

## **Trefriw Community Council**

### **Future management of Trefriw village hall**

#### **Background**

In 2015 Trefriw Community Council (TCC) took over responsibility for the village hall from Conwy County Borough Council (CCBC). It is available for hire by individuals and groups for a wide variety of functions and events. The hall was Grade II listed in the 1990s and was previously a registered charity. However the terms of the charity had become defunct and not fit for purpose (ie no active trustees, no fund-raising capacity) and so the charity was wound up in 2024.

#### **Current hall management**

TCC manages and pays for all maintenance and upkeep of the hall, and all bookings are currently managed and administered by the TCC Clerk.

In 2023/24 the cost of running the hall was approximately £5000 including maintenance, insurance and utilities. Income generated from letting the hall was approximately £1730. The gap was funded from the precept.

#### **Future hall management**

We are now considering how best to manage the hall going forward to ensure it remains a place that is attractive to hirers and supports a variety of activities. The TCC Village Hall Working Group is in place to monitor the condition of the hall, identify funding opportunities and make recommendations to CCBC for future development. We would like the wider community to be involved in this - some options are set out below and further suggestions are welcome! Options 1-4 are only viable with sustained and ongoing community input.

All options will need proper scrutiny and expert advice before being presented to TCC for a decision. Organisations which can help include Cwmpas, the Charities Commission, the Financial Conduct Authority, and Co-operatives UK.

#### **Option 1 – a new village hall charity or charitable incorporated organisation (CIO)**

You must have specific aims (known as ‘charitable purposes’) to set up a charity. The Charities Act 2011 defines a charitable purpose, explicitly, as one that falls within 13 descriptions of purposes and is for the public benefit. The descriptions of purpose which may be most suitable for the village hall are:

- The advancement of the arts, culture, heritage or science
- The advancement of citizenship or community development

To be a ‘charitable purpose’ it must be for the public benefit. This has to be demonstrated in each case.

Alternatives to setting up a charity include setting up a social enterprise. For the village hall, viable models might be:

- community benefit society (CBS)
- community interest company (CIC)
- unincorporated association

#### **Option 2 – establish a Community Benefit Society (CBS)**

A Community Benefit Society (CBS) is a type of legal organisation that's registered with the Financial Conduct Authority (FCA). It is a not-for-profit business model which means CBS can be eligible for a wider variety of grant funding.

CBS is a popular model for community ownership of local assets which have meaning and importance for the whole community, such as pubs, shops, football clubs, leisure facilities and so on.

A CBS has a legal structure that allows profits to be reinvested into the business or some other activity for the common good. A CBS is legally required to operate for the benefit of the community.

### **Option 3 - Community interest companies (CICs)**

A CIC is a special type of limited company which exists to benefit the community rather than private shareholders. It is not a charity. To set up a CIC, you'll need:

- a 'community interest statement', explaining what your business plans to do
- an 'asset lock' - a legal promise stating that the company's assets will only be used for its social objectives, and setting limits to the money it can pay to shareholders
- a constitution - you can use the CIC regulator's model constitutions
- to get your company approved by the community interest company regulator - your application will automatically be sent to them

### **Option 4 - Unincorporated association**

An 'unincorporated association' is an organisation set up through an agreement between a group of people who come together for a reason other than to make a profit (for example, a voluntary group or a sports club). You do not need to register an unincorporated association, and it does not cost anything to set one up. Individual members are personally responsible for any debts and contractual obligations. The association may make a profit if it starts trading or receives other income, for example from investments. If this happens, you'll need to pay Corporation Tax and file a Company Tax Return in the same way as a limited company.

### **Option 5 – do nothing**

Now the old village hall charity has been wound up, TCC will continue to manage and run the hall as a community asset. Access to any grant funding will be restricted to those which are open to statutory bodies (i.e. councils) and the hall will no longer benefit from any charitable tax exemptions.