



Briefing Note

To: All Councillors

Person to Contact: Marnie Ritchie Date: 18 May 2011

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Subject: Strathleven Regeneration Company: conversion to a Community Interest Company (CIC)

1.

Background

Strathleven Regeneration Company (SRC) was formed in 2000, following the closure of the J&B bottling plant, as a special purpose vehicle to facilitate the physical and economic regeneration of the area. Since 2004 Walker Group (Scotland) Ltd, has been SRC's principal development partner in taking forward the Lomondgate area. Members of SRC are West Dunbartonshire Council, Lord McFall (who is due to stand down, with Gemma Doyle MP then invited to fill this vacancy), Jackie Baillie MSP, Diageo, and Scottish Enterprise. WDC has one nominated director on the board (Councillor Black, with Councillor Rooney as alternate director and the Leader as director ex officio). Since SRC's formation, WDC's contributions have included 34 acres of land, £180,000 of seed funding, in-kind support and payroll services. Other contributors have also included Scottish Enterprise (Dunbartonshire) and Diageo.

2.

Main Issues:

A strategic review of SRC took place recently, from which the Board agreed to pursue Community Interest Company (CIC) status. This is a new type of company model for companies that make a profit for community benefit. SRC would become a social enterprise in the third sector that could open up further funding opportunities and prospective partnerships with the public sector. This is of particular significance as seed funding from the Council is now at an end. Conversion to a CIC requires a number of amendments to the company's current internal rules (articles of association and memorandum of association) to meet with good practice. The process

also involves;

- Approval of draft resolutions and formal circulation to Company members;
- Passing of the special written resolution by Company members;
- 75% of those members of the Company with voting rights require to approve the change; and
- Submission of the CIC37 Form to Companies House.

If possible, it is the intention for this process to be completed by the Board's next meeting on 10 June.

3.

What it means for WDC:

Members should note the intention to change the status of Strathleven Regeneration Company over the forthcoming weeks and that it would have the following consequences;

- It would meet with SRC's social enterprise objectives;
- Any surpluses would be reinvested for the benefit of the community;
- SRC taking a lead as a regeneration company becoming a CIC;
- This company model has flexibility to allow the establishment of any subsidiary companies if required;
- The principal objects of the company would be widened and greater defined to ensure community benefit;
- Any assets on winding up would be distributed to a charity or another CIC (at present these require to go to another company having similar aims so there would be no change regarding Council rights to residual assets).

In conclusion, assuming no objections are raised to this briefing by close of play on Thursday 26 May, Council officers will indicate the Council's approval to be granted. This should assist with the above-mentioned processes being progressed in time for the next Board meeting on 10 June.