

PROCEDURE FOR SELLING A PROPERTY WHERE THE SCOUT ASSOCIATION TRUST CORPORATION HOLD TITLE AS CUSTODIAN TRUSTEE

Where SATC hold the title to a property as Custodian Trustee on behalf of a scout unit they must be signatory to any transactional documents such as a sale contract or transfer deed, on behalf of a unit. The terms of the sale must be negotiated and agreed between the scout unit and the buyer. This is not something in which SATC is involved. SATC have standard clauses that must be included in the documents and must be agreed by SATC prior to execution by its trustees.

The matter will need to be placed before the SATC Board for approval (this is done by email so that the matter can be processed as quickly as possible). There is an administrative fee payable the details of which are provided below.

The Role of SATC

SATC is a company created to hold title to land as a Custodian Trustee on behalf of scout units. Although initiated by The Scout Association (TSA), SATC is not owned or controlled by TSA and has its own separate board of directors.

As Custodian Trustee the SATC cannot and does not have any responsibility for compliance with the transactional documents, this is the responsibility of the Executive Committee of a scout unit; commonly referred to as the 'Managing' or 'Charity' Trustees. However, as SATC hold title to the property as Custodian Trustee, they are a signatory to any transactional documents and ensures that documentation is compliant with charity law and that the best interests of scouting are upheld.

Obtaining SATC approval

In order for SATC to approve a matter, it must be placed before the SATC board of trustees. This is done on the first Friday of each month. Before it can be done, we will require the following:

- (i) Copy resolution of meeting of the Executive Committee where it was agreed to sell the land that is held on trust by SATC.
- (ii) Copy of the agreed transfer deed and contract plus any additional documents that may be required.
- (iii) Completed letter of request.

We have provided the template letter of the request which needs to be completed by the scout unit's Secretary and returned to us.

The Letter:

- (a) gives official notification of when the scout unit's Executive Committee passed a resolution that the land could be sold; and
- (b) confirms that the Executive Committee of the Scout unit agree that they will be responsible for the compliance with the conditions of the transactional documents.

- (iv) A brief background and explanation as to why the scout unit is selling the land.

- (v) Completed group information form that has been provided.

SATC fees

The SATC charges the Scout unit an administrative fee of £400 plus VAT which must be settled before we can return the signed documents. An invoice will be issued following approval of the matter by SATC board of trustees.

Standard SATC Clauses

We have provided in a separate document the standard SATC clauses that must be included in the transactional documents. Please pass these to your instructed solicitor.

Obtaining a satisfactory Section 119 Report (formerly a Section 36 Report)

In accordance with The Charities Act 2011, unless the other party is a similar charity to the scout unit, a sale is considered a disposal of a charitable interest in land. The scout unit's executive committee (as the charity trustees) are therefore under a statutory duty to first obtain a section 119 report advising as to whether the sale is in the charity's best interests. This report is required by law regardless of the value of the land or any other circumstances. The scout unit will need to instruct a designated advisor to produce the report and will be responsible for any fees. A designated advisor must be a member of the Royal Institute of Chartered Surveyors, a fellow of the Central Association for Agricultural Valuers or a fellow of the National Institute of Estate Agents. The report must comply with the Charities (Dispositions of Land: Designated Advisers and Reports) Regulations 2023 which are provided and should be passed to the designated advisor. Where they are unable to report on a point they must advise as to why they are unable to do so rather than remain silent on the point. Once the report has been finalised it must be sent to us for our review.

Legal and Designated Advisor Fees

SATC is not responsible for legal, designated advisor or other fees, these must be paid by the scout unit. Due to the charitable nature of scout units it is not unusual for the unit's costs to be paid by the other party to a transaction or for a designated advisor or solicitor to act for free on a "pro bono" basis.

Role of our Legal Services Department

As well as acting as solicitor for TSA and SATC we also provide general legal advice to members and scout units. We are unable to provide specific advice in relation to particular circumstances, however, most issues can be resolved by way of general

legal advice. Where advice beyond what we are able to provide is required, we would advise that you look to instruct a separate, perhaps local, solicitor. In many cases instructing a solicitor will incur legal costs that are unavoidable from the onset i.e. sale or purchase of property or court proceedings. Where possible, we would encourage that attempts are made to resolve matters quickly and amicably to try and avoid such legal costs for members or scout units.

We hope that the information that we have provided is useful. Do let us know if you have any questions otherwise we look forward to receiving the required documents and information so that the matter can be placed before the Board.

Other Matters

Although less common when selling land, if the Vendor is responsible for completing any SDLT forms or land registration forms then the responsibility for their completion falls to the Scout Unit.