

Changing Totton & Eling Community Association to an 'Association Charitable Incorporated Organisation' (CIO)

What is changing?

The **Community Association** is changing.
The **Community Centre** is not changing.

What is the difference between the Community Association and the Community Centre?

- The **Community Centre** is the building and its function which is run (extremely well) by the two Centre Administrators. (Ann & Helen).
- The **Community Association** is a charity run by the four Trustees who are both legally and financially responsible for it. The Community Association is governed by the "**Charities Act 2011**".

The Totton & Eling Community Association

By being a charity, we gain many financial advantages, but must, by law, follow the requirements of the **Charities Act 2011** and our **Constitution** which states that we must.

1. **Benefit the people of Totton.** Examples of this are.
 - Seated Exercise Classes, Baby Bundles, Soft Play, Singing Afternoons & Men's Shed
2. **Work together with other charities and agencies to help advance education and improve social welfare.** Examples are
 - Baby Bundles working with Barnardo's and several other baby groups.
 - Totton Men's Shed working with Hampshire Adults Health (through the 'Step-by-Step' programme), ASDIC, The RBL, Headway & Local Care Coordinators.
3. **Provide charitable events/activities when appropriate.**
 - We have been limited by COVID, but past examples are Children's Christmas Parties & Auctions.
4. **Provide recreation and leisure-time facilities.**
 - We do this through the Community Centre

The Community Association is not incorporated and therefore cannot own property or employ people. It is currently the Trustees who, individually and together own the property and employ people on behalf of the Community Association.

This responsibility limits the number of people willing to become trustees.

We intend to change this by becoming "Incorporated" by changing to a 'Charitable Incorporated Organisation' (CIO).

A CIO is a corporate form of business designed specifically for charitable organisations like ours. CIO status is conferred by the Charity Commission on application.

The main benefits of being a CIO are that the charity has legal personality (the ability to enter contracts, sue and be sued, and to hold property in its own name -

rather than in the name of its trustees), and the Trustees and its members have limited liability. Once we convert to a CIO there is currently no means of converting to any other legal form.

<https://www.gov.uk/setting-up-charity/structures>

An 'unincorporated charitable association' is a simple way for a group of volunteers to run a charity for a common purpose. Unincorporated charitable associations can't employ staff or own premises.

<https://www.ibblaw.co.uk/insights/blog/charitable-incorporated-organisation-cio-it-suitable-structure-your-charity>

A CIO structure gives a charity legal capacity to do things in its own name because, like a charitable company, it is a legal entity with separate legal personality. This means it can employ staff, own freehold property and take on leasehold property, and enter into commercial contracts (to provide services and buy or sell goods) in the charity's name. As a result, any employment disputes, property claims, or contractual claims would be pursued against and could be brought by the CIO. In contrast, with a trust and an unincorporated association, the trustees must do these things personally as the charity can only interact with the outside world via its trustees.

Preparation

The annual accounts up to 31 March 2021 have been accepted by the Charity Commission.

We are currently re-writing all the Practices and Procedures to bring them up to an acceptable standard for the CIO application.

Within the next few weeks, with your agreement, we will be starting the CIO application process.

Stay Informed

If you wish to know about progress, please contact me and I will give you an update.

I hope to complete the transfer by the summer of 2022.