

Big Local | Radstock & Westfield

- How to make the most of £1million -

Notes from the 19th July 2016 EGM on Setting up a CIC

Present: Marlene Morley, Robin Moss, Caroline Green, Rob Watts, Ron Hopkins, Julian Mellor, Dave Dixon, Sarah Westell, Rob Wicke

Chair: Robin Moss

Note taker: Rob Wicke

These notes have been re-ordered from the minutes of the meeting into emerging themes. These can be changed and added to during the 8 day consultation period (of management only) which begins 21st and ends 28th July 2016.

Key reasons for why we are setting up a CIC:

- I. Employment of the workers.
- II. To protect our liability.
- III. To set up a governance framework that will support it to become the Radstock and Westfield LTO in the future.
- IV. Asset lock.

Considerations:

- a) How the CIC will function in relation to the current partnership/management structure (2 options explored in the final section of this document).
- b) How the CIC will function in relation to the next (interim) LTO.
- c) We need Articles of Association – this requires Consideration a) to be defined in order to complete.
- d) We need a Memorandum of Association – this requires Consideration a) to be defined in order to complete.
- e) Conflicts (e.g. of interest) are not necessarily a problem, it's how they are navigated and communicated to ensure transparency and appropriate behaviour.
- f) Time commitments – It was thought the time spent as a director is unlikely to be much more than the time spent as a member of the management.
- g) We need to factor in how we deal with unforeseen circumstances i.e. additional time and resources may need to be made available at short notice.

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- How to make the most of £1million -

- h) We need to be realistic about our expectations for how members of the partnership will be involved. There are a number of valid reasons why they join but don't get involved. Ideally we would like more of them more active.
 - i) A regular audit of who's on the partnership may be beneficial.
 - j) Will the membership be 'participatory' (i.e. anyone interested can apply to management/governing body) or 'open' (i.e. anyone meeting a particular criteria is eligible, such as from Radstock and Westfield and/or works in that area)?
 - k) If directors receive payment (for either being a director or contracted) then there are two cons: 1. People may have a perception that directors are on the board to make a financial gain. 2. People could become director to make a financial gain or for their organisation to make a gain.

Rules:

- 1) Members can sack the directors by calling an EGM.
- 2) Voting members meet at the AGM and elect the directors (who form the management committee).
- 3) The directors have a legal duty and obligation to ensure the CIC is operating in the way it was set up to, (currently the members of the management board don't have that level of commitment/responsibility).
- 4) Decisions can only be taken by directors.
- 5) The articles determine the director's powers.
- 6) People can be co-opted on as a member, but can't make decisions – their role is advisory.
- 7) If a member/ director doesn't turn up to three consecutive meetings then they're out.
- 8) By-laws can be inserted into the CIC, so long as provision for making by-laws is included in the association documents.

How the CIC will function in relation to the current partnership/management structure:

Two options were proposed (also see tables below):

- 1) Partnership and management to remain as they currently are, with the CIC separate.
- 2) The CIC to replace the partnership and management but maintain a similar model within the structure.

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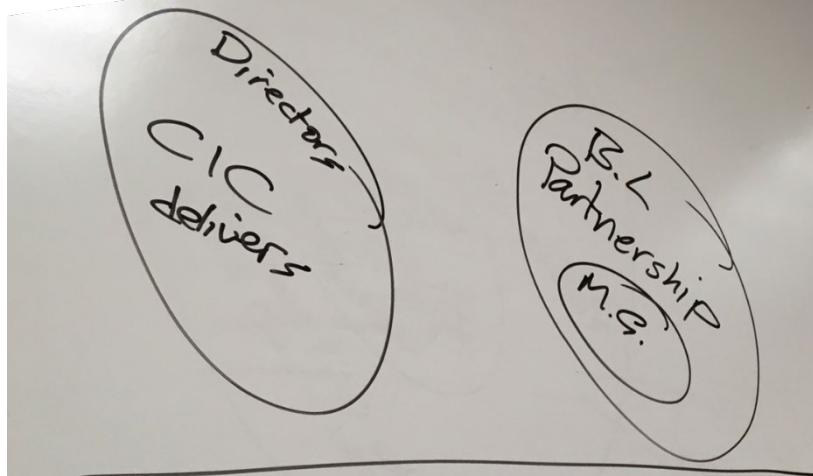
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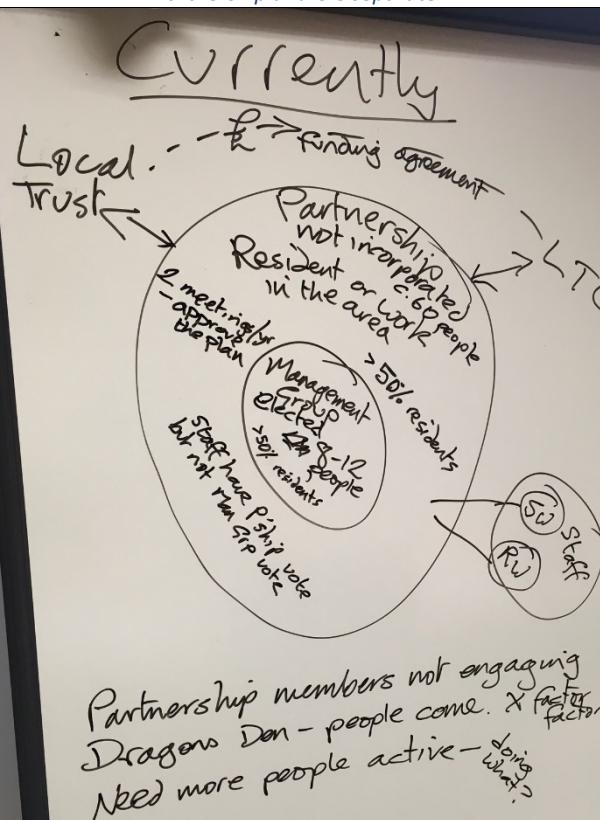
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1) Partnership and management to remain as they currently are, with the CIC separate

Pros	Cons
There is a separation of the work done (by CIC) and the people who approve it (Radstock and Westfield Big Local)	Can be difficult for people to understand why there is now a separate organisation.
	There would be separate management and director meetings.



Partnership and CIC separate 1



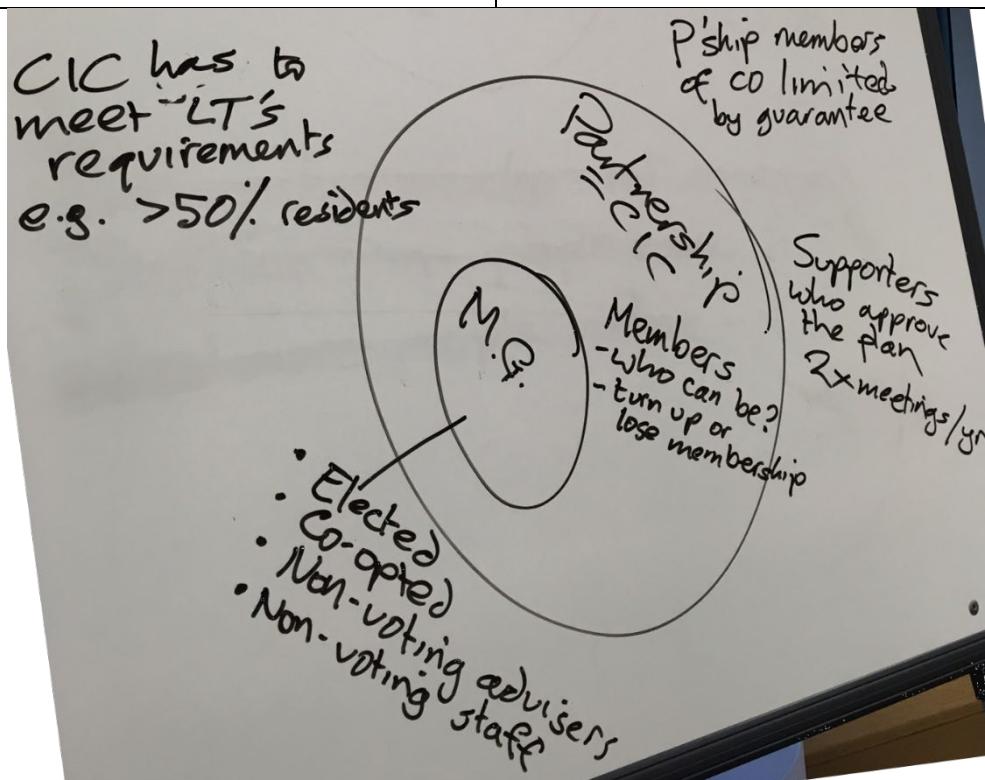
How Partnership and Management operate 1

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2) The CIC to replace the partnership and management but maintain a similar model within the structure

Pros	Cons
People will identify this as the R&W Big Local, which would operate in the same way as before, with the major difference that we will be able to employ the workers and protect our liability.	Would have to find a way to dissolve the current partnership and management.
The management of the old model will become the directors of the new model – continuity.	Would have to find a way to get partnership members to sign up to becoming stakeholders/members of the CIC.
	We don't know if we will lose or even gain a number of partnership/stakeholders.



Partnership and Management merged w. CIC 1