



Department for  
Business, Energy  
& Industrial Strategy

Office of the Regulator of  
Community Interest Companies

Equality Scheme

SEPTEMBER 2015



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# Statement of commitment

As Regulator of Community Interest Companies, I am pleased to present our Equality Scheme.

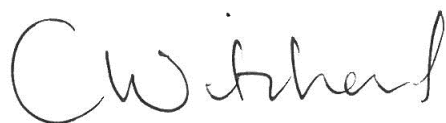
The Office opened in July 2005 and since that time we have gone through considerable organisational change as the organisation has established itself as a regulator. Although, the Regulator is an independent statutory office-holder, sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), the size of the organisation has necessitated BEIS systems and controls to be adopted across the board.

As a public body, we have a duty to promote equality of opportunity for disabled people whether they are customers or staff. We are committed to making sure that equality of opportunity is an integral part of all that we do and will use the BEIS Schemes for Equality, Race, Disability and Gender equality duties as a framework to ensure we achieve this aim.

Consequentially, we have not reproduced the BEIS Schemes for Equality, Race, Disability and Gender equality duties. We have concentrated instead on using these schemes as a framework by which we can seek to meet our obligations.

The framework provides our organisation with a clear view of our progress on equality and diversity, and where more can be done. This includes the implementation of the gender equality duty into our organisational structures and the newer equality strands of religion or belief, sexual orientation and age in our work.

Our commitment to equality and diversity will be embedded as a key principle in our strategy and progress will be reported on an annual basis, as part of the Annual Report to the Secretary of State.



Ceri Witchard  
Regulator of Community Interest Companies  
September 2015

# Summary

The Regulator's office, is supported by staff from the Department for Business, Energy and Industrial Strategy (BEIS) and BEIS systems and controls apply in the Office.

BEIS has a Race Equality Scheme; a Disability Equality Scheme; and an Equality Scheme which aims both to meet obligations under the specific duties of the Equality Act 2006 and to provide a framework by which it will meet the general duty. BEIS also complies with the Gender Equality Duty.

The Regulator is required to ensure staff adopt these policies and apply them to their daily activities. These policies include the newer equality strands of religion or belief, age and sexual orientation even though not currently required by legislation.

The term 'daily activities' embraces the full range of functions, activities and decisions for which the Regulator is responsible.

To avoid duplication of reporting (as many of our policies and working practices come within BEIS systems and controls, such as, employment practices; terms and conditions of employment including pay, performance and development; procurement etc.) this scheme concentrates on those policies associated with the specific regulatory functions of the Regulator.

Our approach to developing this scheme was based on what we are trying to achieve (our objectives) and what we need to do to make things happen. Much of the content of the action plan comes from consultation with staff, BEIS and the relevant legislation.

The Scheme starts by explaining who we are and what we do, our vision, mission and strategic priorities, where we work and how we are structured. It covers how we developed the scheme and explains how we have started to address some of the issues, but recognises that there is still work to do to achieve the goal of ensuring we are, and continue to be, inclusive and active in promoting equality and diversity in all that we do. We will report on progress in our annual report to the Secretary of State.

These are our main priorities for action under the scheme during 2015-2017:

- Continue to embed our commitment to equality and diversity as a key principle in our strategy
- Screen all key and new policies for equality impact.
- Provide equality and diversity training and development for the Regulator and all staff to ensure they have the skills and awareness of promoting E&D in their work.

- Monitor the effectiveness of our services to ensure they are accessible to all and that individuals are satisfied with our services.

## The Equality Scheme

### Who we are

The Regulator of Community Interest Companies ('the Regulator') is an independent statutory office-holder appointed by the Secretary of State for Business, Innovation and Skills under the Companies (Audit, Investigations and Community Enterprise) Act 2004 ("the Act").

The Regulator's office was established to regulate a new type of company the "Community Interest Company" (CIC), which was introduced after government consultation with the social enterprise sector. The Office opened on 25 July 2005 to receive applications to form or convert to a community interest company.

The Regulator is committed to providing informed, impartial and fair regulatory decisions and "light touch regulation". The Companies (Audit, Investigation and Community Enterprise) Act 2004 expresses this principle by requiring her to discharge her functions in accordance with good regulatory practice having regard to:

- the likely impact of her actions on those who may be affected;
- the outcome of consultation with, and with organisations representing, community interest companies and others with relevant experience; and
- the efficient and economic use of her resources.

In line with best practice, any action taken will encompass the following five principles (as set out by the Better Regulation Task Force in December 1997 and revised in October 2000):

Principles	Action
<b>Proportionality</b>	Intervening only when necessary and appropriate to the risk posed, with costs being identified and minimised.
<b>Accountability</b>	Justifying decisions and subject to public scrutiny.

Principles	Action
<b>Consistency</b>	Government rules and standards must be joined up and implemented fairly.
<b>Transparency</b>	Being open and keeping regulations simple and user friendly.
<b>Targeted</b>	Focused on the issue and minimising any side-effects.

## What we do

The Regulator has a narrow remit and the following activities outline the key areas of our work:

- Deciding whether an organisation is eligible to become, or continue to be, a community interest company.
- Consideration of the investigation of complaints about community interest companies and enforcement action deemed necessary.
- The provision of guidance and assistance about matters relating to community interest companies.

### Deciding whether an organisation is eligible to become, or continue to be, a community interest company

The Regulator assesses applications from organisations seeking to become community interest companies to determine whether they meet the statutory criteria for eligibility (the community interest test). Once an organisation is registered as a community interest company, it is subject to the Regulator's supervisory jurisdiction and must file an annual report describing how its activities over the financial year have benefited the community; who was consulted and what was the outcome; what payments were made to directors; what assets were transferred for less than full consideration; what dividends were paid; and what performance-related interest was paid on loans and debentures.

## **The consideration of the investigation of complaints about community interest companies and enforcement action deemed necessary**

The Regulator ensures that a community interest company operates in a manner compatible with its status. In particular, that it continues to satisfy the community interest test, and observes the statutory “asset lock” clause in its articles of association.

The Regulator has extensive legal powers, which are only to be exercised to the extent necessary to maintain confidence in community interest companies, where a community interest company’s activities are giving cause for concern and the “company default position” is satisfied in relation to the power and the company, as defined by the Companies (Audit, Investigations and Community Enterprise) Act 2004 (“the Act”).

The “company default condition” is set out in section 41(3) of the Act and is satisfied in relation to a power and a company if it appears to the Regulator necessary to exercise the power in relation to the company because:

- there has been misconduct or mismanagement in the administration of the company;
- there is a need to protect the company's property or to secure the proper application of that property;
- the company is not satisfying the community interest test; or
- if the company has community interest objects, the company is not carrying on any activities in pursuit of those objects.

## **The provision of guidance and assistance about matters relating to community interest companies**

The key activities include:

- Guidance leaflets
- Forms and templates
- Awareness sessions and workshops

## **Staff and internal controls**

The Regulator is supported by staff from the Department for Business, Energy and Industrial Strategy (BEIS) see [annex A for the organisation chart](#).



BEIS systems and controls are in place across the board.

## **Our vision, values and strategic priorities**

### **Vision**

This scheme sets out our vision and communicates how we intend to move towards establishing a culture that sets a standard of being inclusive by:

- Encouraging mutual respect.
- Promoting equality of opportunity and access to all.
- Valuing diversity by recognising the strength that a diverse and talented workforce can bring to the organisation.
- Being open and transparent in the way we work and being seen to be fair and proportionate in the way we regulate community interest companies.
- Promoting a "can do" culture where staff are able to communicate and respond effectively to the needs of the diverse communities and stakeholders who come into contact with the Regulator.

The promotion of equality and diversity lies at the heart of our aspiration “to be an effective, fair and proportionate regulator inspiring public and professional confidence”.

### **Values**

We will deliver by demonstrating the following values in the way we work:

- Integrity - Above all, we are committed to integrity in all that we do.
- Accountability - We will take responsibility for our decisions and actions.
- Respect - We respect the individual. We believe in equal opportunities and in supporting personal growth and development. We value the contribution of each individual, singularly, and as part of the team effort.
- Teamwork - It is the essence of our ability to succeed. We learn from each other and share our skills and resources to better serve the needs of community interest companies and to ensure personal and corporate development.
- Professionalism - We are committed to the highest standards in all we do. We ensure we are well informed and then act decisively and consistently. We are determined to deliver an outstanding service so that our relationships with

community interest companies and those affected by them will be mutually worthwhile.

## Strategic Priorities

The Regulator supports BEIS in achieving the following objective:

**‘Encourage enterprise, growth and business investment’.**

by:

- Creating greater general awareness of community interest companies (CICs).
- Building public confidence in CICs through effective impartial regulation.
- Ensuring those affected by the regulation of CICs are highly satisfied with our services.

**We value and actively seek feedback from stakeholders on key areas of policy, but recognise there may be times when we need to reach out and engage in an inclusive way with individuals and groups from diverse communities as an employer and regulator.**

## Consultation and involvement

We will be proactive in looking for opportunities to work in partnership with equality target groups to enable us to reach out to all communities.

## Our starting position

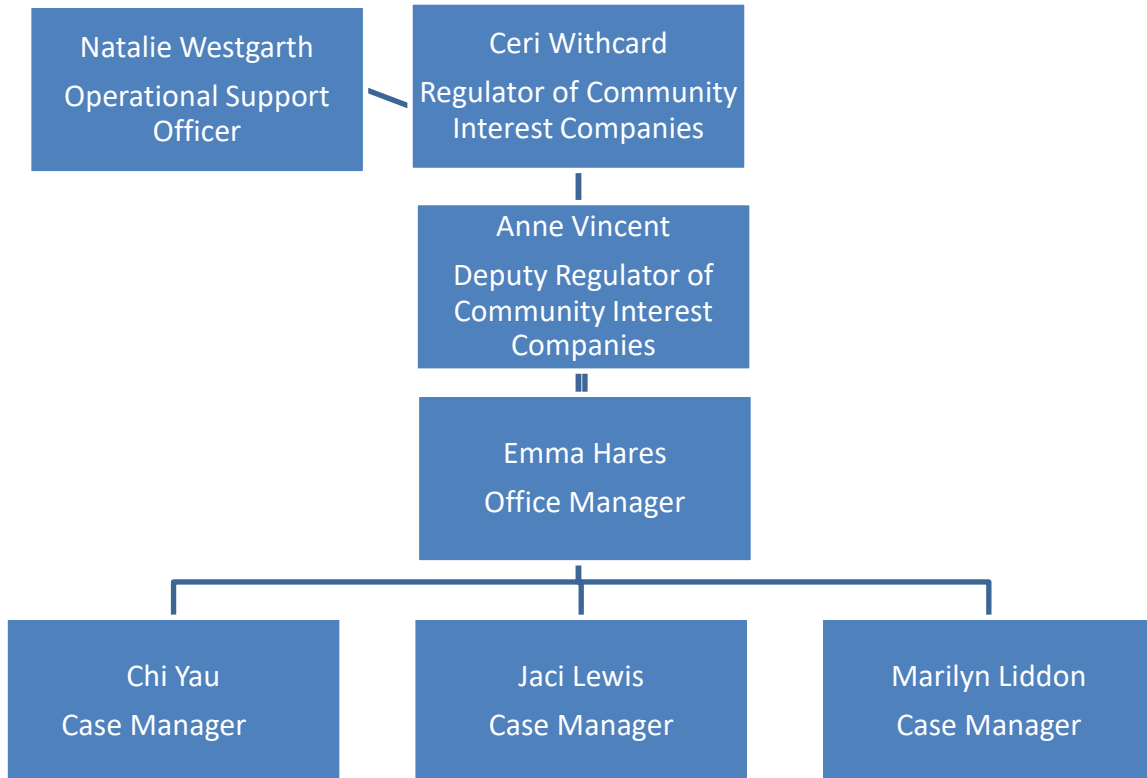
The organisation was set up and started to provide advice and receive copies of applications in July 2005. Since this time, we have gone through considerable change as the organisation established itself as a regulator. The organisation is small with 6.44 full-time equivalent staff as at October 2009.

The Regulator is sponsored by the Department for Business, Energy and Industrial Strategy (BEIS) and whilst the organisation grows the Regulator is required to adopt BEIS systems and controls across the board and report to BEIS on progress against agreed objectives. All staff are employed under BEIS terms and conditions of employment. Adherence to these policies ensured the mainstreaming of equality and diversity within all our functions, policies and practices, as both a regulator and employer.

To avoid duplication of reporting (as many of our policies and working practices come within BEIS systems and controls, such as, employment practices; terms and conditions of employment including pay, performance and development; procurement etc.) this scheme concentrates on those policies associated with the specific regulatory functions of the Regulator, as follows:

- Deciding whether an organisation is eligible to become, or continue to be, a community interest company.
- Consideration of the investigation of complaints about community interest companies and enforcement action deemed necessary.
- The provision of guidance and assistance about matters relating to community interest companies.

# Annex A: Organisation chart





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