

MEMORANDUM OF UNDERSTANDING
BETWEEN
OFFICE OF THE THIRD SECTOR
(CABINET OFFICE)
AND
THE REGULATOR OF COMMUNITY INTEREST COMPANIES

1 GENERAL

- 1.1 The purpose of this memorandum is to set out the working relationship between the Regulator of Community Interest Companies (“the Regulator”) and the Office of the Third Sector (OTS) in the Cabinet Office (formerly Social Enterprise Unit in the Department of Trade and Industry).
- 1.2 This memorandum is intended to provide general guidance only. It is acknowledged that different arrangements may have to be made to meet specific exceptional needs, or changes in the OTS structure.
- 1.3 Any disagreement arising from the interpretation of this memorandum will be referred to the Regulator and a Director-level representative of the Office of the Third Sector, who will endeavour to resolve it within the spirit implicit in the arrangements for cooperation. If necessary, this memorandum will be amended to reflect the agreed outcome of the referral.

2 DIVISION OF RESPONSIBILITIES

- 2.1 Since the transfer of policy responsibility for social enterprise from the DTI to the Cabinet Office, the promotion of the understanding and use of the community interest company form as part of the Government’s overall strategy for social enterprise is the responsibility of the Office of the Third Sector.
- 2.2 Legislation relating to community interest companies remains part of company law. As such it is the responsibility of DTI’s Corporate Law and Governance Directorate (“CLG”).
- 2.3 CLG handles the appointment of the Appeal Officer for Community Interest Companies, and (with assistance from DTI’s Services Group (“LSG”)) provides back office financial assistance to the CIC Office.

- 2.4 DTI's Legal Services Group provides legal advice to the Regulator and CLG. A separate memorandum of understanding covers these arrangements.
- 2.5 It is also acknowledged that there will be co-operation between the Regulator and staff of DTI or its executive agency, the Insolvency Service, who are responsible for company investigations. This will be covered in a separate memorandum of understanding.

3 SOCIAL ENTERPRISE

- 3.1 The Office of the Third Sector and the Regulator will communicate regularly.
- 3.2 The OTS will:
- a) inform the Regulator of any changes or developments in Government policy on social enterprise which may affect CICs
 - b) inform the Regulator of any activities it undertakes to raise awareness of the community interest company form
 - c) identify opportunities where the Regulator may be able to promote the CIC form and inform him accordingly
 - d) work with the Regulator to endeavour to increase the press coverage of CICs, seeking opportunities for the Regulator to submit articles on CICs to relevant publications
 - e) allow the Regulator to use the stakeholder update facility on the OTS website for major announcements
- 3.3 The Regulator will:
- a) update the OTS on the number and nature of community interest company registrations on a regular basis;
 - b) contribute to the OTS efforts to increase the evidence base relating to social enterprise by collecting and sharing information he receives about registered community interest companies (this may be anonymised where necessary);
 - c) inform the OTS of any feedback (negative or positive) from community interest companies and others regarding their experience with the community interest company form in order to inform future policy decisions; and

- d) inform OTS of his efforts to promote use of the community interest company form, e.g. briefings and press articles, to ensure that duplication is prevented and that resources and contacts are used in the most effective manner

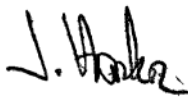
4. Designated Points of Contact

- 4.1 Each organisation will endeavour to ensure their staff are aware of the content of this memorandum and the responsibilities it places on staff in each regulatory body.
- 4.2 Both organisations will nominate a lead officer to take forward the implementation of the memorandum. A list of lead contacts will be appended to the memorandum and kept up-to-date by the lead officers.
- 4.3 The lead officer will be the key contact for relaying information concerning issues which affect each organisation with particular regard to promotion and statistical information.

5. Review of this Memorandum

- 5.1 There will be a review in three years' time of this memorandum of understanding to ensure that it is achieving its objectives. If necessary there will be an interim review if there are significant policy changes or new legislation which requires elements of the above agreement to be updated.

Signed on behalf of the Office of the Regulator of Community Interest Companies



Date September 06

Signed on behalf of the Office of the Third Sector



Date September 06

Area of responsibility	Lead Officer and Key Contacts	
	The Office of the Third Sector	The Office of the Regulator of Community Interest Companies
Lead Officer	<u>Paul Lewis</u> <u>Bay 177</u> <u>1 Victoria Street</u> <u>London</u> <u>SW1H 0ET</u> <u>paul.r.lewis@cabinet-office.x.gsi.gov.uk</u>	Phillip Horrell Office Manager Room 3.68 Companies House Cardiff CF14 3UZ 02920 346285 <u>phorrell@companieshouse.gov.uk</u>
Interpretation of memorandum	<u>Hilary Norman</u> <u>Director, SEnU</u> <u>Bay 177</u> <u>1 Victoria Street</u> <u>London</u> <u>SW1H 0ET</u> <u>hilary.norman@cabinet-office.x.gsi.gov.uk</u>	<u>John Hanlon</u> <u>Regulator</u> <u>Room 3.68</u> <u>Companies House</u> <u>Cardiff</u> <u>CF14 3UZ</u> <u>02920 346285</u> <u>John.hanlon@dti.gsi.gov.uk</u>