



SCOTTISH EXECUTIVE

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Consultees

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Your ref:
Our ref:

23 October 2006

Dear Consultee

CONSULTATION ON THE PROPOSALS FOR CHARITIES REORGANISATION (SCOTLAND) REGULATIONS 2007

I am pleased to enclose a copy of the consultation paper on proposals for Charities Reorganisation (Scotland) Regulations 2007 published today. The consultation paper outlines the Scottish Executive's proposals for the regulations to be made under section 39 of the Charities and Trustee Investment (Scotland) Act 2005. All responses to the consultation should be submitted by **15 January 2007**.

This consultation and all other Scottish Executive consultation exercises, can be viewed online on the consultation web pages of the Scottish Executive website at <http://www.scotland.gov.uk/consultation>. You can telephone Freephone 0800 77 1234 to find out where your nearest public internet access point is.

The Scottish Executive now has an email alert system for consultations (SEconsult:<http://www.scotland.gov.uk/consultations/secondsult.aspx>). This system allows stakeholder individuals and organisations to register and receive a weekly email containing details of all distribution lists, and is designed to allow stakeholders to keep up to date with all SE consultation activity, and therefore be alerted at the earliest opportunity to those of most interest. We would encourage you to register.

Handling your response

We need to know how you wish your response to be handled and, in particular, whether you are happy for your response to be made public. **Please complete and return the Respondent Information Form attached** as this will ensure that we treat your response appropriately. If you ask for your response not to be published we will regard it as confidential, and we will treat it accordingly.



All respondents should be aware that the Scottish Executive is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

Next steps in the process

Where respondents have given permission for their response to be made public (see the attached Respondent Information Form), these will be made available to the public in the Scottish Executive Library by 12 February 2007 and web pages by 19 February 2007. We will check all responses where agreement to publish has been given for any potentially defamatory material before logging them in the library or placing them on the website. You can make arrangement to view responses by contacting the SE Library on 0131 244 4552. Responses can be copied and sent to you, but a charge may be made for this service.

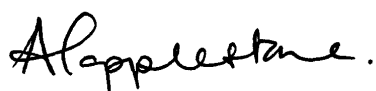
What happens next?

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us reach a decision on reorganisation of charities. We aim to issue a report on this consultation process by early February 2007 and lay the regulations by late February 2007.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to me at the above address.

Yours faithfully



Anita Popplestone
Charity Law Team



RESPONDENT INFORMATION FORM: PROPOSALS FOR REORGANISATION OF CHARITIES REGULATIONS

Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name:

Postal Address:

1. Are you responding: (please tick one box)
- (a) as an individual go to Q2a/b and then Q4
- (b) **on behalf of** a group/organisation go to Q3 and then Q4

INDIVIDUALS

- 2a. Do you agree to your response being made available to the public (in Scottish Executive library and/or on the Scottish Executive website)?

Yes (go to 2b below)

No, not at all We will treat your response as confidential

- 2b. Where *confidentiality is not requested*, we will make your response available to the public on the following basis (**please tick one** of the following boxes)

Yes, make my response, name and address all available

Yes, make my response available, but not my name or address

Yes, make my response and name available, but not my address

ON BEHALF OF GROUPS OR ORGANISATIONS:

- 3 The name and address of your organisation *will be* made available to the public (in the Scottish Executive library and/or on the Scottish Executive website). Are you also content for your **response** to be made available?

Yes

No We will treat your response as confidential

SHARING RESPONSES/FUTURE ENGAGEMENT

- 4 We will share your response internally with other Scottish Executive policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Executive to contact you again in the future in relation to this consultation response?

Yes

No

**CHARITIES AND TRUSTEE INVESTMENT
(SCOTLAND) ACT 2005**

**Proposals for
Charities Reorganisation (Scotland) Regulations
2007**

Consultation Paper

**Scottish Executive
October 2006**

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**CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005
CONSULTATION ON DRAFT CHARITIES REORGANISATION (SCOTLAND)
REGULATIONS 2007**

INTRODUCTION

1. The Charities and Trustee Investment (Scotland) Act 2005 was passed by the Scottish Parliament on 9 June 2005 and received Royal assent on 14 July 2005. The Act improves and strengthens the regulation of charities operating in Scotland in a way that builds on the value that charities bring to Scottish society. The majority of the provisions in the Act, relating to the basic regulation of charities by the Office of the Scottish Charity Regulator (OSCR) in its new independent role, came into force in April 2006.

2. This consultation paper sets out the Scottish Executive's proposals for the Charities Reorganisation (Scotland) Regulations that flow from the Act. These regulations are designed to provide a reorganisation mechanism specifically for those charities that do not have the power to reorganise in their constitutions. Scottish Ministers have powers to make regulations on this matter under section 39 of the Act. Separate proposals for the operation of charity transfer schemes will be issued for consultation in 2007.

3. Our proposals in this consultation paper are intended to help charities to reorganise in a more straightforward and cost-effective manner than was possible under the previous regime. The partial Regulatory Impact Assessment (pp. 24 of this document) sets out what we consider the impact of our proposals on charities will be.

4. This consultation is your opportunity to have your say about these plans before the regulations are laid before Parliament. Although we have highlighted key areas for comment, your views on any aspect of the proposals within this document are welcome.

5. You are invited to respond before the closing date on **15 January 2007** in writing to:

Fiona Warne

Charity Reorganisation Regulations Consultation

Social Inclusion and Voluntary Issues Unit

Scottish Executive Development Department

2-F, Victoria Quay

Edinburgh EH6 6QQ

Tel: 0131 244 4023

Fax: 0131 244 5508

Email: charityact@scotland.gsi.gov.uk

Please reply by **15 January 2007**.

6. This consultation, and all other Scottish Executive consultation exercises, can be viewed online at <http://www.scotland.gov.uk/consultations>. You can telephone Freephone 0800 77 1234 to find out where your nearest public internet access point is.

7. The Scottish Executive now has an email alert system for SE consultations (SEconsult at <http://www.scotland.gov.uk/Consultations/seConsult>). This system allows stakeholder individuals and organisations to register and receive a weekly email containing details of all new SE consultations (including web links). SEconsult complements, but in no way replaces, SE distribution lists, and is designed to allow stakeholders to keep up to date with all SE consultations activity, and therefore be alerted at the earliest opportunity to those of most interest. We would encourage you to register.

Handling your response

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9. All respondents should be aware that the Scottish Executive is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

Next steps in the process

10. Where respondents have given permission for their response to be made public (see the attached Respondent Information Form), these will be made available to the public in the Scottish Executive Library and on the Scottish Executive web pages by 12 February 2007. We will check all responses where agreement to publish has been given for any potentially defamatory material before logging them in the library or placing them on the website. You can make arrangements to view responses by contacting the SE Library on 0131 244 4565. Responses can be copied and sent to you, but a charge may be made for this service.

What happens next?

11. Following the closing date, all responses will be analysed and considered along with any other available evidence to help us reach a decision on the content of the Charities Reorganisation (Scotland) Regulations 2007. We aim to issue a report on this consultation process by February 2007.

Comments and complaints

12. If you have any comments about how this consultation exercise has been conducted, please send them to the address above.

THE SCOTTISH EXECUTIVE CONSULTATION PROCESS

13. Consultation is an essential and important aspect of Scottish Executive working methods. Given the wide-ranging areas of work of the Scottish Executive, there are many varied types of consultation. However, in general, Scottish Executive consultation exercises aim to provide opportunities for all those who wish to express their opinions on a proposed area of work to do so in ways which will inform and enhance that work.

14. The Scottish Executive encourages consultation that is thorough, effective and appropriate to the issue under consideration and the nature of the target audience. Consultation exercises take account of a wide range of factors, and no two exercises are likely to be the same.

15. Typically Scottish Executive consultations involve a written paper inviting answers to specific questions or more general views about the material presented. Written papers are distributed to organisations and individuals with an interest in the issue, and they are also placed on the Scottish Executive web site enabling a wider audience to access the paper and submit their responses (<http://www.scotland.gov.uk/consultations>). Consultation exercises may also involve seeking views in a number of different ways, such as through public meetings, focus groups or questionnaire exercises. Copies of all the written responses received to a consultation exercise (where the individual or organisation has given us permission to publish their response) are placed in the Scottish Executive library at Saughton House, Edinburgh (K Spur, Saughton House, Broomhouse Drive, Edinburgh, EH11 3XD, telephone 0131 244 4565).

16. All Scottish Executive consultation papers and related publications (e.g., analysis of response reports) can be accessed at: **Scottish Executive consultations** (<http://www.scotland.gov.uk/consultations>)

17. The views and suggestions detailed in consultation responses are analysed and used as part of the decision making process, along with a range of other available information and evidence. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

18. Final decisions on the issues under consideration will also take account of a range of other factors, including other available information and research evidence.

19. While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

**CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005
CONSULTATION ON DRAFT CHARITIES REORGANISATION (SCOTLAND)
REGULATIONS 2007**

BACKGROUND

1. The Charities and Trustee Investment (Scotland) Act 2005 (the Act) was passed by the Scottish Parliament on 9 June 2005 and received Royal assent on 14 July 2005. The majority of the provisions in the Act, relating to the basic regulation of charities by the Office of Scottish Charity Regulator (OSCR) in its new independent role, came into force in April 2006.

2. The changes in charity regulation that the Act puts in place are designed to support and encourage charitable activity in Scotland, while reassuring the public that their money is being well used and that support is being properly provided. They will provide a modern, proportionate regulatory framework that will support charities rather than tying them in red tape. The proposed Charities Reorganisation (Scotland) Regulations 2007 outlined here are integral to this.

3. As stated in the consultation paper issued with the draft Bill in June 2004, the Act was motivated by the Executive's belief that there is a clear public interest in the effective regulation of charities in Scotland. For regulation to be effective, it must promote five key principles. It must be:

- independent
- proportionate
- accountable
- transparent
- consistent.

The Charities and Trustee Investment (Scotland) Act 2005 – Reorganisation provisions

4. Chapter 5 of the Charities and Trustee Investment (Scotland) Act 2005 sets out an important foundation of statutory regulation for charity reorganisation. It also gives Scottish Ministers powers to make regulations on charity reorganisation under section 39 of the Act. With the commencement of sections 39 to 42 of the 2005 Act, charities that do not have the power in their own constitutions to reorganise will have a dedicated statutory provision allowing them to reorganise in a simpler and more cost-effective manner than was possible under the previous regime. This section outlines the reorganisation provisions contained in this Act for background only – they are finalised and are not the subject of consultation in this paper. Only Section 39(2) has been commenced to enable the regulations to be made; the remaining parts of section 39, as well as Sections 40 to 42 will be commenced when the regulations come into force.

5. Under section 39, OSCR may approve a reorganisation scheme proposed by a charity if it considers any of the reorganisation conditions is satisfied and that the proposed reorganisation scheme will enable the resources of the charity to be applied to better effect for charitable purposes, consistently with the spirit of its constitution, having regard to changes in social and economic conditions since it was constituted, or enable the charity to be administered more effectively.

6. These reorganisation conditions are set out in section 42(2). These are -

- that some or all of the purposes of the charity-
 - have been fulfilled as far as possible or adequately provided for by other means,
 - can no longer be given effect to (whether or not in accordance with the directions or spirit of its constitution),
 - have ceased to be charitable purposes, or
 - have ceased in any other way to provide a suitable and effective method of using its property, having regard to the spirit of its constitution,
- that the purposes of the charity provide a use for only part of its property, and
- that a provision of the charity's constitution (other than a provision setting out the charity's purposes) can no longer be given effect to or is otherwise no longer desirable.

7. A reorganisation scheme is defined in section 42(3) as being a scheme for-

- variation of the constitution of the charity (whether or not in relation to its purposes),
- transfer of the property of the charity (after satisfaction of any liabilities) to another charity (whether or not involving a change to the purposes of the other charity), or
- amalgamation of the charity with another charity.

8. Section 40 of the 2005 Act also makes provision for an application by OSCR, of its own accord or on the application of the charity trustees of the charity, to the Court of Session for approval of a reorganisation scheme. OSCR may do this where it considers that any of the reorganisation conditions is satisfied in relation to a charity and that a reorganisation scheme proposed by it, or by the charity trustees of the charity, will enable the resources of the charity to be applied to better effect for charitable purposes, consistently with the spirit of its constitution, having regard to changes in social and economic conditions since it was constituted, or enable the charity to be administered more effectively.

9. OSCR must, not less than 28 days before making such an application, notify the charity in question of its intention to do so and the charity trustees of a charity may enter appearance as a party in the proceedings. Under section 41, a charity may, despite any provision of its constitution having contrary effect, proceed with any variation, transfer or amalgamation for which a reorganisation scheme approved under either sections 39 or 40 makes provision.

10. Sections 39 and 40 do not apply to any charity constituted under a Royal charter or warrant or under any enactment but they do apply to an endowment if its governing body is a charity. Charities whose constitutions contain a power allowing them to reorganise can apply to OSCR for consent under section 16 of the 2005 Act.

Reorganisation provisions prior to the introduction of the Charities and Trustee Investment (Scotland) Act 2005

11. Previously, if the charity was the governing body of an educational endowment, it was able to utilise the reorganisation provisions in sections 105 to 122 of the Education (Scotland) Act 1980 (hereafter “the 1980 Act”) until 1st April 2006. After this date, section 43 of the 2005 Act was commenced inserting in section 122 of the 1980 Act a subsection disapplying the reorganisation provisions of the 1980 Act in relation to any endowment that has a charity as its governing body.

12. Charities that are also public trusts, were, prior to 1 April 2006, able to utilise the provisions for the reorganisation of public trusts found in sections 9-11 of the Law Reform (Miscellaneous Provisions)(Scotland) Act 1990 (hereafter “the 1990 Act”), under which the Court of Session could approve a scheme for the variation or reorganisation of the trust’s constitution. In the case of small trusts, the trustees decided if reorganisation was required, then passed a resolution, advertised the scheme and if there were any objections to the scheme, it was open to the Lord Advocate to direct the trust not to proceed with the reorganisation. These provisions were disappplied to charitable trusts by paragraph 7 of Schedule 4 of the 2005 Act, which was commenced in April 2006, in order to prevent charities embarking on a costly and lengthy reorganisation process through the courts, while a new cheaper and quicker regime was pending.

13. Charities that are public trusts are, however, still able to ask the Court of Session to consider a reorganisation under the court’s cy prè s jurisdiction. Section 42(4) of the 2005 Act confirms that nothing in the section 40 of the 2005 Act affects the power of the court in this respect.

Reasons for change

14. The Report of the Scottish Charity Law Review Commission (known as the “McFadden Report”), which was published in May 2001, observed the difficulties and expense that some charities faced when wishing to modernise or change their constitutions if they lacked the mechanisms to do so. Ultimately, the expense incurred would be lost to the good causes that the charity was established to serve. The Report made a number of recommendations concerning the reorganisation of Scottish charities, including:

- that it should be made easier for Scottish charities to reorganise;
- that a new charity regulator should have broad powers to approve reorganisations;

- although not a specific recommendation, the report envisaged the consolidation of existing reorganisation provisions under the 1980 and 1990 Acts.

15. The draft Charities and Trustee Investment (Scotland) Bill, which was published for consultation in 2004, contained the following provisions for charities and public trusts whose constitutions do not allow them to make constitutional changes (s55-58):

- The power to re-organise public trusts would remain with the Court of Session, but the court would be able to approve any change to the trust deed, not just the trust's purposes.
- Re-organisation of medium-sized charities and trusts would take place in the Sheriff Court (a possible threshold for regulations would be an income of less than £100,000).
- Re-organisation of small charities and trusts would be able to take place without court approval, but with OSCR's consent if they are charitable (a possible threshold for regulations would be an annual income of less than £10,000).

16. The Bill also provided for OSCR to have the power to apply to the court for approval of a scheme to reorganise any Scottish charity.

17. However, following the consultation, a number of changes were made to the reorganisation provisions in the Bill, to reflect the views expressed. In general, there was widespread support for the proposed regime, as it would introduce a simpler and cheaper process for charities to reorganise than was available under other statutes. In particular, the proposal that OSCR should deal with the reorganisation of small charities rather than the courts was welcomed but it was suggested that this could be extended to other charities as well. Consequently, the Act, as passed in 2005, makes no distinction between different sizes of charity but rather provides for the handling of all charity reorganisation (where charities do not possess powers to reorganise themselves) by OSCR, with the exception of those covered in paragraph 10 above.

SUMMARY OF PROPOSALS IN DRAFT CHARITIES REORGANISATION (SCOTLAND) REGULATIONS 2007 AND QUESTIONS

General

18. This consultation paper sets out our proposals for the Charities Reorganisation (Scotland) Regulations 2007 that flow from the Charities and Trustee Investment (Scotland) Act 2005. To ensure that charities that lack powers in their constitutions to reorganise have an avenue to do so, section 39 of the Charities and Trustee Investment (Scotland) Act 2005 provides Scottish Ministers with powers to regulate charity reorganisation through secondary legislation on a number of reorganisation matters.

19. This section of the consultation paper sets out our proposals for the reorganisation regulations and our reasons behind them. The paper also contains a number of specific questions. However we would welcome comments on all aspects of our proposals. The draft regulations are contained within this consultation paper (pages 21).

20. Our proposals are intended to help maintain public confidence in the sector and increase transparency without placing undue burdens on charities and other benevolent bodies. This new reorganisation regime should provide a quicker and more cost-efficient route for charities to modernise and adapt their constitutions to better meet changing circumstances, than was previously available to them through petition to the courts.

21. The purpose of these draft regulations is to set out the procedure for making and determining applications for the reorganisation of charities under the 2005 Act, in particular the form and manner in which the application is to be made and the publication of proposed reorganisation schemes. The provisions are set out in more detail below.

Applications (regulation 2 of the draft Charities Reorganisation (Scotland) Regulations 2007)

22. In order for OSCR to determine and approve a reorganisation scheme, the draft regulations provide that the application must include certain information that will enable OSCR to ascertain whether the scheme meets the conditions for reorganisation laid down in section 42 of the Act. The draft regulations require that in preparing an application, charities must provide OSCR with –

- (a) a copy of the existing constitution;
- (b) a copy of the most recent accounts;
- (c) a statement detailing the reasons why the applicant believes that one or more of the reorganisation conditions have been met, and why the proposed reorganisation scheme will enable the resources of the charity to be applied to better effect for charitable purposes consistently with the spirit of its constitution, having regard to changes in social and economic conditions since it was constituted, or why it will enable the charity to be administered more effectively;

- (d) the detail of the scheme including the destination of any assets or liabilities;
- (e) a draft of the proposed new or amended constitution;
- (f) the authority or capacity under which the application is made, (i.e. it need not be only charity trustees who can make applications);
- (g) where the charity's income is over £250,000– a draft of the proposed advertisement of the reorganisation scheme (although the regulations do not provide for OSCR's specific approval of the advertisement before publication, as it is to form part of the application, OSCR will need to be satisfied that it meets the requirements of Regulation 2(2), before confirming that the application has been duly made).

23. The draft regulations do not set requirements concerning the provision or content of applications forms because these are essentially administrative matters and could be subject to change. Neither do they provide for OSCR to require additional information it may consider necessary to determine the application. However we would expect that applicant charities would wish to assist the regulator in reaching a decision on a proposed reorganisation scheme, if additional information were requested.

Question 1

Do you agree with the approach adopted in the draft regulations that specifies the requirements applicants should meet when asking OSCR to approve a reorganisation, rather than stipulating the content and format of an application form?

Question 2

Do you agree that the information required for applications to OSCR is sufficient to enable the regulator to determine the viability of a proposed reorganisation scheme? Do you have any suggestions as to additional information that should be required when making an application?

Advertisement of proposed scheme (regulations 3, 4, 5)

24. The draft regulations provide that –

- (a) for charities with an income over £250,000, OSCR will publish the advertisement prepared by the charity on its website;
- (b) for charities with an income under £250,000 OSCR will prepare an advertisement summarising the proposed reorganisation scheme and publish a summary of the scheme on its website.

25. Regulation 3(1) applies only to charities with a gross annual income of less than £250,000; the publication requirements set out in the remaining paragraphs of regulation 3 apply to all charities. The procedures which OSCR must follow when publishing advertisements of reorganisation schemes on its website are the same for all charities.

26. OSCR will be obliged to keep the advert or summary of the scheme on its website for at least 28 days. There is no requirement that OSCR must publish the advertisement within a given timeframe, following its receipt of the application. We would expect that such publication should occur within 28 days of receipt of the application but appreciate that such a timescale may not always be possible in situations where the regulator may be inundated with requests.

Question 3

Do you agree that a deadline for OSCR’s publication of advertisements on its website should not be included in the regulations? If you believe that a deadline should be included, what time period would you consider appropriate and reasonable?

27. The advertisements published both on OSCR’s website and in the newspaper must provide a deadline for receipt of objections (decided by OSCR), which should be no earlier than 14 days from the end of the publication period (see paragraph 29 below). This means that OSCR must allow at least 14 days for objectors to submit their concerns, following the removal of the advertisement from its website. At least 7 days prior to publication of the advertisement on OSCR’s website, OSCR must advise the applicant of the publication period and the deadline for objections.

28. The advertisement that is to be required of all charities with an income in excess of £250,000 seeking to reorganise under section 39 must be placed in a newspaper circulating throughout Scotland, or if the charity’s purposes relate to a particular region, in a local newspaper, during the publication period.

29. The draft regulations (regulation 5) define a “publication period” as the period which begins when OSCR publishes the advertisement on its website and ends upon the removal of the advertisement or scheme summary from the website.

Question 4

Do you agree with the concept that charities with an income over £250,000 have to advertise in a newspaper? Do you agree that the regulations should set an income threshold for charities which will be required to advertise their proposed schemes in national newspapers? Is the threshold of £250,000 a fair one?

Question 5

Do you agree that the publication requirements set out in the regulations are adequate? Should wider publication be required? Are the publication requirements, and the timeframes allotted, reasonable?

Objections, consideration and decision (regulation 6 and 8)

30 The draft regulations (regulation 6) require that objections to the proposed reorganisation scheme be put in writing to OSCR and that they not arrive later than the date set out in the advertisement, which should be no less than 14 days after the end of the publication period. Such objection notices should state the objector's name and address, his/her interest in the purposes of the charity and the reasons for their objection. It may be that OSCR would wish to seek additional information from objectors but this is not set out specifically in the regulations. Objectors do not have a right to request a review or appeal of OSCR's decision under chapter 10 of the Act.

Question 6

Do you agree with our decision to include provisions relating to the making of objections? Do the regulations provide adequate opportunity for potential objectors to make their concerns known to OSCR?

31. The draft regulations (regulation 7) stipulate that if a charity does not provide the information required under regulation 2 or fails to fulfil the publication requirements under regulation 4, OSCR shall notify the charity in writing that it considers the application to reorganise withdrawn.

32. OSCR's consideration of the scheme must include consideration of any objections but only insofar as OSCR considers them to have any bearing on the requirements of section 42 (2) of the Act. While we would expect such decisions to be reached within a timeframe of about 28 days, we have opted not to set out a deadline in the regulations to allow for the possibility that very detailed and complex objections may be received, precluding straightforward determination of the application. The draft regulations require OSCR to make a decision as to whether or not to approve a proposed reorganisation scheme and send a copy of its decision to the charity.

Question 7

Do you agree with our decision not to include provisions relating to the timeframe in which OSCR should determine an application? If you think that a timeframe should be included, what sort of deadline would you consider to be reasonable and fair?

33. Under Chapter 10 of the Charities and Trustee Investment (Scotland) Act 2005, a decision by OSCR to refuse an application for reorganisation made for the purposes of section 39(1) can be subject to review and appeal, if the charity requests this.

34. Under section 39, Ministers may make different provision in relation to different types of charity. While the Regulations as currently drafted do differentiate between charities on the basis of income when detailing publication requirements, no further distinction is made. This one distinction is made in recognition of the difficulties faced by smaller charities in meeting advertisement costs. It is open to Ministers to vary the regulatory requirements according to charity type; thus, separate provisions could be

introduced for charities with specific purposes or for those that operate in certain sectors. We have not opted to make such distinctions because there is currently no perceived need for any further differentiation and we are not aware of any justification for imposing different requirements on specific types of charity, nor for exempting them. However, we would welcome views on whether such a need exists.

Question 8

Do you agree that the regulations should not differentiate between different types of charity, other than in relation to income level? Should there be separate requirements for certain types of charity, as afforded under section 39(3) of the Charities and Trustee Investment (Scotland) Act 2005?

35. Section 41 of the Act allows the charity to proceed with the reorganisation once OSCR has approved it and section 17 of the Act effectively requires the charity to notify OSCR of the reorganisation once it has taken place so we have made no further provision in respect of this.

36. Under section 35 of the Charities and Trustee Investment (Scotland) Act 2005, Ministers may make regulations setting out the procedures to be followed when OSCR makes application to the Court of Session for approval of a transfer to a charity of the assets of another charity or body. While there may be merit in tying regulations for charity reorganisation to those for transfer schemes we have opted to proceed with regulations solely for reorganisations at this time as we consider these to be our greater priority, and are intended for quite different purposes to those of transfer schemes. However, we would welcome your views as to whether the reorganisation regulations should be held back to allow for the development of regulations on transfer schemes, so that the two can be issued together.

Question 9

Do you agree with our approach to focus on regulations made under section 39 to address charity reorganisation provisions? Or do you believe that these regulations should await the development of further regulations under section 35 so that provisions on reorganisations are tied to those for transfer schemes?

Other legislation

37. The publication requirement in these draft regulations is without prejudice to any advertising requirements flowing from other legislation e.g. company law.

38. These draft regulations are without prejudice to the requirements of any other legislation.

39. We intend to implement these regulations in early 2007.

The partial Regulatory Impact Assessment (RIA) (pages 24 of consultation paper)

40. The partial Regulatory Impact Assessment examines the impact of the new reorganisation requirements on charities and on OSCR. It aims to assess the impact on charities that will be subject to the regime, as well as the overall cost of meeting these requirements. This is compared with the benefits to the sector in streamlining arrangements for certain charities to modernise. We anticipate that as the requirements are intended to be simpler than previous regimes, charities will face little or no additional burden when applying to reorganise under the new provisions. Indeed, given that they will no longer need to apply to the courts to reorganise, it is expected that the new regime will be both quicker and cheaper for charities. A finalised version of the RIA will be prepared to accompany the final regulations. Any additional information that consultees are able to provide for the RIA would be welcomed.

Question 10

Does the RIA provide an accurate picture of the impact of the proposed regulations and the other options? Do you have any comments on the RIA? Are you able to provide further information which might help expand or improve the RIA?

**CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005
CONSULTATION ON DRAFT CHARITIES REORGANISATION (SCOTLAND)
REGULATIONS 2007**

SUMMARY OF QUESTIONS ASKED IN CONSULTATION PAPER

Question 1

Do you agree with the approach adopted in the draft regulations that specifies the requirements applicants should meet when asking OSCR to approve a reorganisation, rather than stipulating the content and format of an application form?

Question 2

Do you agree that the information required for applications to OSCR is sufficient to enable the regulator to determine the viability of a proposed reorganisation scheme? Do you have any suggestions as to additional information that should be required when making an application?

Question 3

Do you agree that a deadline for OSCR's publication of advertisements on its website should not be included in the regulations? If you believe that a deadline should be included, what time period would you consider appropriate and reasonable?

Question 4

Do you agree with the concept that charities with an income over £250,000 have to advertise in a newspaper? Do you agree that the regulations should set an income threshold for charities which will be required to advertise their proposed schemes in national newspapers? Is the threshold of £250,000 a fair one?

Question 5

Do you agree that the publication requirements set out in the regulations are adequate? Should wider publication be required? Are the publication requirements, and the timeframes allotted, reasonable?

Question 6

Do you agree with our decision to include provisions relating to the making of objections? Do the regulations provide adequate opportunity for potential objectors to make their concerns known to OSCR?

Question 7

Do you agree with our decision not to include provisions relating to the timeframe in which OSCR should determine an application? If you think that a timeframe should be included, what sort of deadline would you consider to be reasonable and fair?

Question 8

Do you agree that the regulations should not differentiate between different types of charity, other than in income level? Should there be separate requirements for certain types of charity, as afforded under section 39 of the Charities and Trustee Investment (Scotland) Act 2005?

Question 9

Do you agree with our approach to focus on regulations made under section 39 to address charity reorganisation provisions? Or do you believe that these regulations should await the development of further regulations under section 35 so that provisions on reorganisations are tied to those for transfer schemes?

Question 10

Does the RIA provide an accurate picture of the impact of the proposed regulations and the other options? Do you have any comments on the RIA? Are you able to provide further information which might help expand or improve the RIA?

Name:.....

Position.....

Organisation.....

Address.....

.....

.....

.....

.....

.....

Date.....

Draft Charities Reorganisation (Scotland) Regulations 2007

The Scottish Ministers, in exercise of the powers conferred by section 39(2) of the Charities and Trustee Investment (Scotland) Act 2005(a), and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Charities Reorganisation (Scotland) Regulations 2007 and shall come into force on [] 2007.

(2) In these Regulations—

“the 2005 Act” means the Charities and Trustee Investment (Scotland) Act 2005;

“applicant” means a charity applying to OSCR for approval of a reorganisation scheme;

“latest date for objections” has the meaning given in regulation 3;

“OSCR” has the meaning given in section 1 of the 2005 Act;

“publication period” has the meaning given in regulation 5.

Application to reorganise

2. - (1) An application by a charity for approval to reorganise under section 39 of the 2005 Act must be in writing and include-

(a) a copy of the existing constitution of the charity;

(b) a copy of the most recent annual accounts of the charity;

(c) a statement setting out the reasons why it is considered that one or more of the reorganisation conditions in section 42(2) of the 2005 Act have been met;

(d) a statement setting out the reasons why it is considered that the proposed reorganisation scheme will-

(i) where the condition satisfied is that set out in paragraph (a) or (b) of section 42(2) of the 2005 Act, enable the resources of the charity to be applied to better effect for charitable purposes consistently with the spirit of its constitution, having regard to changes in social and economic conditions since the charity was constituted, or

(ii) where the condition satisfied is that set out in paragraph (c) of section 42(2) of the 2005 Act, enable the charity to be administered more effectively;

(e) details of the proposed reorganisation scheme, including the destination of any assets or liabilities of the charity;

(f) a draft of the proposed new or amended constitution of the charity; and

(g) the authority or capacity of the applicant making the application to reorganise.

(2) A charity with a gross annual income of £250,000 or more shall include with the application a draft advertisement of the proposed reorganisation scheme, which must include-

(a) details of the proposed reorganisation scheme;

(b) reasons for the proposed reorganisation scheme;

(c) a statement advising that any objections to the proposed reorganisation scheme should be sent to OSCR; and

(d) a statement referring objectors to the proposed reorganisation scheme to these Regulations.

Advertisement on OSCR's website

3. – (1) Where the applicant is a charity with a gross annual income of less than £250,000, OSCR shall prepare an advertisement summarising the reorganisation scheme.
- (2) OSCR shall publish either the advertisement referred to in regulation 2(2) or the advertisement referred to in paragraph (1), on its website for a publication period of at least 28 days-
- (a) advising that any objections to the proposed reorganisation scheme should be sent to OSCR no later than the latest date for objections specified in the advertisement; and
 - (b) referring objectors to the proposed reorganisation scheme to these Regulations.
- (3) The latest date for objections shall be not less than 14 days after the end of the publication period.
- (4) Not less than 7 days prior to publication of the advertisement referred to in regulation 2(2) or the advertisement referred to in paragraph (1), OSCR shall advise the applicant of the publication period and the latest date for objections.

Newspaper advertisement

4. – (1) A charity with a gross annual income of £250,000 or more shall during the publication period-
- (a) arrange for the advertisement prepared in accordance with regulation 2(2), to be published in a newspaper circulating throughout Scotland, or if the purposes of the charity relate to a particular locality, in a newspaper circulating in that locality; and
 - (b) include in the advertisement the latest date for objections.

Publication period

5. The publication period for the purposes of these Regulations shall be the period beginning with the date OSCR publishes the advertisement of the proposed reorganisation scheme of a charity on its website and ending with the date OSCR removes the advertisement from its website.

Objections to proposed reorganisation scheme

6. – (1) Where, following the publication of the advertisement of the proposed reorganisation scheme of a charity on OSCR's website in accordance with regulation 3(2) and in a newspaper in accordance with regulation 5, any person with an interest in the purposes of the charity wishes to object to the proposed reorganisation scheme, that person shall send their objection in writing to OSCR to arrive not later than the latest date for objections as specified in the advertisement, which date shall not be less than 14 days after the end of the publication period.
- (2) Objections shall state-
- (a) the name and address of the person objecting;
 - (b) the nature of their interest in the purposes of the charity; and
 - (c) the nature of the objection and the reasons for the objection.

Withdrawal of application

7. If a charity does not provide the information required by regulation 2 or does not fulfil the requirement to advertise the proposed reorganisation scheme in a newspaper in accordance with regulation 4, OSCR shall send written notification to the charity that it considers the application to reorganise withdrawn.

OSCR's decision

8. – (1) In reaching a decision as to whether to approve the proposed reorganisation scheme of a charity, OSCR shall consider any objections it receives under regulation 6, if OSCR considers the objections have any bearing on whether-

(a) any of the reorganisation conditions in section 42(2) of the 2005 Act is satisfied in relation to the charity, and

(b) the proposed reorganisation scheme will-

(i) where the condition satisfied is that set out in paragraph (a) or (b) of section 42(2) of the 2005 Act, enable the resources of the charity to be applied to better effect for charitable purposes consistently with the spirit of its constitution, having regard to changes in social and economic conditions since it was constituted, or

(ii) where the condition satisfied is that set out in paragraph (c) of section 42(2) of the 2005 Act, enable the charity to be administered more effectively.

(2) OSCR shall send a copy of its decision whether or not to approve the reorganisation scheme to the charity.

**CHARITIES AND TRUSTEE INVESTMENT
(SCOTLAND) ACT 2005**

**Charities Reorganisation (Scotland) Regulations
2007**

Draft Partial Regulatory Impact Assessment

**Scottish Executive
October 2006**

**CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005
CONSULTATION ON DRAFT CHARITY REORGANISATION (SCOTLAND)
REGULATIONS 2007**

PARTIAL REGULATORY IMPACT ASSESSMENT (RIA)

Introduction

1. This draft partial Regulatory Impact Assessment (RIA) aims to provide information on the options considered in relation to the draft Charities Reorganisation (Scotland) Regulations, to be made under section 39 of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and their likely impact on the sector. Under Scottish Cabinet rules, any piece of legislation which will create or extend a regulatory regime must include a consideration of the impact of regulation on the relevant sector. We would welcome your comments on the assumptions made here, in order to revise this RIA and improve its accuracy.

Purpose and intended effect of regulation

(i) The objective

2. The Scottish Executive is committed to reforming the regulatory regime for charities in order to support the charities sector and to safeguard the public interest in relation to charities. The Charities and Trustee Investment (Scotland) Act 2005 received Royal Assent on 14 July 2005. This draft partial Regulatory Impact Assessment (RIA) forms part of the consultation paper setting out the Executive's proposals for the Charities Reorganisation (Scotland) Regulations 2007 under section 39 of the Act, and sets out what we consider the impact of our proposals on charities will be. These regulations will set out the conditions which must be followed by charities who, lacking powers within their own constitutions, must apply to the Office of the Scottish Charity Regulator (OSCR) for permission to reorganise.

3. This RIA provides background information on the options which were considered when developing the proposals, and the probable impact and cost of these options. We would welcome views on the issues considered in this RIA, which will be amended and published in final form when the regulations are laid before the Scottish Parliament.

4. **Devolution:** The regulations will only apply to the reorganisation of charities in Scotland.

(ii) The background

5. The Charities and Trustee Investment (Scotland) Act 2005 received Royal Assent on 14 July 2005. Proposals for the Bill were consulted on during the summer of 2004.

6. Chapter 5 of the Charities and Trustee Investment (Scotland) Act 2005 sets out an important foundation of statutory regulation for charity reorganisation. It also gives Scottish Ministers powers to make regulations on charity reorganisation under section 39. With the commencement of sections 39 to 42 of the 2005 Act, charities that do not have the power to reorganise in their own constitutions will have a dedicated statutory provision allowing them to reorganise in a simpler and more cost-effective manner than was possible under the previous regime, which required application to the Court of Session. Sections 39 to 42 will be commenced to coincide with the coming into force date of the regulations.

7. The proposals in the draft Charities Reorganisation (Scotland) Regulations 2007 are made using these powers in section 39 of the Act and are intended to help maintain public confidence in the sector and increase transparency without placing undue burdens on charities and other benevolent bodies. They are integral to the aim of providing a modern, proportionate regulatory framework, that will support charities rather than tying them in red tape. They are intended to help charities to reorganise in a more straightforward and cost-effective manner than was previously possible.

8. Under section 39, OSCR may approve a reorganisation scheme prepared by a charity if it considers any of the reorganisation conditions satisfied and that the proposed reorganisation scheme will enable the resources of the charity to be applied to better effect for charitable purposes, consistently with the spirit of its constitution, having regard to changes in social and economic conditions since it was constituted, or will enable the charity to be administered more effectively. The purpose of these draft regulations is to set out the procedure for making and determining applications for the reorganisation of charities under the 2005 Act, in particular the form and manner in which the application is made, the period within which OSCR must make a decision on an application and the publication of proposed reorganisation schemes.

(iii) Rationale for government intervention

9. The Report of the Scottish Charity Law Review Commission (known as the “McFadden Report”), which was published in May 2001, observed the difficulties and expense that some charities faced when wishing to modernise or change their constitutions but lacked the mechanisms to do so. Ultimately, the expense incurred would be lost to the good causes that the charity was established to serve. The Report made a number of recommendations concerning the reorganisation of Scottish charities, including:

- that it should be made easier for Scottish charities to reorganise;
- that a new charity regulator should have broad powers to approve reorganisations;
- although not a specific recommendation, the report envisaged the consolidation of existing reorganisation provisions under the 1980 and 1990 Acts.

10. In the consultation on, and during parliamentary passage of, the draft Charities and Trustee Investment (Scotland) Bill, there was widespread support for the proposed

regime, with many respondents welcoming what would be a simpler and cheaper process for charities to reorganise than was available under other statutes. Consequently, the Act, as passed in 2005, provides for the handling of all charity reorganisations (where charities do not possess powers to reorganise themselves) by OSCR rather than the Court of Session, except for charities constituted under a Royal charter or warrant or under any enactment. They do however apply to an endowment if its governing body is a charity.

(iv) Risk assessment

11. The new regulations are an essential part of the implementation of the Charities and Trustee Investment (Scotland) Act 2005. Without the new regulations, there would be no statutory basis for the procedures to be followed by charities that lack powers to reorganise themselves, in seeking the consent of OSCR to reorganise. A lack of regulation would severely hamper the attempts to provide a transparent and straightforward regulatory framework for charities in Scotland and undermine the principles of the Charities and Trustee Investment (Scotland) Act 2005.

Public consultation

12. A public consultation is being carried out on the draft regulations on charities reorganisation from October 2006 to January 2007. The responses, and a summary, will be published before the regulations are finalised and laid before the Scottish Parliament in early 2007.

Options

Option 1: Do nothing

13. This option would involve not using the powers in section 39 of the Charities and Trustee Investment (Scotland) Act 2005 to regulate charity reorganisation. Without the commencement of sections 39 to 42, and the making of regulations under section 39, charities that lack authorising provisions within their constitutions would have no legitimate route to reorganise themselves and OSCR would be unable to approve any such schemes. This would mean that those charities would have no means by which to modernise their constitutions or effect other basic changes. By failing to implement these sections of the Act, the more efficient and cost-effective reorganisation mechanism set out in those provisions would remain closed. If we were to commence sections 39 to 42 but opt not to make regulations under section 39, there would be no clear procedure for charities and the regulator to follow in the implementation of those sections and no statutory basis setting out the requirements which both must follow.

Option 2: Implement draft Charities Reorganisation (Scotland) Regulations 2007

14. Implementation of the draft Charities Reorganisation (Scotland) Regulations 2007 will introduce statutory control of charity reorganisation, which will provide a clear and transparent basis upon which OSCR can determine applications, and consider potential

objections. These regulations set out the information which must be included in applications for authorisation, sufficient to allow the regulator to consider the merits of the proposed scheme against the requirements set out in section 39 and 42 of the Act. The draft regulations also set out publication requirements, varied according to the income of the charity, and also the procedures for lodging objections to reorganisation schemes. By requiring applicants to advertise proposed schemes, detailing certain key features, interested members of the public are given the opportunity to lodge objections within specified timeframes.

Option 3: Introduce more extensive regulations using all the powers available to Scottish Ministers to regulate charity reorganisation.

15. Under section 39, Ministers may make different provision in relation to different types of charity. While the regulations as currently drafted do differentiate between charities on the basis of income when detailing publication requirements, no further distinction is made in the requirements. This one distinction is made in recognition of the difficulties faced by smaller charities in meeting advertisement costs. It is open to Ministers to vary the regulatory requirements according to charity type; thus, separate provisions could be introduced for charities with specific purposes or for those that operate in certain sectors. We have not opted to make such distinctions because there is currently no perceived need for any further differentiation and we are not aware of any justification for imposing different requirements on specific types of charity, nor for exempting them. However, we would welcome views on whether such a need exists.

Costs and benefits

Business sectors affected

16. Only those existing charities in whose constitutions there are no provisions authorising reorganisation of the charity will require to comply with these regulations. Many charities do possess such powers within their constitutions and OSCR has processed a large number of consents and notifications of changes under Sections 16 and 17 of the Charities and Trustee Investment (Scotland) Act 2005, since their commencement in April 2006. We would expect that the number of charities who will be subject to the provisions in these regulations, to whom the procedures under Sections 16 and 17 are not available on account of constitutional restrictions, would be comparatively few. That is not to say that we would do not place significance on the implementation of these provisions; on the contrary, we are aware of the importance of these regulations to charities who cannot avail themselves of the procedures under sections 16 and 17.

17. Where such charities would previously have applied to the Courts, with the commencement of Sections 39 to 42 of the Charities and Trustee Investment (Scotland) Act 2005 and the introduction of these regulations, they will be able to apply to OSCR for consent to reorganise. This should represent a significant improvement, particularly in terms of reduced expense and timescale, for parts of the charity sector, although it may result in a slight reduction in case load for some members of the legal profession.

Benefits

Option 1: Do Nothing

18. There would be little benefit from this option; on the contrary, to fail to implement the reorganisation provisions in the Act would be to neglect a pressing need within the parts of the charity sector. Although the sector would have fewer legislative requirements to comply with, there would be no avenue for charities to reorganise, if their constitutions do not authorise reorganisation and this would run counter to our intention to support. There was widespread support from the sector during the consultation on the Draft Charities and Trustee Investment (Scotland) Bill in 2004, and during the parliamentary passage of the Bill, for the introduction of a quicker and cheaper means of reorganisation for these charities. So to fail to deliver the promised benefits of a simpler system would be a serious setback in our endeavour to improve regulation for charities in Scotland.

Option 2: Implement draft Charities Reorganisation (Scotland) Regulations 2007

19. As indicated above, there has been considerable support for this approach. The regulations would ensure accountability and transparency to help assist public confidence in the sector, but also to provide the operational context in which charities can seek approval for proposed reorganisations. Charities that lack powers to reorganise should see the benefits of a more straightforward and significantly less expensive system introduced with requirements clearly set out in these regulations. Other stakeholders and members of the public will also have the opportunity to see the details of proposed reorganisation schemes and lodge objections in line with procedures, which these regulations will establish.

Option 3: Introduce more extensive regulations using all the powers available to Scottish Ministers to regulate charity reorganisation.

20. Introducing more extensive regulations with separate provisions for different types of charity is an option that Ministers could follow but we are not aware of any specific benefits that such an approach might bring. We have always endeavoured to create a level playing field for charities ensuring that the regulatory framework is fair and consistent, distinguishing only to recognise the significant differences in income that exist between different sizes of charity, and, consequently, their differing abilities to meet costs. However, if additional provisions would be helpful to certain types of charities, without disadvantaging other types of charity, then we would be happy to consider suggestions.

Costs

Option 1: Do nothing

21. There would be no direct costs to charities in this option. However, it is conceivable that some charities, lacking a route for reorganisation, would be prevented from pursuing more cost effective means of working that modernisation and change could potentially bring about. To do nothing would leave no detailed requirements for charity reorganisation in Scotland and would seriously undermine the principle of improving the regulatory framework for charities, which underpins the Charities and Trustee Investment (Scotland) Act 2005.

Option 2: Implement draft Charities Reorganisation Regulations

22. Those undertaking charity reorganisation will need to ensure that they are aware of, and comply with, the requirements the regulations place on them. Many charities will face no additional costs because they possess the necessary powers within their constitutions and can seek OSCR's consent to reorganise under section 16 of the Charities and Trustee Investment (Scotland) Act 2005. For those charities that will be subject to these regulations, the new regime should represent a not inconsiderable reduction in costs for reorganisation, when compared with the costs incurred in applying to the Court of Session to approve a reorganisation scheme, which would run to several thousand pounds. We have received informal indications that costs of applying to the Court of Session for approval can range from £7,500 to £15,000: however, if the case is subject to challenge or prolonged, those costs could rise substantially.

The Executive would welcome any information from charities which indicates how much these costs might have been under the old scheme and what costs might be envisaged under the new which we have not captured here, and these will then be included in the final RIA.

23. In contrast, there are no plans for OSCR to operate a charging scheme for charity reorganisation approval procedures. It has not been possible to provide accurate estimates of compliance costs for charities, although we do not believe they will be significant, including mainly administration costs for preparing and sending an application to OSCR and publication costs, which will vary according to the size of the charity. If a charity has an income over £250,000, it will be required to publish details of the proposed reorganisation scheme in an advertisement placed in a newspaper with Scotland-wide distribution. Costs for an advertisement of 20cm size by four columns would average at around £5,000 for the Scotsman, Herald and Daily Record, prices varying according to the precise size and amount of text in the advertisement.

24. The costs to OSCR for processing applications and considering objections were always included in assumptions and estimates of its running costs, as part of its day to

day business and so we would expect the administration costs to be met within existing budgets.

Option 3: Introduce more extensive regulations using all the powers available to Scottish Ministers to regulate charity reorganisation.

25. While it is not possible to estimate the costs for introducing more extensive regulations which differentiate between different types of charity, we would expect that the costs of determining several assorted types of application could result in increased administration costs for OSCR. It may be that additional costs would also be incurred by charities but that would entirely depend upon the provisions in question and again, on this, we would welcome your views.

The Executive would welcome any information from charities which indicates how much these costs might be – to be included in the final RIA.

Consultation with small business

26. These regulations will only apply to charities and we do not, therefore, expect that they will have an impact on small firms or micro-businesses. The consultation in 2004 on the draft Charities and Trustee Investment (Scotland) Bill included our proposals for the reorganisation of charities. This consultation paper was sent to a wide variety of bodies and individuals, as well as being available on the SE website. No concerns were raised about the impact on small businesses.

Test run of business forms

27. The draft regulations introduce requirements which certain charities must meet when preparing and publicising proposed reorganisation schemes. However, they do not introduce a statutory business form which must be completed, but merely certain things which must be included in the application to be submitted to OSCR. Therefore there is no business form which needs to be tested.

Competition Assessment

28. The Charities Reorganisation (Scotland) Regulations 2007 set out in the consultation paper are not expected to have any impact on competition. It will make the reorganisation of charities more straightforward and cost-effective, introducing a simplified approval regime operated by OSCR. However it will not distort or restrict competition within markets in which charities operate.

Enforcement, sanctions and monitoring

29. The provisions will be enforced by the Office of the Scottish Charity Regulator (OSCR). The regulator will be tasked with reviewing implementation of the legislation

and regulations, and advising the Executive of any need for change. The Executive will review the impact of the regulations within ten years of them coming into force.

[The following further sections of the RIA will be completed for the final version, feeding in information from the consultation responses and the final options chosen.

Implementation and delivery plan

Post-implementation review

Summary and recommendations]

Consultation

30. The Charities and Trustee Investment (Scotland) Act 2005 was developed following extensive consultation. This draft RIA and the proposals for the Charities Reorganisation (Scotland) Regulations 2007 contained in the accompanying consultation paper are now produced for comment. It has been distributed to a range of key stakeholders, including national and local voluntary sector intermediary organisations, representative bodies of particular groups of charities and benevolent bodies, professional bodies, local authorities, and all those organisations which have responded to previous Executive consultations on charity law reform. It is also available on the Scottish Executive website consultations page (www.scotland.gov.uk/consultations).

31. We encourage you to submit comments on this approach, and any evidence on costs and benefits that may inform the legislative approach. We would value your comments on this RIA, along with your responses to the consultation by **15 January 2007**.

Contact

32. Any queries about this RIA should be addressed to:

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