

GMCVO

# Calling time

**A short account of the steps taken by Manchester Youth Volunteering Project to close down and transfer its assets to a new organisation**

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# Closing time

**For over 15 years, Manchester Youth Volunteering Project (MYVP) worked with young people, supporting their volunteering, voice and ideas for social action. During this period, the organisation supported over 7,500 young people and hundreds of community groups and events. However, in recent years, with the worsening economic climate and the drying up of funding streams, MYVP found it increasingly difficult to continue to provide its services. After considering the possible options for its future, MYVP finally decided, in summer 2011, to close down – and to transfer its knowledge, assets and goodwill to a new volunteering service. *Lance Bell*, former manager of MYVP, describes the steps taken to wind up the organisation**

The primary reasons for opting to close the organisation were the current funding climate and MYVP's future ability to attract money to provide its services. Most national volunteering money was unavailable to us post-involved, as we were not an accredited Volunteering England centre. The cutbacks in the youth service also had an effect.

Various options for changing our organisation's remit to include all ages and expand our geographical area were explored, but we could not register as a Volunteering England centre as this would have jeopardised the initiative to establish a Volunteer Centre in Manchester, which we had spent 10 years campaigning for.

We looked at various other options including, running the organisation completely voluntarily with no paid staff or offices, putting the charity into 'hibernation' until some further funding was secured, finding a partner to merge with, or just closing the organisation down. Ultimately, at the heart of the decision about how to move forward, was consideration of what was realistic and achievable and what would be best for young volunteers in Manchester. Keeping this in mind helped us to make a considered decision. There were no obvious organisations to merge with, (we had partnered with the Greater Manchester Youth Network for many years but because of their legal structure, a merger with them was prohibited in our constitution), and too little time to look at a merger that included TUPE. Merger with Manchester Alliance for Community Care (MACC) – the lead partner in the new Manchester initiative – was not really an option due to some of the constraints with the contract.

MYVP has a dissolution clause within its articles and memorandum, which allowed us to close down and transfer whatever assets and support we had remaining to a "similar charitable organisation or organisations".

The management committee wanted to make sure that the staff still employed were consulted and given notice about the closure and that they received support and the correct information on redundancy procedures and payments. Staff also received additional training, job search time, interview time, references and exit interviews.

During this procedure, MACC was approached to see if they actually wanted what we had to offer, and a plan of action was formed.

Timelines were set so that we could close down the operational sides of the organisation and vacate the offices.

We needed to recoup money to pay liabilities; all assets were costed at market value independently and then sold to voluntary sector organisations as the first choice of customer. This was agreed at board level after discussion of the options available to us in conjunction with the possible needs of the new Volunteer Centre.

The decision was made to wind up the charity and transfer its knowledge and support to the volunteer centre based in MACC as this would help support their start-up and embed youth volunteering within the service. Due to council support for the new initiative, its place within a wider infrastructure organisation and its national network opportunities through Volunteering England, the volunteer centre was deemed the strongest option available to us.

Also, as we had carried out much of the research work originally, and had been campaigning for a service for over 10 years, it seemed the logical choice to help and secure its future in some small way.

At the same time, all partners, stakeholders, supporters and volunteers were informed of MYVP's closure. With hindsight (and the availability of time and resources) we may have staggered this over a longer period and informed some partners first, but in truth it would not have affected the eventual outcome.

Preparation of the final accounts is currently being carried out (Nov 2011). Closure as a charity and a company limited by guarantee is a two-track process: the Charity Commission takes 10 working days to remove organisations from the register, while for Companies House, the process takes three months – and a closure fee of £10.

Other actions we took, once the organisation had been dissolved were to:

- Lock-out staff e-mail accounts, and leave messages informing enquirers of our closure and re-directing them
- Re-code our online database and pass it to the new organisation in line with our members' sign-up and data protection

- Post a holding page on our website, explaining our closure and redirecting people to the new volunteer centre
- Wipe computer hard drives and shred all time-expired records and personal information.

(All other information is in our archive facility with the dates it can be shredded and discarded marked on the storage boxes. This facility is also being passed on to MACC).

- Re-assign domain names to MACC (should they wish to use them for the new organisation)

(Our bank account cannot be closed until all liabilities are cleared and Companies House paid to close us down).

During the closure process, legal advice was obtained from various sources, including the Charity Commission, Companies House, HMRC and ACAS. Solicitors were consulted on the transfer of intellectual property rights.

To carry out some of the processes properly took longer than initially expected – due partly to a simple underestimation of the time they would take, but also having to fit into other timetables; for example, MACC is moving offices, so the transfer of some assets is difficult until the move is complete.

Over the last few years volunteering services in Manchester have been carried out by a number of different organisations, due to the lack of a local authority-funded volunteer centre. MYVP has always campaigned for such a centre. When the funding was confirmed for a volunteer centre, we, and many of the other volunteering organisations, were disappointed not to have the opportunity to tender for that service. However, we felt that rather than jeopardise the possibility of a centre being developed, we felt it was better to support it. Some organisations may have seen the new centre as a competitor and for this reason struggled to understand our decision to hand over our assets to it. This has been largely resolved, but has been quite upsetting and a distraction to what we have had to carry out.

But I think the largest hurdle was making that first decision to actually close down. However logical and business-like people are, at the end of the day the charity is something that people have committed many years of their lives to. Many have an association with MYVP that goes back over a decade, and it is the severance of that commitment and emotional attachment to the organisation which is the hardest to confront. Once that issue was overcome, it then became a matter of working out what was the best thing to do for the people who use and work for the service, and working through the tasks and processes to the best of our joint abilities.

*Lance Bell on the behalf of MYVP  
November 2011*