

Agenda item 7

For decision – Proposal to change the structure of The Frome Independent

Author: Peter Wheelhouse, Economic Development & Regeneration Manager & Deputy Town Clerk

In 2013 when The Frome Independent was established, it was structured as a Company Limited by Guarantee, which is a not-for-profit structure that was widely used by smaller organisations, before Community Interest Companies (CICs) were common. FTC and Mendip District Council (MDC) alongside local entrepreneur, Gavin Eddy, became founding members of the company and helped to pump prime the venture financially. FTC is still a member, while MDC stood down in 2023.

The paper at appendix 7.1, can be viewed on the website here:

<https://www.frometowncouncil.gov.uk/wp-content/uploads/2024/04/7.1-PWy-OK-Appendix-7.1-Frome-Ind-Mkt-to-a-CIC-Paper-April-2024-.docx.pdf>, submitted by the Managing Director of The Frome Independent explains that it would like to convert to a CIC as this will open up additional funding opportunities that specifically target socially driven enterprises - an important consideration as the costs of the operation continue to rise. By broadening the number and scope of the boards of directors, the new structure would also provide a more robust framework for guidance and scrutiny of the organisation. This conversion requires the agreement of FTC as a member of the company.

The Frome Independent wants to ensure that a formal relationship with FTC is maintained and proposes that we have observer rights meaning that we can attend twice yearly board meetings. Informally, our excellent working relationship with the Independent Market would remain unchanged.

Given the significance of The Frome Independent in the cultural and economic life of Frome, it is important that FTC continues to enable the organisation to develop and build its resilience. The arguments for converting The Frome Independent to a CIC are sound and it is recommended that the Council agrees to the proposal.

Recommendations

1. Agree to The Frome Independent's conversion to a CIC
2. Nominate the Deputy Town Clerk to act as an observer at twice-yearly Board meetings and report back to councillors on progress