

Closure of voluntary managed (Charity) provision

Time Line

Discuss proposal at a committee level. Staff must not be present at this meeting.
Confidentiality is crucial at this stage

If the committee decide to go ahead a preliminary EGM must be called in line with the dissolution clause in the setting's governing document.

Staff should be informed of the plans at this stage

Members should be informed about plans for the transfer of any remaining assets.

(See **Governing Document** below)

If the membership vote in favour of the transfer the committee can then go ahead with the process. The Committee **must** contact thier Employee Liability insurance provider at this stage for advice on staff redundancies

The provider will need to have permission from the Early Years Alliance (formally the Pre-school Learning Alliance) and/or Charity Commission for the transfer of any remaining assets

(See **Approval** below)

Once the approval letter/email has been received from the Early Years Alliance/Charity Commission a dissolution EGM will need to be called. Again this needs to be in line with the Governing Documents Dissolution Clause. The Charity can then be closed (see below).

(see **Governing Documents** below)

Governing Document

All charitable organisations will have a governing document. This will be in the form of a constitution or articles of association. To obtain a copy of a setting's governing document, if this cannot be located, contact the charity commission with the Charity's number. The charity commission will send you a pdf by email. The Charity Commission can be contacted [here](#).

The governing document will contain a **dissolution clause** this will outline the steps that need to be taken to dissolve the charity and/or transfer the assets to a different organisation.

Voting on any resolution for closure/transfer will need to include the charity's members. These are usually the parents/carers of the children that attend the setting. This is explained in the governing document under the **Membership clause**.

The group will also need to refer to the **calling an Annual General Meeting (AGM) / Extraordinary General Meeting (EGM) clauses**. These outline the notice that needs to be given and how many members need to attend in order for the meeting to be quorate.

Providers will need to hold a preliminary EGM in order to give the Committee a mandate to investigate the proposed closure. This must be followed by an EGM to finally close the Charity.

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Transfer of Assets

Approval from the Early Years Alliance (formally the Pre-school Learning Alliance) Information Service Team will be needed to transfer any assets to another organisation. Contact details [here](#).

Any transfer must be in line with the group's dissolution clause. This usually states that assets have to be passed to a like-minded charity or the Early Years Alliance. This means that the intended recipient charity must have similar objects (what the charity was set up to do) to the charity that is closing. The objects of a charity form part of the governing document. The email asking for approval will need to be accompanied by the following documents:-

- Preliminary EGM minutes – including a list of attendees and the voting outcome i.e. how many for and against.

- A copy of the recipient organisation's governing document
- A letter from the recipient organisation stating that assets will only be used in line with the transferring organisation's objects (this will only be necessary if the recipient organisation's objects are general i.e. 'education')

Transferring assets to an Academy – most academies are set up as charities. The Early Years Alliance may be reluctant to pass assets to a charity that has wide ranging educational charitable objects. You may need to get a letter, signed by the academy trustees, guaranteeing that any transferred assets will be used for the benefit of the under 5s only. It is helpful to ask for the current objects of pre-school charity to be quoted in the letter.

Transferring assets to a voluntary aided/maintained school – the school will have trustees. Again, you will need to get a letter, signed by the school's trustees, guaranteeing that any transferred assets will be used for the benefit of the under 5s only. It is helpful to ask for the current objects of pre-school charity to be quoted in the letter.

Transferring assets to a maintained school – this is often challenging. The Early Years Alliance may not approve a transfer to maintained school or a school's parent teacher association. An option that could be explored is for the governors to set up a trust with similar objects to the transferring pre-school. If approved the trust can then receive the assets

The school should take legal advice when setting up a trust.

Approval for those who do not have a Early Years Alliance/Pre-school Learning Alliance model constitution

The dissolution clause in the constitution/governing document will need to be followed. Approval for any transfer of charitable assets will need to be given by the Charity Commission. More information can be found on the [Closing a Charity](#) webpage.

Additional Information

Redundancies

It is very important that you follow the correct procedures when making staff redundant. As a condition of your Ofsted registration you will have Employee Liability insurance. You must contact your insurance provider as soon as a closure decision has been made. They will be able to help with legal advice and in some cases, can supply you with template letters.

Sharing of information

If you have any funded 2 year olds and/or vulnerable children attending your provision you will be asked to supply contact details for the children's parents to Oxfordshire County Council. This will allow the Family Information Service Team to find new places for these children. This is not a breach of data protection. The parental declaration form and Early Education Funding Terms and Conditions both contain clauses that allow for the sharing of information.

Premises

If the provider operates under a lease you will need to check the break clause. This will include notice periods and, in some cases, removal of temporary buildings. The provider will need to inform the lease holder of their intentions to close.

Charity Closure

The charity must be solvent when closed. All outstanding debts must be settled. It is advisable to plan closure of services for the end of term. This will avoid having to repay any Early Education Funding and will be helpful to parents looking for alternative provision.

Final accounts will need to be produced

The charity can be dissolved using the [Closing a charity](#) pages of the Charity Commission website. [Guidance documents](#) are also available from the Charity Commission.

The following organisations will need to be informed about the transfer/closure

- Ofsted can be contacted [here](#)
- Early Education Funding Team – earlyeducation@oxfordshire.gov.uk
- Early Years Team – earlyyears@oxfordshire.gov.uk
- Family Information Service Team – fisenquiries@oxfordshire.gov.uk
- Estates, providers that have a lease with Oxfordshire County Council – estates.team@oxfordshire.gov.uk
- Your landlord if you rent/lease land/premises
- Insurance company

- District Council
- Membership organisation – Contact the Early Years Alliance and any other membership organisations
- Magazine subscriptions – Cancel any subscriptions
- Suppliers/utilities - For example your milkman, gas and electricity supplier, educational resource suppliers etc.
- Bank and building society account - This should be left until all outstanding receipts and payments have been cleared and your group has finally dissolved. A month is often enough for this.

Note: this list is not exhaustive and is for general guidance only