

# Emsworth Community Association (ECA)



## Further Information – Questions and Answers

### **Q1: Why Does Hampshire County Council wish to pass the Community Centre Buildings over?**

A2: The Localism Act (2011) encourages County Councils to devolve responsibilities and powers to individuals and local communities. Therefore Hampshire County Council has decided to release many buildings across the county to the local communities to manage. Emsworth Community Centre was formally approached to ask if ECA would wish for the asset transfer to take place.

### **Q2: Are there any conditions attached to the transfer from Hampshire County Council?**

A2: Yes there are conditions that last for the next 80 years. Hampshire County Council wish to ensure that the asset value is transferred to the community for the benefit of the people of Emsworth. For example, if members and trustees of Emsworth Community Association wished to 'sell off' the buildings within the next 80 years, the ECA's share of the sale proceeds can only be used for the provision of alternative community uses or held in trust for future community benefits. Likewise if the ECA dissolved the assets could only be transferred to another community-based charity with similar objectives.

### **Q3: Does Hampshire County Council have the legal rights to transfer the buildings and land over?**

A3: Hampshire County Council have sought legal advice and have confirmed that they have the full rights to the property and land and are able to transfer it back to the community. In the initial set-up of the Community Centre when the ECA was established as a charity, ECA requested the Hampshire County Council continue to own the title of the building as ECA was not allowed to do so under charity law at the time.

### **Q4: What is the process for transferring ownership of the buildings and land?**

A4: If and when ECA Members and Trustees are ready and in agreement, Hampshire County Council will arrange for the transfer the assets using a land transfer form to re-register the land with the Land Registry. This process can be done within a couple of weeks. ECA would make a one pound payment to signify agreement.

### **Q5: Why the £1 transfer fee, when the land and buildings are worth much more?**

A5: As mentioned earlier the Localism Act (2011) encourages Councils to relinquish responsibilities and powers to transfer them back to the local community. The transfer conditions will last for 80 years which will ensure that the asset value remains in Emsworth for the community's wellbeing.

### **Q6: What's the Impact on ECA?**

A6: Overall the move is a positive one for ECA. As ECA is currently responsible for all the costs of running, maintaining and improving the Centre, there would be no additional costs from taking on the ownership of the buildings. Instead ECA would benefit from not paying £6,000 per year to Hampshire County Council for the lease; so the £6,000 per annum can be reinvested in developing the Centre's facilities for more people to enjoy.

There will be some initial incidental costs, such as seeking legal advice, updating ECA records and of course the one pound transfer fee. In total the costs are unlikely to equate to more than 50% of the current annual lease. Ownership of the land and buildings allows ECA to channel its time, money and resources to the benefit of the local community and to plan for the long-term needs of a growing Emsworth population.

### **Q7: What would happen if ECA turns down the offer of owning the buildings?**

A7: Nothing would change in the short-term and ECA would continue to pay the annual lease, which may even rise over time. However, the lease on the buildings is up for renewal in October 2022 (just 4 years away)

and Hampshire County Council would have to consider whether it wishes to renew the lease or to find an alternative use for the land and buildings. This would lead to an uncertain period for ECA and for the future of the Community Centre. Whilst ECA would hope that Hampshire County Council would renew, there are no guarantees going forward.

**Q8: Why should ECA change its charity status?**

A8: ECA's current charitable status does not permit the ownership of land or buildings, so ECA has the option of transferring the land to an individual (not ideal) or to an organisation that is entitled to do so. The Charity Commission developed a new charitable status that allows charities to own land (currently many charities have to set up a separate business just to buy and sell property assets which is an additional burden to them to run). This new charitable status, entitled Charitable Incorporated Organisation (CIO), allows charities to operate as a charity and to own land. ECA Trustees have researched this and think that transferring ECA over to the new CIO status would be a good solution.

**Q9: What are the benefits of transferring to a Charitable Incorporated Organisation (CIO) status?**

A9: The Charity Commission has developed CIO as a new legal form for a charity, in response to requests from the charity sector, so that charities may own land in their own name and control significant funds or assets. ECA Trustees also wish to take advantage of the additional CIO benefit that provides legal protection in the event that the CIO is wound up, so that Members and Trustees will have no liability for any associated debts. A CIO must be registered with the Charity Commission and report annually on performance. The Charity Commission has provided two standard templates for writing a CIO constitution, ECA proposes to use the template that has a Membership structure and to apply for ECA to retain its existing name (Emsworth Community Association).

**Q10: What is the impact on Members of moving to a Charitable Incorporated Organisation (CIO)?**

A10: There would be little noticeable change for members. ECA Members will continue to have similar rights and benefits, if ECA moves to CIO status. Members will still have the right to vote at important meetings such as the Annual General Meeting and to vote in the Trustees who make up the Council of Management and the honorary positions, such as Chairperson, Treasurer and Secretary. Members would be automatically transferred across to the new CIO and would receive the same benefits going forward, such as discounts on private room hire and discounted prices on ECA social events and activities, etc.

CIO status would enable Members to be ultimately in control of the future of the Community Centre and how it benefits the wellbeing of the neighbourhood going forward. CIO status would also bring the additional benefit of providing Members and Trustees with additional legal protection from paying any debts if ECA closed down for any reason.

**Q11: What is the impact on Hirers, Staff, Volunteers?**

A11: There is no direct impact or change as, other than they will have the knowledge that the uncertainty about the long-term lease has been dealt with and that ECA will be committed to investing in maintaining the Centre facilities going forward.

**Q12: What are the proposed timescales?**

A12: December 2018 – notify Members, stakeholders and the Charity Commission of intent  
21 January 2019 – Extra Ordinary Meeting – Members asked to vote on the proposals  
22 January 2019 - Hampshire County Council and the Charity Commission alerted of the outcome  
If proposals are going ahead the proposed start date of the new CIO and ownership of the land would commence from 1st April 2019 and the process of closing down the old ECA charity would complete at the AGM in July 2019. Alternatively, if the proposals are rejected, the ECA would continue to function as normal with no changes.