



Memorandum of Understanding

Between

The Regulator of Community Interest Companies

And

Social Enterprise Coalition CIC

**PURPOSE OF THE MEMORANDUM OF UNDERSTANDING**

The purpose of the memorandum of understanding is to set out the agreement reached between the Regulator of Community Interest Companies and the Social Enterprise Coalition CIC and the framework for co-operation and collaboration.

## **1 INTRODUCTION**

- 1.1 The memorandum of understanding has been drawn up by the Regulator of Community Interest Companies and the Social Enterprise Coalition CIC.
- 1.2 The purpose of the memorandum is to set out the agreement reached between the Regulator of Community Interest Companies and the Social Enterprise Coalition CIC and the framework for co-operation and collaboration.
- 1.3 The memorandum sets out the mutual principles and benefits of strategic co-operation between the Regulator of Community Interest Companies and the Social Enterprise Coalition CIC.
- 1.4 The memorandum also provides a transparent statement of commitments on both sides.

## **2 LEGISLATIVE BACKGROUND AND STATUS**

- 2.1 The Government established the community interest company form for use by social enterprises who wish to operate as limited companies.
- 2.2 The Companies (Audit, Investigations and Community Enterprise) Act 2004 (The Act) and the Community Interest Company Regulations 2005 (The Regulations) provide the legislative framework for the community interest company form.

- 2.3 The Act established the Office of the Regulator for Community Interest Companies and sets out the Regulator's responsibilities for ensuring that community interest companies comply with the requirements of The Act and The Regulations.
- 2.4 Social Enterprise Coalition registered as a company limited by guarantee on 29 April 2002 before converting to CIC status on 22 February 2013.
- 2.5 Social Enterprise Coalition CIC operates under the trading name of Social Enterprise UK and will be referred to as such for the remainder of the document.
- 2.6 Social Enterprise UK provide a number of programmes to help social enterprises, public sector organisations, charities and mainstream businesses improve their skills and expertise in areas including health care commissioning, social investment, business leadership, social franchising and education.
- 2.7 Social Enterprise UK endeavour to influence at the highest level, working with Government partners and mainstream businesses with the aim of strengthening the Social Enterprise sector.

### **3 OBJECTIVE OF THE MEMORANDUM**

3.1 The primary objective of the memorandum is to establish arrangements between the Regulator of Community Interest Companies and the Social Enterprise UK and to:

- (i) Ensure appropriate collaboration and liaison between the Regulator of Community Interest Companies and the Social Enterprise UK.
- (ii) Set out the circumstances in which the Regulator of Community Interest Companies and the Social Enterprise UK will share information and collaborate regarding the promotion and development of the community interest company as a legal form.

### **4. THE FRAMEWORK FOR JOINT WORKING**

4.1 The Regulator of Community Interest Companies undertakes to:

- (i) Promote and publicise this memorandum of understanding with an agreed form of wording
- (ii) Work with Social Enterprise UK to signpost newly registered social enterprises to the services and assistance Social Enterprise UK can provide to them.

- (iii) Involve Social Enterprise UK in any consultations that the CIC Regulator may undertake in relation to guidance on the development of the CIC model.
- (iv) Work with Social Enterprise UK on promoting the use of the community interest company by social enterprises.
- (v) Respond to Social Enterprise UK on issues relating to community interest company registration and regulation.

#### 4.2 The Social Enterprise UK undertakes to:

- (i) Promote and publicise this memorandum of understanding with an agreed form of wording
- (ii) Support the CIC Regulator in promoting wider understanding of the community interest company model.
- (iii) Collect and disseminate information on the use of the community interest company form, including case study material.
- (iv) Obtain feedback from members of Social Enterprise UK on registration and regulation as they relate to community interest companies.

- (v) Be proactive in working with the Regulator of Community Interest Companies in addressing issues faced by community interest companies.
- (vi) Develop networking, collaboration and sharing of best practice amongst community interest companies.
- (vii) Interact with existing social enterprise network to improve community interest companies integration into the wider policy programme.

## **5. GENERAL**

5.1 Whilst it is intended that the arrangements in the memorandum should apply generally, nothing in the memorandum prevents the making of arrangements to meet special exceptional needs.

5.2 Any disagreement arising from the interpretation of the memorandum will be referred to the Regulator of Community Interest Companies and the directors of the Social Enterprise UK, who will endeavour to resolve it within the spirit implicit in the co-operation arrangements. The memorandum will be amended if necessary to reflect the agreed outcome of the referral.

## 6. STATEMENT OF MUTUAL PRINCIPLES AND BENEFITS

- 6.1 The memorandum shall operate upon signature by the Regulator of Community Interest Companies and the Social Enterprise UK and shall remain in effect for a minimum of 3 years from that date.
- 6.2 There will be a further review in three years time to ensure that the memorandum is achieving its objective.
- 6.3 In addition to the 3 year review, the Regulator of Community Interest Companies and the Social Enterprise UK agree to attend regular bi-lateral meetings at the request of either party.

Signed on behalf of the:

Regulator of Community Interest Companies



**SARA BURGESS**

**DATED: 27 February 2014**

Signed on behalf of the:

Social Enterprise UK



**PETER HOLBROOK**

**DATED: 27 February 2014**

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