

## Guidance in choosing the right type of Constitution for your Shed

In Scotland if you are choosing to use the Community Asset Transfer route to acquire a building from a statutory body like the council or the police etc you will in all likelihood be asked to use the <u>Community Asset Transfer</u> (CAT) process.

It can be confusing for groups entering this process if you are either going for a **long term lease with a peppercorn rent** (we advise this is the best route) or **direct ownership** of the building as you will often still have to follow the CAT process.

As of November 2019 and present CAT legislation there can be a difference in your constitution depending on your circumstances. Often Men's sheds are started by 5 or 6 core people. The present legislation says if you are going for **direct ownership** then you need a minimum of **20 members** at all times. This is written into your constitution otherwise you do not qualify for transfer. Therefore, we have two types of constitution for you to choose from. One for a **long term lease** and one for **ownership** of the building.

We suggest you go for a long term lease (25+ years) at £100 or less per year. This means that you can have as few as 3 people at a time to drive it forward if you choose to become a <u>Scottish Charity Incorporated Organisation</u>. This is also a requirement for transfer and it offers you protection if it all goes wrong. It will also help you attract much needed funding if you are a charity and it's free to set up with no full audit required at year end. This is the **LEASE** option in our downloads.

If you take the **OWNERSHIP** option you will see that it stipulates that you must have **20 members** (points 13 and 14) at all times. If after a few years you want to take ownership and you have strong membership then you can change it to say this and inform the Scottish Charity Regulator (OSCR). Once you have become a paid up Developing Group/Shed member of the SMSA (<u>SMSA Shed Membership</u>) please send us the points you need filled in to <u>admin@scottishmsa.org.uk</u> (blanks on the form) and we will send it back as a completed document ready for you to use in becoming a charity etc. Please do look at our website '<u>Start a Shed/Starting Up Procedures'</u> for the suggested steps of starting your Shed.

We have agreed this format with OSCR so your application can be processed quickly. However, there can be no changes to this format and hence why it is not in the form of an editable document. If you want to change it or use another constitution, please do but it will have to be legally checked by OSCR.

If you have any questions, please do get in touch with us.