO is a simpler process and would not require conveyancing. Someone suggested that if the Hall came under the FCT SCIO these conveyancing fees could be avoided, but this would not be the case as the assets would still be being transferred from an unincorporated body. There may however, be funding available to help with this.

It was agreed that Jackie should communicate what was discussed at the meeting with the FCT board.