



**Effingham Village Recreation Trust
Planned Change to Governance Model
Frequently Asked Questions**

Q: What changes are intended?

A: EVRT trustees intended to revert to a single trustee governance model. This means that the current trustees will relinquish their positions as trustees of the charity and Effingham Parish Council (EPC) will become the sole trustee.

Q: Why are you making this change?

A: The current model relies heavily upon the trustees to underwrite all financial undertakings of the trust. This means trustees are personally liable for things that might go wrong at the charity. This is a substantial concern for trustees and limits the kind of events and activities the trustees would like to undertake.

Q: Why have you chosen this model?

A: As a local authority, EPC benefits from 'Limited Liability Status.' Individual members of EPC will not be personally responsible for financial or legal problems (though they remain subject to criminal law and must execute their responsibilities honestly). Trustees believe this proposal is the lowest risk, most democratically accountable model. It is the model most frequently used by other 'Fields in Trust' charities. The trust operated successfully under this model for many years in its earlier years.

Q: What impact will this have on user groups?

A: There should be no detrimental impacts for users. The change should allow greater transparency and inclusion for user groups and residents. This is one of the reasons the current trustees have championed this change.

Q: What impact will this have on employees and contractors?

None. Contracts will be held by the trustee as currently, but the trustee will be EPC. Future contracts will be easier to manage as currently the trustees have to assume personal liability for contracts.

Q: How will this change impact the parish council?

A: When acting in its trustee role, EPC will operate in strict adherence to the objects of the charity. It must consider only those issues which pertain to the charity. It cannot transfer assets from the charity to the council. It must maintain total independence in its decision making. In practical terms the new role will mean the council must sit to review the progress of the trust, to set the budget and agree the future strategy and will therefore need to meet at least quarterly to fulfil its responsibilities. It will appoint an Executive Board of volunteers, who will manage the day-to-day activities and projects for the charity. Residents and user groups will be able to apply to sit on the proposed board and to be involved in suggesting and shaping the focus of activities for the trust.

Q: Will this mean more opportunities for local people to get involved?

A: By removing the issue of personal liability, the trustees hope that more residents will be prepared to get involved with the running of the charity. Over the next year, we hope to welcome new board members, with ideas on how the charity can best meet the needs of residents, from a broad spectrum of backgrounds.

Q: Will the precept increase because of this change?

A: There are no plans to do so and no reason why this should be the case. EPC already contributes to the maintenance of playgrounds and facilities because it has a statutory responsibility to provide recreation space and facilities for Effingham residents.

Q: Won't this mean extra work for EPC Councillors?

A: It will require attendance at additional meetings when EPC meets as the trustee. However, Councillors already meet regularly with EVRT trustees. Councillors can choose to be a member of the executive board if they so wish, but this is a voluntary position.

Q: Why can't we just stay as we are currently?

A: The current model deters people from taking on responsibility as a trustee. It is hoped that this new model will alleviate concerns about personal liability and encourage more residents to get involved.

Q: Doesn't this just move the liability from EVRT trustees to Parish Councillors?

A: No. It is the corporate body of the Parish Council – not individual members – that will become the trustee, and liability is limited for a public authority.

Q: Will I still have access to the hall and fields?

A: Yes. Access to the facilities will not be impacted.

Q: What happens if there is a catastrophic accident at KGV? Will EPC have to raise the precept to support the charity?

A: The charity is of course insured, and liability is limited by law. In the event of major damage to the buildings not covered by insurance, EPC would seek grants to address the damage. Local people would have a say in what happens next, but EPC would still need to make some provision for recreation for residents.

Q: Is the decision being supported by legal advice?

A: Yes. EPC has undertaken legal advice, a summary of which can be found on the EPC website. EVRT has held extensive discussions with the Charity Commission. The scheme will comply with charity legislation and obligations.

Q: The previous trustees proposed a different solution. Why have you not followed their proposals?

A: The proposed constitution of the CIO model preferred by previous trustees specifically excluded users and user groups from involvement in the running of the trust. The powers proposed for trustees were far reaching and the plan relied heavily upon the appointment of a CEO to drive income through events held at the KGV. Current trustees disagreed with this route:

- we believe it was financially high risk – it required that enough income be generated to cover the costs of the new CEO and his team and invest in any infrastructure required to support new event formats;
- we believe that the plan was too reliant upon driving income from events which could inconvenience local residents, compound traffic and parking problems in the village;
- we believe that the sole trustee model offers the most democratic and accountable system; the proposed CIO model allowed residents very little input in the trust's decision making and actions.

Q: Are Trustee Meetings to be held in private? If so, then are there any circumstances when the public may be invited to attend and/or participate?

A: It is the aim of current trustees that residents will have more input into the trust than currently. Unlike the CIO option, there will be an AGM and we hope more meetings will be open to the public. This of course will be at the discretion of the sole trustee.

Q: While the Committee of Management is to be accountable to the Trustee, how is the Trustee accountable to parish voters?

A: The trustee is not intended to be accountable to parish voters. Formally, it is accountable only to the law through the Charities Act. However, there is greater scope for transparency under the proposed governance model than under the CIO model.

Q: If someone is not happy with the way EVRT is being run to whom do they address their concerns?

A: To the trustees / sole trustee of EVRT. If the charity is failing to meet its objects, then the Charity Commission might also be appropriate.

Q: With the Charity remaining an unincorporated association, can you confirm that the sole trustee will continue to underwrite all its financial undertakings as do the current trustees?

A: The sole trustee, as a public authority, benefits from limited liability status. We are unsure what is intended here by "underwrite". We have insurance to underwrite and protect against accidental damage.

Q: Please confirm the authority for, or advice received for, the following statements:

- **liability is limited for a public authority;** A: the Charity Commission
- **liability (for catastrophe) is limited by law;** A: the Charity Commission
- **should, notwithstanding insurance and grants etc., the charity be unable to meet its financial obligations then from where would the Trustee seek finance?** A: See previous answers

Q: Please clarify on what basis the value of the land and buildings (currently stated in its accounts as at least £778,139) is assessed?

A: Standard accounting practice – no change to historical precedent. We have not amended the manner in which the charity reports its accounts.