



**COMMUNITY
INTEREST
COMPANIES**

The Office of the Regulator of Community Interest Companies

OPERATIONAL REPORT

Fourth Quarter 2014-2015

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1. REVIEW

It has been an extremely busy quarter for the CIC Office and the following are just a taste of the things that we have been involved in.

The organisation for the 7 events to celebrate 10 years of CICs are well on track, in fact it's the calm before the storm! The events are by invitation only and the first ones for the event at the Senedd in Cardiff Bay in May have gone out and we are starting to receive responses. A tremendous amount of work has gone into arranging the events which will be held across England and Wales, and we hope that the responses will be positive. The invitations to the other events in Bristol, The South West, The South East, East Midlands, Newcastle and London will be staggered and sent roughly 6 weeks before the dates of each event. The Regulator is aiming to organise separate workshops for Scotland and Northern Ireland.

As well as the Regulator, members of the team have been involved in meetings with various organisations this quarter:

We collaborated with Liverpool Trading standards, Liverpool Council and Merseyside police regarding an organisation that tried and failed to be incorporated as a CIC.

Members of the team met with Gwent Association of Voluntary Organisations (GAVO) to discuss CICs and in particular to the asset lock and transfer of assets and how we monitor these. The members of GAVO that attended the meeting were extremely impressed with the knowledge of our team and even sent in an email praising their expertise!

We set up a Forum with Companies House Call Centre and representatives of other teams within Companies House that work closely with our office to discuss best practice and ways to improve customer service. In the first meeting of the forum we agreed a script that would be used by the Call Centre in order for queries to be directed to the correct section and ensure the customer received the best customer care. This clarified the queries that should be passed to the CIC team to answer. We found the forum productive and although it is early days, the number of incorrect calls we have received from the call centre appears to have reduced.

Members of the team met with representatives of Cardiff Council to discuss setting up a CIC to run a community hub in one of the more deprived areas of Cardiff such as Ely or Grangetown. We felt the meeting was very positive and that the ideas the council had would be an asset to the community in which they decided to set up.

Once again the team are working very hard on getting the Annual Report together. Each of the articles has been written by a member of our small team with contributions from outside interested parties. We are now deciding on the look that we would like this years report to have and are collaborating with Companies House on this. We have always tried to make it colourful and interesting while also being business like and informative. All is on track for publication sometime in July this year and we hope you enjoy reading it!

2. THE TEAM



The CIC Team are based at Companies House in Cardiff and provide administrative support to the Regulator, Sara Burgess. The office opened on the 01 July 2005 and is engaged with the registration and regulation of community interest companies and whilst independent of Companies House has a very close working relationship with the Registrar of Companies and his team. We are a small but extremely busy team working hard to promote community interest companies and ensure that the integrity of the CIC brand is maintained.

Regulator:	Sara Burgess
Policy Manager:	Phil Horrell
Case Manager	Helen Huish
Case Manager:	Ann Hunt
Case Manager	Jaci Lewis
Case Manager:	Marilyn Liddon
Operational Support Officer:	Natalie Westgarth

3. LEGISLATION

Community interest companies are subject to company law as set out in the Companies Act 2006 and related CIC legislation, as well as the common law of companies built up from decisions taken by the courts over the years. Key legislation relating to community interest companies is as follows

- the Companies (Audit, Investigations and Community Enterprise Act 2004 (the “Act”),
 - the Community Interest Company Regulations 2005 and;
 - the Companies Act 2006 (Commencement No.2 Consequential Amendments, Transition Provisions and Savings) Order 2007.
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4. AWARENESS

Our Regulator has been extremely busy this quarter having attended meetings and events which are too numerous to mention each one, therefore we have listed below just some of the events, meetings and awareness raising sessions that Sara has attended this quarter:

January

- 15th Social VCT consultation at HM Treasury London;
- 21st Memorial for Stephen Lloyd - London;
- 28th Meeting with Directions Finingley CIC - Birmingham;
- 29th Meeting with Katy Woodington re: renewable energy and CICs – Wiltshire

February

- 3rd The Social Value Summit – London
- 4th Community Investment & Shared Ownership Masterclass – London
- 10th AAT/AFT Merseyside Branch Meeting – Liverpool
- 19th Centre for Commercial Law Studies – Janet Dine – London
DECC
Luke Fletcher

March

3rd CIC Technical Panel – London

18th Managing Public Sector Outcomes 2015 Conference- Manchester

19th Stephen Lloyd Awards - London

25th Ruth Thompson- Ethical Property Company re: 10 year Celebration - London

Technical Panel

Sara held a meeting with the Technical Panel on 3rd March. The panel consists of CICs and other interested parties such as members of the Cabinet Office, Unity Trust bank and Unltd who meet around twice a year to discuss anything that may affect Community Interest Companies.

Sara updated the panel on the progress of CICs and they discussed raising further awareness of the brand especially around renewable energies which maybe the next big area for CICs. Phil also updated the panel on the effect of the changes in the legislation regarding the Dividend Cap and explained that we were starting to see small increases in the number CICs choosing the limited by shares (CLS) model. The panel also discussed increasing public and entrepreneur awareness of the changes, the potential of CLS CICs and also the problem of attracting funding

A working group, formed by the late Stephen Lloyd to look at the governance of CICs, have produced a framework of governance which was circulated for comment. The working group is made up of members of NCVO, SEUK, the CIC Association and two independent consultants, Mike Deacon and June Burrough. CICs will be encouraged to sign up to the code and the panel agreed that this was the right approach. Luke Fletcher at Bates, Wells and Braithwaite (BWB) will feedback on the document and it is hoped to launch it at the CIC 10th anniversary event at BWB on 10th September.

Sara updated the panel about the 10th Anniversary celebrations circulating a list of dates and venues and giving the panel an idea of what each event will entail. Any thoughts or questions to be directed to Ann or Jaci who are co-ordinating the events.

Finally Sara reminded the panel that her time as a regulator was coming to an end and asked the panel for its view on the role as we go forward. The regulator has a remit for raising awareness in the past with limited budget and resources. The panel suggested a strategy for the future is needed to ensure that this is not lost and which will be a priority within the sector possibly working with BIS though not necessarily being delivered by the regulator. The regulators role and what was expected from them was then discussed as well as how wide to cast the net for a successor.

5. PROFILING CICS

We have received a record breaking 1672 annual community interest company reports this quarter which has allowed the Regulator to have an opportunity to see how CICs are delivering their stated benefit to the community. All reports are filed on the public register and available to download but we thought it would be helpful to list a few that caught our eye:



[Cleveland Fire Brigade Risk Management](#) CLG (North Yorkshire) has won a 3 year contract with Royal Vopak at their Teeside Terminal. Royal Vopak are specialists in the storage and handling of oil products, liquid chemicals and gases and the CIC will provide round-the-clock emergency support at Seal Sands. This is one of many contracts that the CIC has managed to secure since their incorporation in March 2011 and will contribute to an expected £2m turnover figure this financial year. Their continuing success shows that their expertise and experience of working in an area with such a high concentration of high hazard industries is being increasingly recognised and valued. The CIC has now one of the largest workforces in the UK with the skills and competence to work with high hazard situations. It employs more than 30 full time staff plus 150 part time skilled support staff and has a bank of 500 more who are available when needed. See their website at the following link for more details: <http://www.cfbriskmanagement.com>



[Lynton and Barnstable Railway](#) converted to a CIC in April 2008 and, as their name suggests, they run a project to restore the Lynton and Barnstable Railway. Minister for the Cabinet Office, Frances Maude, visited the CIC

recently and was given a tour of the station by Ian Cowling who is managing the project to restore the railway. Mr Cowling is hoping that the railway will become “North Devon’s Eden Project” attracting hundreds of thousands of visitors to North Devon each year. It follows last year’s bumper turnout which saw 46,000 people descend on the station. Responding to the plans, Mr Maude said “What’s inspiring about the project is the scale. I had no idea that it’s a project that’s this ambitious and people aren’t daunted by it, they’re inspired by it. This is being done by enthusiasts but it also has a real benefit for the local economy as well.”

The company employs just over half-a-dozen people, with more than 70 volunteers regularly lending a hand and they have plans to expand the railway in the next few years which could provide over 100 local jobs. See more on the CICs website at <http://www.lynton-rail.co.uk/>



[Nottingham City Care Partnership](#) is one of our NHS spin-outs and has recorded a turnover of almost £50.5m for this financial year. The CIC continues to provide benefit to people principally within Nottingham and Nottinghamshire but with some access to other areas within the Midlands. They provide a broad range of health services for all ages and interacting with all parts of the community from infant to children’s health provision, school nursing and management of long term conditions, through to caring for frail older people and end of life services. They also provide health education and public health services and this year have been successful in becoming the lead organisation for a big lottery funded initiative for early intervention programmes for 0-3 year olds. Their website can be found at:

<http://www.nottinghamcitycare.nhs.uk>



[Plymouth Community Healthcare](#) is another NHS spin-out which became a CIC in March 2011 and has recorded massive turnover of over £92m! The

group has been in operation for over 2 years and has continued to achieve its community purpose by providing high quality healthcare to the people of Plymouth and the surrounding area. This year they also established Plymouth Community Dental Services Ltd, a wholly owned subsidiary, in order to provide dentistry services. From 2016 the CIC will also provide the community nursing and re-enablement services, including physiotherapy and occupational therapy, in the South Hams and West Devon area including the management of Tavistock and Kingsbridge hospitals. This will be in addition to the services in Plymouth that PCH currently provides. Check out the website at <http://www.plymouthcommunityhealthcare.co.uk/about-us/what-we-do>



Simple Stuff Works is based in Worcestershire. They converted to CIC status in July 2009 and sell inexpensive and effective therapeutic positioning equipment. This financial year they have reached further individuals with complex healthcare needs with their award winning sleep system. They were delighted to have been crowned the winners of the BHTA Independent Living Design Award for their fantastic positioning system. The award is recognised by professionals and members of the trade as highlighting the very best innovative developments in the industry. The CIC were also runners up in the Midlands 'Family Business Commitment to the Community' Award. As part of Mencap's Night Time Positioning Campaign in 2010, their system has become extremely popular and as a CIC they have been able to keep their prices lower than their competitors and therefore reach more disabled people who need it. Due to their success they have been able to add to their production team keeping the manufacturing local and providing local jobs to local people. See more information about this fabulous product on their website at <http://www.simplestuffworks.co.uk>



[West Lothian Highland Games](http://visitwestlothian.co.uk/whats-on/history-heritage/bathgate-piping-championships-wl-highland-games-2015/) was formed in January 2013 to host the British Pipe Band Championships along with the annual Highland Games. The residents and spectators benefit from the entertainment perspective and local businesses in particular benefit from this prestigious day. Local companies provide many of the services involved e.g. catering, security etc. and many part time jobs are created from the day, benefitting not just the local people but also businesses and local organizations who participate in auxiliary services. In the 2015 event, international singing sensation, and local lass, Susan Boyle is to be Chieftain on the day and there will be Highland dancing, caber tossing and shot putting, as well as pipe band playing to enjoy throughout the day. Check out the website at <http://visitwestlothian.co.uk/whats-on/history-heritage/bathgate-piping-championships-wl-highland-games-2015/>

5. FUNDING FOR CICs

TOP TIP:

In our experience, funders and grant makers are beginning to increasingly understand the role and purpose of CICs but this alone is not enough to secure funding. CICs need a strong business plan with a clear strategy, good corporate governance and an understanding of the social impact that will be delivered to the community.

Some funders also put in place additional requirements such as ring fencing the funds or asking for three unrelated directors and it is important that CICs have an understanding of each funder's specifications before submitting an application.

Central to this, is targeting those funders most sympathetic to the objects and social purpose of the CIC. Charitable trusts, for instance, have limited funds

and they are more likely to support charities rather than CICs, although some will support CICs as long as their aims are charitable in nature.

These are some of the funding successes that have been brought to our attention this quarter:



Dementia Friendly Communities is based in Helmsdale, Scotland and has been given a funding boost of £215,000. The CIC is committed to leading on work which puts awareness and dementia friendly activity at the heart of remote rural communities. The initiative works in partnership with businesses, service providers, voluntary groups, and community organisations or individuals which share their ambition to create a dementia friendly community. The funding has come from the Life Changes Trust, an independent charity set up with a Big Lottery Fund endowment of £50m to improve the lives of two key groups in Scotland: people affected by dementia and care experienced young people. David Mason, a Helmsdale resident and Dementia Friendly Communities Board member who was diagnosed with dementia in 2012 said “This funding means exciting times ahead and will give new opportunities to everyone within the area- not just those living with dementia.” More info can be found on their website at

<http://www.adementiafriendlycommunity.com/>



Inspired Neighbourhoods was formed in January 2011 and has received a total of £281,328 in funding this year. They have delivered advice and support to pre-start, new start and existing businesses and intensive employment support to local communities as well as hard to reach communities. Their projects also provide support to employers in creation of work placements,

engaging, up skilling and supporting young people into employment. The CIC also runs health prevention projects including mental health and obesity projects to support self care in local communities. Through these projects the CIC has been able to remove barriers such as housing, education, skills, health and enabled unemployed in to either self employment or employment. Further information can be found on their website at <http://www.incic.co.uk/>



A community project that aims to transform the harbour area in Porthcawl, South Wales has received a vote of confidence and almost £300,000 in funding. The ultimate aim for the [Porthcawl Harbourside CIC](#) project is to build a flagship maritime building which will house a range of facilities and attractions. The money will also enable the CIC to make space for a further 36 berths for boats and small yachts, an investment that should provide employment for 3 people.

The old harbour was recently converted into a permanent water berth for 70 boats in a project run by Bridgend County Borough Council and as the CIC has now been successful in securing £297,000 from the Coastal Communities Fund, it enables phase 2 to go ahead. Read more about the project at the following link: <http://www.porthcawl-harbourside.co.uk/en/news/news-events/coastal-communities-funding>



[Re-Gain \(Cornwall\)](#) provides services to people experiencing emotional distress and/or mental health difficulties in Cornwall & the Isles of Scilly. This year they received a total of £228,551 in funding to enable them to continue delivery of their 3 projects as follows:

Sanctuary – a short term respite house to support people in avoiding hospital admission;

Nightlink - An emotional support helpline for anyone experiencing (or who has experienced) emotional distress;

Nest - An emotional support text service that compliments the Helpline.

All services were designed by service users to meet the needs of service users and are commissioned by Cornwall & The Isles of Scilly NHS. Check out their website at: <http://www.re-gain.org.uk/>



Plymouth Play CLG (Devon) received a grant of £127,925 from the Big Lottery to fund a 3 year project working with other Plymouth based play organisations to develop and deliver play activities throughout the city. They were formed in September 2011 to provide a wide range of services for children families and people of all ages. Their current services include:

Scrap store- a huge selection of exciting and interesting materials and products recycled from local businesses that can be used for all sorts of creative and imaginative activities and ideas;

Resource Hire - a large range of games, toys and play equipment for hire at very low prices;

Art Shop – a range of art related products for sale – prices discounted for Play association members and

Workshops – delivery of a range of craft related workshops to support any event from local community/schools clubs or charities to city wide public events i.e. Lord Mayors Day, Armed Forces Day, Disabled Activities Day, Refugee week etc.



[The Lido Complex](#) in Saltdean received £2.3m of funding from the Department of Communities and Local Government as part of the Coastal Communities Fund. It will be used to reopen the swimming pools, refurbish the outside area and to create a community hub for the public creating a unique tourist attraction. Rebecca Crook, director of the CIC said “This news is a massive boost for both the lido and our local economy. We will now be able to restore and refurbish the pools and outside area and provide local residents and visitors with a beautiful place to swim, relax and enjoy being outside.”

The local MP Simon Kirby has been actively championing the lido, lobbying ministers on behalf of the CIC and bringing ministers to see the lido for themselves. He said “I have been working hard to secure this funding and I am delighted to be able to announce today that the Lido will benefit from additional £2.3m funding which will make a huge difference. I would also like to again pay tribute to the work of the CIC and of the many local residents who have supported this campaign.” Read more on their website at: <http://saltdeanlido.co.uk/our-plans/>

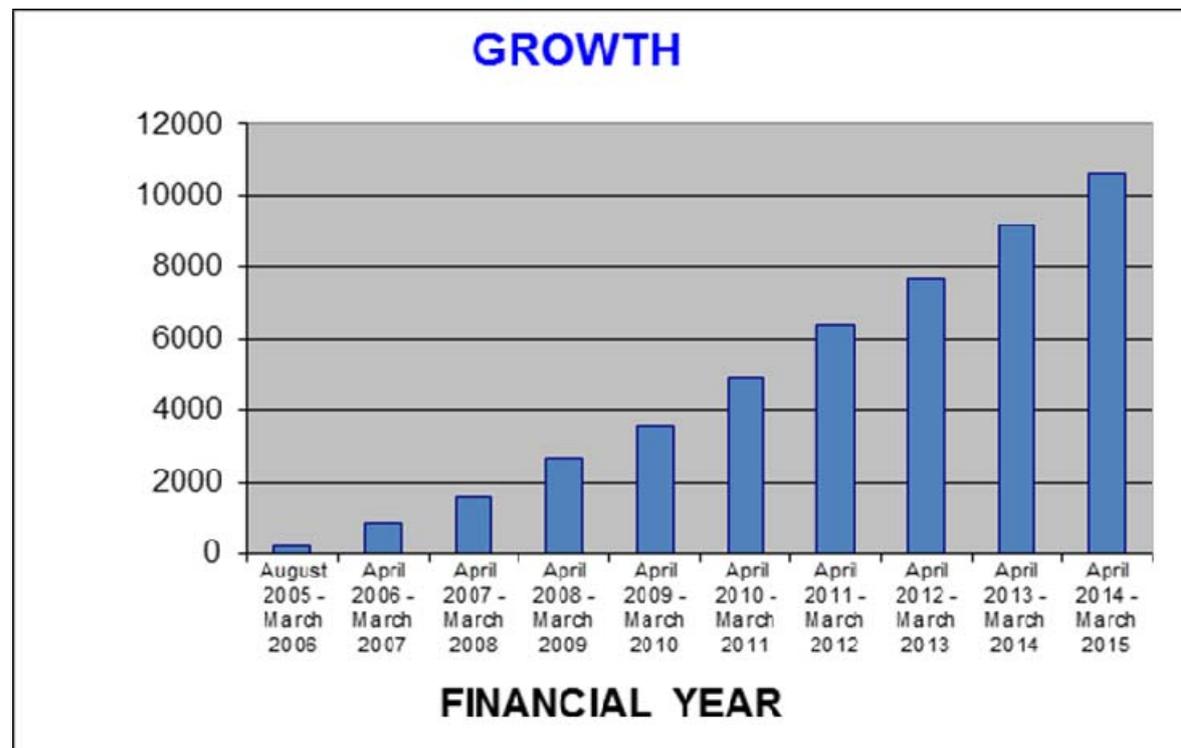
Other funders that have helped CICs include:

FUNDER	AMOUNT £	CIC NAME
Big Lottery Fund	£127,925	Plymouth Play
Highlands and Islands Enterprise	£104,671	Emergents Creatives
Big lottery Fund	£90,404	Aspiring Futures
The Arts Council for England	£70,699	Amber Film and Photography Collective
Big Lottery Fund	£33,518	You're Amazing

7. STATISTICS

a) GROWTH

	Approved	Dissolved	Converted To a Charity	Growth
2005 - 2006	208	0	0	208
2006 - 2007	637	0	0	637
2007 - 2008	814	35	3	776
2008 - 2009	1120	86	2	1032
2009 - 2010	1296	372	5	919
2010 - 2011	1824	484	7	1332
2011 - 2012	2087	590	11	1486
2012 - 2013	2055	765	11	1279
2013 - 2014	1831	709	8	1114
2014 - 2015	2569	1104	3	1462
Total	15104	4411	53	10639

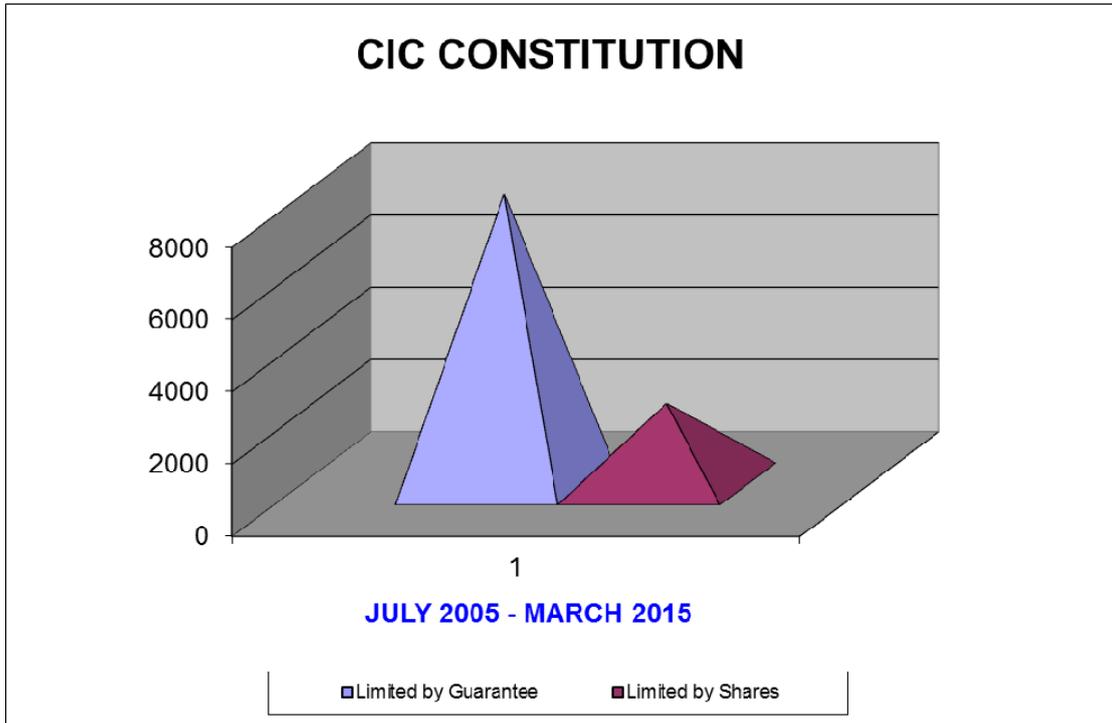


b) INCORPORATIONS AND CONVERSIONS

United Kingdom	
Incorporations	9291
Conversions	1348
Total	10639
England	
Incorporations	8353
Conversions	1241
Total	9594
Northern Ireland	
Incorporations	168
Conversions	19
Total	187
Scotland	
Incorporations	451
Conversions	65
Total	516
Wales	
Incorporations	319
Conversions	23
Total	342

c) CONSTITUTION

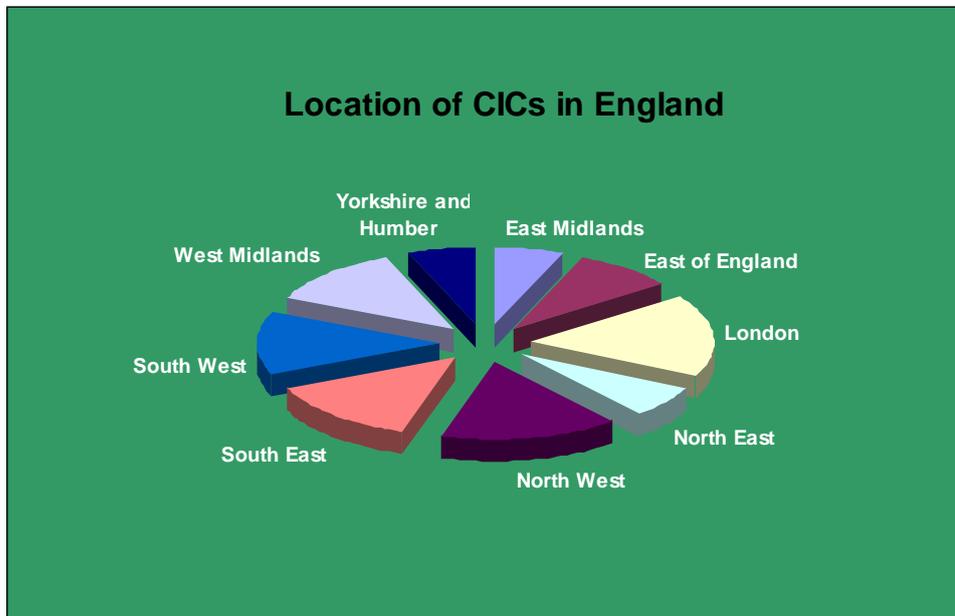
United Kingdom	
Limited by Guarantee	8322
Limited by Shares	2317
Total	10639
England	
Limited by Guarantee	7482
Limited by Shares	2112
Total	9594
Northern Ireland	
Limited by Guarantee	165
Limited by Shares	22
Total	187
Scotland	
Limited by Guarantee	379
Limited by Shares	137
Total	516
Wales	
Limited by Guarantee	296
Limited by Shares	46
Total	342



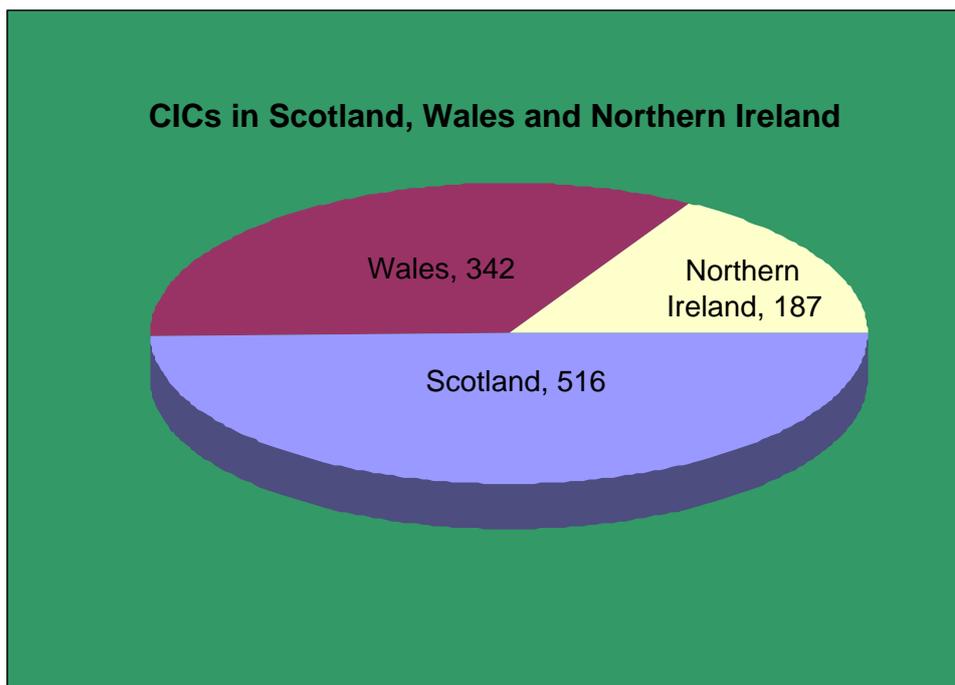
At the close of the period 78% of the CICs on the public register were limited by guarantee, with 22% limited by shares.

d) LOCATION OF REGISTERED OFFICE

	Number	%
East Midland	605	6
East of England	804	8
London	1636	15
North East	582	5
North West	1489	14
South East	1384	13
South West	1262	12
West Midlands	1200	11
Yorkshire and Humber	632	6
Total England	9594	92
Northern Ireland	187	1
Scotland	516	4
Wales	342	3
Total	10639	100



e) **CICS IN SCOTLAND, WALES AND NORTHERN IRELAND**



The number of community interest companies registered in Scotland, Wales and Northern Ireland remains relatively small, representing just 8% of the total number registered in the UK. The above table identifies how this is broken down between the three countries.

Community interest companies were introduced throughout England, Scotland and Wales in July 2005 but legislation to allow community interest companies in Northern Ireland was only passed in April 2007, so progress in Northern Ireland has been relatively good.

The Regulator is keen to promote the growth of CICs outside England and has a close working relationship with the Scottish Social Enterprise Coalition and the Welsh Social Enterprise Coalition and has visited Northern Ireland building on her relationship with the Registrar for Northern Ireland and umbrella organisations.

f) ANNUAL COMMUNITY INTEREST COMPANY REPORTS

All the directors of a company have an additional obligation to prepare an Annual Community Interest Company Report which will be placed on public record. The purpose of the report is to demonstrate that the community interest company is still satisfying the Community Interest Test and that it is continuing to carry out activities which benefit the community.

Financial Year	Number
2005 - 2006	0
2006 - 2007	18
2007 - 2008	262
2008 - 2009	789
2009 - 2010	1571
2010 - 2011	2259
2011 - 2012	3040
2012- 2013	4163
2013 - 2014	3697
2014 - 2015	6189

8. ADMINISTRATION

In the last two quarters the Office of the Regulator of Community Interest Companies has dealt with the following number of enquiries:

	Telephone	E-mail
Current quarter	3213	2139
Previous quarter	2340	1567

If you require this publications in an alternative format, email cicregulator@companieshouse.gov.uk or call 02920 346228 (24 hour voicemail).