



## **Alford Academy Parent Council as a Scottish Charitable Incorporated Organisation**

### **What are we proposing?**

The Alford Academy Parent Council Office Bearers request approval from Parent Council Members to change the structure of the Parent Council to a Scottish Charitable Incorporated Organisation (SCIO).

### **Why are we requesting a change?**

We have conducted an in-depth review of fundraising and grant opportunities, and many are not available to us as we do not have charitable status, being a SCIO would open up so many new avenues for funding for us.

In recent years, fundraising opportunities have been limited due to covid and cost of living crisis. As part of our fundraising, we would like to look at additional ways of accessing funds that would place less of a burden on our families and charitable status would allow the Parent Council to access other means of funding initiatives which would improve our school and learning opportunities for our young adults.

### **What is a Scottish Charitable Incorporated Organisation (SCIO)**

A Scottish Charitable Incorporated Organisation (SCIO) is a legal structure which has been purpose built for the charity sector in Scotland. It provides limited liability and a separate legal identity to organisations that want to become charities but do not want or need the complex structure of company law. This means that even the smallest charity can access the benefits of incorporation – including limited liability and legal capacity, and the ability to access a wider range of grant and charitable funding.

A SCIO is also a trusted organisational structure for communities to build trust in the organisations they give money to.

### **How is it structured?**

There are two structures available for the SCIO, two tier and single tier.

- a single tier structure (governed by charity trustees with no additional members) or

- a two-tier structure (governed by charity trustees with a membership body which has certain powers or duties)

## What do we recommend in terms of SCIO Structure?

The two-tier structure is like that of a voluntary association where it is the membership of the organisation that appoint trustees and have decision making powers.

This is what we recommend as this is very similar to the current structure of our Parent Council where office bearers are voted in each year at our AGM and Parent Council Members are elected and be called upon to vote on important matters concerning the Parent Council.

The two-tier structure is a more democratic system and ensures complete transparency with decision making and how we raise and spend funds. The table below shows the Parent Council current rights and responsibilities and those if we became a SCIO, many of which are similar. As a SCIO we would retain our current rights and responsibilities and include any required by becoming a SCIO. Currently, parents are members of the Parent Forum who elect the Parent Council members. As a SCIO the parents form the membership body as the Parent Forum, who elect the trustees as the Parent Council members.

	Parent Council currently	Parent Council as SCIO
Responsible authority or Regulator	Within the Parental Involvement Act (2006), local authorities have a role and responsibility to encourage and support parents and schools to set up a Parent Council	Scottish Charity Regulator (OSCR)  Local Authority
Key legislation	Parental Involvement Act (2006)	Parental Involvement Act (2006)  Charities and Trustee Investment (Scotland) Act 2005
Legal status	- Parental Involvement Act (2006) makes provision for parents to be members of the Parent Forum at a school, and to have their views represented to the school, education authority and others, through a representative Parent Council for the school. - The Parent Council (PC) as a statutory body, has the right to information and advice on matters which affect children's education.	- Legal personality - Can undertake transactions in its own right - Liability of charity trustees is limited (in most cases) - Members are not liable to contribute to the assets if it is wound up Title of any equipment

	<ul style="list-style-type: none"> <li>- PC is entitled to support from the education authority in fulfilling its role.</li> <li>- Members of the Parent Council do not incur personal liability for anything done, or purportedly done, in the exercise of the functions of the PC if it was done in good faith.</li> </ul>	
<p>Governing document</p>	<p>Constitution:</p> <ul style="list-style-type: none"> <li>- Members of the PC must be members of the school's Parent Forum (they must have a child attending the school).</li> <li>- PC is accountable to members of the Parent Forum.</li> <li>- Only a member of the Parent Forum may chair the PC.</li> <li>- All parents can take part in the selection of PC members</li> <li>- PC can raise funds by any means, other than by borrowing, and can receive gifts.</li> <li>- PC can enter into contracts and agreements but cannot purchase or own land or buildings.</li> <li>- PC can decide on how it expends any sums received by way of fund-raising or gifts, considering the general view the Parent Forum.</li> <li>- PC should keep proper accounts of all monies received and expended and produce an annual statement of accounts.</li> <li>- PC will meet at least once in every school term.</li> <li>- AGM will be held annually in September/October.</li> <li>- The quorum for each meeting will be six, one of which will be the Chair or Depute Chair.</li> <li>- Any member of the Parent Forum may attend meetings of the PC.</li> <li>- Copies of the agenda and minutes of meetings will be</li> </ul>	<p>Constitution must contain the following:</p> <ul style="list-style-type: none"> <li>- Name and the charitable purposes for which the SCIO is established</li> <li>- Membership rules <ul style="list-style-type: none"> <li>- Who is eligible to be a member?</li> <li>- How does a person become a member?</li> </ul> </li> <li>- Charity trustee rules <ul style="list-style-type: none"> <li>- Who is eligible to be a charity trustee?</li> <li>- How are charity trustees appointed? A SCIO must have at least 3 charity trustees.</li> </ul> </li> <li>- Details of the procedure that members and charity trustees must follow to withdraw from membership or their positions as charity trustees, and how they may be removed from the SCIO</li> <li>- Any restrictions on the powers of the SCIO. A SCIO has powers under the 2005 Act to do anything to further its charitable purposes unless the constitution restricts those powers.</li> <li>- The organisational structure of the SCIO <ul style="list-style-type: none"> <li>- 2-tier structure with a separate body of members</li> </ul> </li> <li>- Procedures for meetings <ul style="list-style-type: none"> <li>- How will meetings be convened and recorded (both members' meetings and charity trustees' meetings).</li> </ul> </li> </ul>

	<p>available to all parents of children at Alford Academy.</p> <ul style="list-style-type: none"> <li>- The constitution may be changed after discussion at a PC meeting and obtaining consent from two-thirds of the members of the PC present at a meeting. The Parent Forum will then be sent a copy of any proposed amendments and given reasonable time to respond to the proposed changes before any further action is taken.</li> <li>- PC must provide a copy of the amended or new constitution to the education authority and the headteacher.</li> <li>- Should the PC cease to exist, any remaining funds will be used for the benefit of Alford Academy.</li> </ul>	<ul style="list-style-type: none"> <li>- What is the quorum for any meetings of the SCIO (both members' meetings and charity trustee meetings).</li> <li>- What voting rights do members and charity trustees have</li> <li>- How will resolutions be passed. Any restrictions on the remuneration of charity trustees.</li> <li>- Procedures for dealing with any conflict of interest.</li> <li>- Details of how the SCIO will use any surplus assets it has at the time of its dissolution. These assets must be used for charitable purposes which are the same as or which resemble closely the SCIO's own purposes.</li> <li>- Any change to the SCIO's constitution must also be notified to OSCR</li> </ul>
Accounting requirements	<ul style="list-style-type: none"> <li>- The treasurer will keep an accurate record of all income and expenditure, and will provide a summary of this for each PC meeting and a full account for the AGM.</li> <li>- PC accounts will be audited.</li> <li>- PC shall be responsible for ensuring that all monies are used in accordance with the objectives of the PC.</li> </ul>	<ul style="list-style-type: none"> <li>- Charity accounting requirements.</li> <li>- Preparation of receipts &amp; payments or accrued accounts depending largely on body's income level.</li> <li>- Discretion for charity trustees to choose to exceed minimum requirements if accrued accounts are more suited to the body's operations.</li> <li>- Submission of Annual Return to OSCR.</li> </ul>
Extent of powers	<ul style="list-style-type: none"> <li>- Subject to any restriction in the governing document, i.e., constitution</li> </ul>	<ul style="list-style-type: none"> <li>- Unlimited powers in furtherance of purposes</li> <li>- Subject to any restriction in the governing document, i.e., constitution</li> </ul>
Membership	<ul style="list-style-type: none"> <li>- All parents who have a child attending school are automatically members of the Parent Forum.</li> </ul>	<ul style="list-style-type: none"> <li>- Must have at least two members (who may also be charity trustees)</li> <li>- A two-tier structure (governed by charity trustees with a membership</li> </ul>

	<ul style="list-style-type: none"> <li>- Fifteen parents from the Parent Forum shall be elected to form a PC.</li> <li>- Office bearers will be elected by members of the PC.</li> <li>- Each office bearer shall be a parent of a child attending Alford Academy. If the child ceases to be a pupil a new office bearer will be elected.</li> </ul>	<p>body which has certain powers or duties).</p> <ul style="list-style-type: none"> <li>- Resolutions of members are required before certain actions can be taken.</li> <li>- Members are subject to some of the duties of charity trustees, specifically, they must act in the interests of the SCIO, and seek, in good faith, to ensure the SCIO acts in a manner which is consistent with its charitable purposes.</li> <li>- OSCR recognises that members may not be in the day-to-day management and control of the administration of the SCIO.</li> <li>- Meeting of members must be held at least every 15 months.</li> <li>- The SCIO may only make amendments if a resolution is passed by its members in the following manner: <ul style="list-style-type: none"> <li>• By a two-thirds majority of those members voting at a general meeting of the SCIO, or</li> <li>• Unanimously by the SCIO's members, otherwise than at a general meeting.</li> </ul> </li> <li>- The SCIO's membership has overall control of the governance structure of the charity, including agreeing the constitutional requirements for the appointment or removal of charity trustees, arrangements for holding meetings and provisions for the wind up of the SCIO.</li> <li>- The purposes of the SCIO may also only be altered by a resolution of the SCIO's members and subject to OSCR's prior consent.</li> <li>- For a 2-tier SCIO there is a duty to keep a register of its members and charity trustees, which is to be updated within 28 days of any change being notified to the SCIO</li> </ul>
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		<p>and to make these publicly available in certain circumstances.</p> <ul style="list-style-type: none"> <li>- Membership cannot be transferred</li> </ul>
Specific duties and requirements		<ul style="list-style-type: none"> <li>- The SCIO's register must also retain some information about former charity trustees for at least six years from the date the person ceased to be a charity trustee.</li> <li>- The register of members must also retain some information about former members for at least six years from the date the person ceased to be a member of the SCIO.</li> <li>- Governing document must contain a number of basic elements in relation to the body's governance.</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>- PC has insurance as Connect member through Aberdeenshire Council for of activities which it may undertake and issues of liability which might arise.</li> </ul>	<ul style="list-style-type: none"> <li>- PC has insurance as Connect member through Aberdeenshire Council for of activities which it may undertake and issues of liability which might arise.</li> </ul>
Dissolution and removal from register	<ul style="list-style-type: none"> <li>- In the event that the PC ceases to exist any remaining funds should be distributed for the benefit of the children at the school and/or Local Authority as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>- Existence is dependent upon charitable status. Loss of charitable status would mean that the SCIO would cease to exist.</li> <li>- Removal from the Register results in dissolution.</li> <li>- Dissolution by solvent or insolvent route.</li> <li>- Requirement for public notice of dissolution</li> <li>- Option for creditors to instigate sequestration and subsequent dissolution.</li> <li>- No option for the body to be restored following dissolution</li> </ul>

## **Duties of Trustees**

Charity trustees are the people who have general control and management of the charity and are responsible for making sure that the charity works to achieve its charity's purposes

### 1. You must act in the interests of the charity

1.1 You must seek in good faith to ensure the charity operates in a manner consistent with its purposes set out in your governing document (often called a constitution, trust deed or articles of association).

1.2 You must act with care and diligence.

1.3 You must manage any conflict of interest between the charity and any person or organisation who appoints trustees.

### 2. You must comply with the 2005 Act

2.1 – Charity details on the Scottish Charity Register

2.2 – Reporting to OSCR: Making changes to your charity

2.3 – Financial records and reporting

2.4 – Fundraising

2.5 – Providing information to the public

## **Duties of Members**

SCIO members are subject to some of the general duties of charity trustees; specifically, they must:

- act in the interests of the SCIO, and
- seek, in good faith, to ensure the SCIO acts in a manner which is consistent with its charitable purposes.

Members also have a key role in agreeing any amendments to the SCIO's constitution. The SCIO may only make amendments if a resolution is passed by its members in the following manner:

- By a two-thirds majority of those members voting at a general meeting of the SCIO, or
- Unanimously by the SCIO's members, otherwise than at a general meeting.

This means that the SCIO's membership has overall control of the governance structure of the charity, including agreeing the constitutional requirements for the appointment or

removal of charity trustees, arrangements for holding meetings and provisions for the wind up of the SCIO.

## What do we need to do to apply?

1. Changing the Parent Council to a SCIO requires a constitutional change after discussion at a Parent Council meeting and obtaining consent from two-thirds of the members of the Parent Council present at a meeting.
2. SCIO will be discussed and a vote taken at the June 14<sup>th</sup> 2023 meeting, if two-thirds Parent Council Members present agree the Parent Forum will then be sent a copy of any proposed amendments and given reasonable time to respond to the proposed changes before any further action is taken.
3. If the majority of those responding in the appropriate timescale support the change to SCIO, we can move forward with the application.
4. Consider our charitable purposes to match the “Charity Test”
5. Agree on our charitable purposes as ‘the advancement of education and the advancement of citizenship or community development.’
6. Use the SCIO Burness Paull template – we would need to consider quorum for both members and trustee meetings.
7. Identify 3 initial charity trustees. All Office Bearers have agreed to become SCIO Trustee’s and meet the criteria listed below. We will choose 3 initial trustees for application (these can be amended after our status has been approved)
  - a. The first three trustees will be checked by OSCR – trustees need to be UK resident, aged over 16, not bankrupt, not disqualified as a director or trustee, and not to have been convicted of any crimes of dishonesty. They will also undergo a credit check.
8. Trustees to gather information for OSCR to show that the charity would be a going concern and have all it requires to meet its purposes.

We then would apply to OSCR, using the online portal. This process can take 90 days to assess the application.

## What happens after application is successful?

If all went ahead, and charitable status was achieved, we would then need to hold an EGM (Extraordinary General Meeting) to elect the other trustees.

Then following on from that we would find a pattern of that fits our year – we can choose our end of year date for the accounts, and then we would be required to complete an annual return for OSCR. The accounts would need to be independently examined (similar to the current verification they undergo) and an annual report from the trustees pulled together and submitted to OSCR. This would be very similar to the annual report given to the parent body at the AGM.



Having charitable status would allow us to approach many more grant giving bodies – and whilst not a guarantee of success, would enable applications to be made to a wider range of funders.

## Further Support

We are extremely lucky to have Dawn Brown as an AAPC office bearer. Dawn's role for the last ten years is in community development and to support charities.

In addition, there is a wide range of support open to charitable and community groups.

The Marr Area Partnership and Aberdeenshire Voluntary Action are both there to support community organisations.

There are also national organisations like OSCR and SCVO (Scottish Council of Voluntary Organisations) that have a wealth of information and guidance.

## Where can I find out more information?

The links here are very useful and contain lots of details, including FAQ's.

Please do not hesitate to reach out to us via the Alford Academy Parent Council email address [alfordaca.pc@outlook.com](mailto:alfordaca.pc@outlook.com) if you have any questions or concerns.

<https://www.oscr.org.uk/>

<https://www.oscr.org.uk/guidance-and-forms/guidance-and-good-practice-for-charity-trustees/charity-trustee-duties/>

## When do we vote?

Alford Academy Parent Council Members will be asked to vote on June 14<sup>th</sup> at the last regular Parent Council meeting for this school term.