

Purpose	FOR APPROVAL
Paper	Squirrel Scouts – A merger between Dreys and Scout groups
Author	Group Scout Leader / Executive Committee Chair / Drey Chair
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EXECUTIVE SUMMARY

The hard work of volunteers in Northern Ireland has led to Squirrel Scouts being rolled out across the UK. The Northern Ireland Squirrel Association (NISA) and Scouts NI would like existing Squirrel Dreys to be welcomed into The Scout Association (TSA). To do that, each Drey and Scout group need to merge.

This Executive Committee is being asked to agree *in principle* to such a merger, pending due diligence and creation of a Transfer Agreement that is agreeable to this Executive Committee. The Chair will inform TSA, NISA and Scouts NI of this decision.

In the weeks to come, the Executive Committee of the Squirrel Drey will be asked to submit a Due Diligence Questionnaire to be considered by the Scout group Executive Committee, resulting in a Transfer Agreement being considered by both Executive Committees, to be signed once both are content. Engagement with the Charity Commission for Northern Ireland and relevant stakeholders will then formally close the Squirrel Drey as a charity with provision continuing within the Scout group.

Recommendation:

The Executive Committee is asked to agree, *in principle*, to our Drey and Scout group merging.

1. Context

In August 2020 The Scout Association (TSA) [agreed to create a new section for four and five year olds](#)¹. This was based on the success and hard work of volunteers in Northern Ireland in delivering Squirrels provision for over twenty five years, as well as [two years of piloting in England](#)². The new section will be known as Squirrel Scouts. Both the Northern Ireland Squirrel Association (NISA) and Scouts NI wish existing Squirrel's provision to be fully welcomed into The Scout Association.

At present, NISA exists as a separate charity, distinct from TSA. NISA is the federated body for Squirrel Dreys in Northern Ireland. Each Drey exists as its own standalone charity (and may be registered with the Charity Commission for Northern Ireland) within the NISA federated structure. This is the same as the way that Scout groups are standalone charities within the TSA federated structure. This means that in many communities in Northern Ireland there is both a Drey and a Scout group that exist as separate charities.

2. What does it mean for a Drey to merge with a Scout group?

A "merger" of a Drey with a local Scout group involves the transfer all of a Drey's assets, any property and activities into the local Scout group. It also involves being clear on what liabilities the Scout group is accepting. The process involves:

- TSA inviting each Drey to submit a Due Diligence Questionnaire which will be passed onto the appropriate Scout group to work out what assets the Drey holds which will need to be transferred. This also allows TSA to develop a Transfer Agreement template;
- Using the template, the Scout group and the Drey agree on the wording of a Transfer Agreement by which the activities and assets of the Drey are transferred into the Scout group;
- The Scout group and the Drey hold Executive Committee meetings to approve the Transfer Agreement;
- The Transfer Agreement takes effect and all of the Drey's assets pass to the Scout group; and
- The Drey winds up and, where relevant, is removed from the charity register in Northern Ireland and the merger is registered in the Register of Mergers at the Charity Commission for Northern Ireland.

¹ <https://www.scouts.org.uk/about-us/strategy/our-pillars-of-work/early-years/>

² <https://www.scouts.org.uk/about-us/strategy/our-pillars-of-work/early-years/the-early-years-pilot-project/>

A successful merger means that Squirrels will then benefit from the services and resources of being full members of The Scout Association. The overhead of administering two separate charities is eliminated.

3. Why is it necessary to go through a formal merger process?

Merging best helps Dreys and Scout groups to be clear about the assets and liabilities they are transferring. While 'closing' the Drey on one day, and 'opening' within the Scout group on the next may seem like a simpler solution, we have been advised that this creates ambiguity and risk which is in the long-term interest of neither organisation.

NISA, TSA and Scouts NI are hoping that all mergers will take effect by September 2021. To achieve this, the key timings are:

- **March – 16 May 2021:**
Dreys complete the *due diligence* questionnaire using our online survey [\[INSERT LINK\]](#) by 16 May. TSA are holding a webinar [\[INSERT LINK\]](#) to support Dreys and Scout groups with any questions about this process.
- **June - August 2021:**
TSA will provide Scout groups with their Drey's due diligence results, alongside guidance on what to look out for. TSA will also provide Dreys and Scout groups with a template Transfer Agreement informed by the due diligence work. When both the Drey and Scout group are happy with the Transfer Agreement, it can be approved by both Executive Committees.
- **September 2021:**
The merger takes effect.
- **October 2021:**
Dreys are removed from the Charity Commission of Northern Ireland register of charities (if relevant). Scout groups confirm to members, parents and supporters that the merger has taken effect and the Squirrels activities (in all likelihood with the same adult volunteer) are now being administered by the Scout group. The mergers are recorded on the Register of Mergers at the Charity Commission for Northern Ireland. TSA, NISA and Scouts NI will be exploring the most efficient way of doing this with the Charity Commission in Northern Ireland.

4. Support

TSA, NISA and Scouts NI have committed to supporting us as local Executive Committee members to make this process as straight forward as possible. They are commissioning legal advice and using this to provide guidance and templates for our Executive Committee to use. There will be a number of webinars organised, and a [dedicated website](#)³ has been established where questions can be submitted and resources hosted.

However, we are an independent charity. TSA, NISA and Scouts NI will provide guidance, but this does not constitute legal advice.

5. Recommendation

The Executive Committee is asked to agree in principle to our Drey and Scout group merging, pending due diligence and creation of a Transfer Agreement that is agreeable to both Executive Committees.

³ <https://www.scouts.org.uk/about-us/strategy/our-pillars-of-work/early-years/bringing-squirrels-ni-and-scouts-together/>