

Plot:

Dear

Important Update: Changing the Legal Status of Rowhedge Allotment Association

We are writing to inform you of significant developments regarding the future of the Rowhedge Allotment Association (RAA) and to outline the steps we need to take to protect the interests of the association and its members.

Change of Land Ownership:

Recently, ownership of the land on which the allotments are situated was transferred from Cadman to East Donyland Parish Council (EDPC). This change has a direct impact on the RAA, as EDPC now holds ultimate responsibility for the land. To secure a long-term lease and ensure the continued independent management of the allotments, EDPC requires the RAA to formalise its legal structure. Without this lease, the RAA cannot manage the allotments independently, which could jeopardise the association's autonomy and increase the administrative burden on EDPC.

1. Legal Compliance:

In February 2024, the National Allotment Society (NAS) informed allotment societies of new legal requirements introduced under the Money Laundering and Terrorist Financing (Amendment) Regulations 2022. These regulations have significant implications for how associations like ours operate.

2. Challenges of Unincorporated Status:

As an unincorporated association, the RAA currently has no legal identity. This gives several challenges:

- **Lack of Legal Status:** The RAA cannot enter formal contracts, such as agreements for funding or services, on behalf of its members. Additionally, legal responsibilities and liabilities fall directly on individual committee members, placing an unfair burden on volunteers.
- **Inability to Secure a Lease:** Without a legally recognised structure, the RAA is unable to meet EDPC's requirements to sign a rolling seven-year lease. This lease is essential to secure our tenancy, protect long-term access to the site, and access funding for site improvements.

Why Incorporation is the Solution

To address these challenges, the RAA must transition to an incorporated legal structure, such as a Charitable Incorporated Organisation (CIO) or a Community Interest Company (CIC). Incorporation would provide the RAA with a legal identity, enabling us to:

- Sign contracts and enter binding agreements, including the essential seven-year lease with EDPC.
- Distribute legal responsibilities more fairly, reducing personal liability for committee members and encouraging more people to volunteer.
- Ensure continuity and legal security for the association, safeguarding the long-term future of the allotments.

This change is not just about compliance; it is a vital step to protect the RAA's future and the interests of its members. Without this change, the RAA's ability to function effectively and maintain its tenancy is at risk.

Why a Co-operative Society?

After exploring several incorporation options and seeking advice from NAS, the committee recommends registering as a co-operative society. This option offers the following advantages:

- **Member Ownership:** Each member becomes a shareholder at a nominal one-time cost of £1.
- **Limited Liability:** Members' liability is limited to the value of their shares, protecting individuals from financial risk.
- **Simplified Administration:** There is no requirement for trustees or annual reporting to the Charity Commission.
- **Continuity:** The co-operative model aligns closely with our current operations, requiring only minor changes to our structure.

By adopting this model, the RAA would gain a legal identity, enabling it to sign contracts, own property, and operate with greater stability.

Next Steps

1. **Extraordinary General Meeting (EGM):** We invite you to attend an EGM on **Sunday 9th February at 2.30pm** at the village hall to formally endorse the committee's recommendation.
2. **Adoption of Rules:** At the EGM, we will present and seek approval for the NAS-sponsored model rules, pre-approved by the Financial Conduct Authority (FCA), which will replace our RAA constitution.
3. **Registration:** Following approval, we will proceed with registration as a co-operative society, sponsored by NAS.

What This Means for You

For most members, this change will have little impact on day-to-day operations. However, it ensures that the RAA can:

- Legally sign the lease with EDPC.
- Protect committee members and volunteers from personal liability.
- Continue to manage the allotments effectively for the benefit of all members.

Your Voice Matters

This decision will shape the future of the RAA, and we encourage all members to attend the EGM. Your input and support are crucial to ensuring the long-term success of the association.

If we fail to secure sufficient attendance at the EGM and are unable to adopt an incorporated legal structure, the RAA will be forced to hand back management of the allotments to EDPC. This would mean losing the autonomy and community-driven approach we currently enjoy. EDPC would take full control of the site, including setting rents, managing plot allocations, and overseeing day-to-day operations. The burden of this additional responsibility on EDPC could result in higher rents and membership fees for plot holders, making the allotments less affordable. Furthermore, the sense of community and collaboration that has been built over the years would likely be lost.

If you have any questions or require further clarification, please do not hesitate to contact me.

Yours sincerely,



Janet Livingstone,
Chair

Rowhedge Allotment Association, www.rowlots.org.uk