

Wem Sports and Social Association

Proposed Constitution Changes

Agenda item

8

Introduction

Wem Sports and Social Association manages The Recreation Ground and Butler Sports Centre on a 99 year lease (est. 1972) from the Town Council which owns the land.

For a number of years Wem Sports and Social Association has been trying to update its constitution as it has become evident that the existing constitution is in breach of charity commission rules on the sale of alcohol. To address this WSSA must separate itself from Wem Sports and Social Club which was established as a committee of WSSA although it now operates increasingly in isolation to WSSA.

In addition to this the trustees of Wem Sports and Social Association are becoming increasingly concerned over the future of the charity due to the fact that the trustees are decreasing in number and it is proving very difficult to attract new trustees onto the management committee. Therefore it was decided to look at the future of the Association in its entirety to find a solution that would solve the following issues;

- Separation of WSSA from Wem Sports and Social Club.
- Ensure the future of WSSA with sufficient trustees to run the charity.

Preferred Option

WSSA has taken advice from Hatchers solicitors on the best way forward to secure the future of the WSSA and has considered a number of options presented to them. At the Executive meeting of Wem Sports and Social Association held on 8.12.16 the following resolution was passed

- **That the preferred choice of the Executive Committee for the future management of the WSSA would be that the WSSA becomes an incorporated charity, preferably with Wem Town Council as the Sole Trustee (subject to Charity Commission approval).**

Sole Trustee

WSSA's preferred option that Wem Town Council becomes the sole trustee of WSSA would overcome the difficulty in identifying and appointing new trustees and also have the benefit of limiting liability on the charity.

The WSSA's solicitor recommends that in order to progress this option there would need to be the setting up of a company limited by guarantee, with charitable objects very similar to the existing objects of WSSA, again subject to Charity Commission approval.

Once the new company is incorporated and successfully registered at the charity commission, there would effectively be a "merger", with the assets and liabilities of WSSA transferring to the new company and an assignment of the lease, following which WSSA would be dissolved and removed from the register of charities.

Wem Sports and Social Club would be established as a separate entity with a lease from the Town Council for use of the building and clear lines of responsibility as set out in the lease.

What does this mean for the Town Council?

Town Council would be the only trustee of the WSSA, therefore there would not be a need to find individual trustees as the Town Council, not individuals would be the trustee.

The Town Council would need to hold separate regular meetings to discuss WSSA management, although this function could be delegated to a committee with co-opted members from the current trustees to ensure continuity.

There would be no change to the staff input as Groundsman and Town Clerk already carry out all the work for the WSSA as part of their job description.

There would be no change to the accounting process other than bank signatories as the WSSA accounts would continue to be managed and accounted for separately.

Accounting should be easier as there would be reduced recharges between the WSSA and Wem Sports and Social Club who would be charged a monthly or annual rent. VAT should also be simplified.

The Town Council would have more involvement in the running and development of the WSSA.

The attached guidance issued by the Charity Commission provides more information concerning Charities and Local Authorities as Sole Trustees.

Cost implications

There would be legal costs from both sides setting up the new charity, but most of the legal costs would be covered by Wem Sports and Social Association. However as both the WSSA and the Town Council have the same solicitor the Town Council may have to find another solicitor to represent it.

There are no anticipated changes to the costs however the setup of this model will require considerable staff input.

Recommendations

That in principal the Town Council agrees to;

- Enter into further discussions with the management committee WSSA to progress the aspiration of the association that the WSSA becomes an incorporated charity, with Wem Town Council as the Sole Trustee (subject to Charity Commission approval).
- In order to do this agree to a working party being established made up of 2 councillors and 2 trustees of WSSA to progress this proposal.
- That the Town Council seek advice on the need to appoint an alternative solicitor to represent the Town Council on this issue.