

Theydon Bois Village Association - the New Model

Our History - Theydon Bois Village Association (TBVA) was constituted as an unincorporated charity essentially to manage the activities of the Village Hall. A subsidiary charity called Theydon Bois Community Centre (TBCC) owns the land on which the Village Hall stands. At the time the best structure for the charity was to be unincorporated with a voting membership. As an unincorporated charity, TBVA does not have a legal presence in its own right, therefore all contracts are entered into and all assets are held by the Trustees personally on behalf of the charity.



There are some problems with this structure - The trustees of the charity have unlimited liability against any claims against the charity which in the worst case scenario could mean that they could lose their homes. While we do have insurance to protect ourselves against this we all know that insurance companies will look for any reason to not pay out on a claim.

As time goes on there are less and less people around who remember the ins and outs of how the charity was originally setup which could lead to further complications in the future. Individuals may be put off from being trustees due to the unlimited liability against them. It is for these reasons that the Executive Committee of the TBVA felt that it was time for a change.

The Proposed Structure - Since 2002 the government has been considering a new legal form for charities which is a bridge between unincorporated charities and charitable companies. The Charities Act 2006 set out the broad legal framework. The new form is called a Charitable Incorporated Organisation (CIO) and has been available for new registrations since 3 January 2013, with conversion being phased in from 1 March 2013. Due to the size of TBVA we became eligible for conversion on 1 July 2013.

CIOs are a new corporate entity, having their own legal identity, and are specifically for the charity sector. In the past a charity wishing to have its own legal identity would need to be a charitable company, having a dual registration with Companies House and the Charity Commission, adding further reporting requirements. The new CIO format only requires registration with the Charity Commission.

Advantages

- TBVA will be a legal entity and therefore able to enter into contracts and hold assets in its own name.
- Trustees and members will have no liability, although trustees can still be held liable if they are found to have acted improperly.
- Cheaper and quicker to achieve limited liability compared to a charitable company.
- Not required to have a dual registration.
- The structure of TBVA can be simplified for future generations.

What This Means

- We will still be known as Theydon Bois Village Association (TBVA), and we do not have to adopt any other wording in the name.
- We will continue to have membership which will be open to the same group of people as the current constitution.
- We will continue to have annual AGMs where the trustees will be elected by the members.

Theydon Bois Village Association - The New Model

- Trustees will have more protection if things go wrong, which should help with recruiting new trustees in the future.

The Process - A new constitution is required and after a number of meetings involving the Trustees, the Executive Committee and the members, the agreed constitution was submitted to the Charity Commission as part of our application to convert to a CIO and we were accepted onto the register on 9th October 2014 with a new charity number of 1158821. A Special General Meeting was held on 29th October 2014 where we outlined our proposal again and answered any questions that anyone had. At this meeting a resolution to allow the Trustees to complete the process of converting TBVA into a CIO was passed unanimously.

A Trustees Meeting of TBVA was held on 26th November where details of the Transfer Agreement were confirmed, and a resolution was passed to put the existing unincorporated charity into dormant status and to transfer everything to the new CIO. The intention is to complete the transfer early in 2015. Final accounts for the existing charity will then be prepared and a final meeting called. At this meeting the final accounts will be approved and the old charity become "dormant". We will also incorporate the first AGM of the new CIO where all existing Trustees will resign and new Trustees will be appointed (although all existing Trustees will be eligible for reappointment). Following this, the normal annual cycle of AGMs will proceed.

Membership of the New Village Association - Under the old constitution membership was automatic for residents of Theydon Bois. However, this will no longer be the case as, under the new CIO structure, the Charity Commission requires the new TBVA to maintain a register of members. In order that we can establish such a register, we encourage all interested residents to obtain a Membership Application Form. These may be obtained from the foyer in the village hall or by contacting the TBVA Secretary on 01992 812250 who will send you a copy. Please return your completed form to the Village Hall addressed to the Secretary.

If you would like to view or download the new constitution of TBVA go to the village hall page at www.theydon.org.uk, where there is also a copy of this article and the Membership Application Form.

