



**COMMUNITY  
INTEREST  
COMPANIES**

**The Office of the Regulator of  
Community Interest Companies**

**OPERATIONAL REPORT**

First Quarter 2015-2016

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## 1. REVIEW

This has been a very interesting quarter for the CIC office and we have been even busier than usual. Not only have we completed the Annual Report ready for publishing in July, we have also organised 7 events across England and Wales to celebrate 10 years of CICs, 3 of which were held this quarter.

The first of the events was held in May at the Senedd in Cardiff, The second and third were both held in June at Newcastle and Birmingham respectively. The Regulator, Sara Burgess, spoke at each event and others included the Minister Edwina Hart, Peter Holbrook from Social Enterprise UK, Sallie Ryan from Social Enterprise West Midlands, Melanie Mills from Big Society Capital and also many CICs from the local regions. All the events were very well attended and were deemed a great success!

The Annual Report also celebrates 10 years of CICs and acknowledges the 'Father of CICs' Stephen Lloyd who masterminded the idea of CICs and who sadly passed away unexpectedly last year. The report is the last under the leadership of Sara who leaves us for pastures new in September and, as a tribute to all her hard work, graces the front cover of this years report. The report will be laid before parliament on 13<sup>th</sup> July and will appear on our website soon afterwards.

Towards the end of the quarter we saw a surge in applications for CICs whose activities involved the set up of renewable energy sites, mainly solar energy. The reason for the surge was that companies had to secure their registration in order to qualify for the full government 'Feed in Tariff' incentive by 30th June 2015. The Regulator had concerns that CICs could become a vehicle to enrich ordinary energy companies and therefore set out a list of particular questions to pose to the applicants for them to address. Many of the applicants were able to answer the questions which gave assurances regarding community benefit and by the end of June, 85 were given CIC status and placed on the Company Register.

This quarter has seen further growth in CICs on the register which is reflected in the charts in chapter 8, 'Statistics'. The total number of CICs registered is 11,196 made up of 9769 Incorporations and 1427 Conversions. The vast majority of CICs continue to choose the limited by guarantee model although we are seeing slight increases in CICs forming or converting as limited by shares.

The regions with the most CICs registered are London and the North West, 16% and 15% respectively. Northern Ireland continue to have the least numbers of CICs however, the legislation for CICs in Northern Ireland was not passed until 2007 so they have a bit of catching up to do!

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## 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



Natalie, Jaci, Phil, Sara, Helen, Ann, Marilyn

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### 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

We have listed below some of the events, meetings and awareness raising sessions that our Regulator has attended this quarter:

#### **April**

- 14<sup>th</sup> Luke Fletcher of BWB and Helen Haugh of Judge Business School – London
- 15<sup>th</sup> Julie Ellison – Bristol  
Neil Hutchings – Anesco Ltd- Companies House
- 16<sup>th</sup> Maralade – Skol Forum – London
- 17<sup>th</sup> The Social Audit Network Annual Meeting – Salford
- 27<sup>th</sup> Ann Wilshin, Northamptonshire County Council – Northampton
- 29<sup>th</sup> Gigney Enterprise CIC – London

#### **May**

- 06-11<sup>th</sup> Key Note Speech - Washington DC
- 13<sup>th</sup> 10 yr CIC Celebration at the Senedd – Cardiff
- 15&16<sup>th</sup> AAT Conference/Exhibition - Birmingham
- 28<sup>th</sup> Big Ventures Challenge Celebration – London

## June

1<sup>st</sup> Greenwich Council – London  
10<sup>th</sup> Newcastle CIC Celebration Event  
16<sup>th</sup> Wales Cooperative – Caerphilly, South Wales  
18<sup>th</sup> West Midlands CIC Celebration Event  
29<sup>th</sup> Tom Fox and Mike Deacon – BIS London

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## 5. PROFILING CICS

With almost 800 annual community interest company reports filed this quarter, the Regulator has had 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:



[Barford Village Shop](#) is one of our case studies and the village shop with its combined coffee shop and internet café continues to prosper. Sales for the financial year were reported to be a healthy £322,000 which represents an increase over the previous year. The range of stock covers a wide spectrum from basics such as eggs and milk to more luxury Deli type items as well as a comprehensive range of wines, beers and spirits. The Post Office facility, which is open in the afternoons Monday to Friday, is invaluable for those without transport to conduct their business. For the third year running the shop was able to give £20,000 to Barford Community Charity which will be returned back into supporting community activities in the village and immediate locality. The shop is run by 70 plus volunteers who staff the shop for 6 and a half days a week. The constant stream of customers and their interaction with the volunteers together with the coffee shop and internet facility ensures a vibrant

center of village life. Check out the website at:

<http://www.barfordvillageshop.org.uk/>



**East Coast Community Healthcare** reported a healthy turnover of £3,727,029 to September 2014. They provide a full range of community health services to people living in Great Yarmouth and Waveney, with some services being provided across the whole of Norfolk. These services include District Nursing, Specialist Nursing, Community Hospital In-Patient Services, Admission Prevention Services, Physiotherapy and Occupational Therapy, they also provide a comprehensive range of services for children including Health Visiting, School Nursing and a Breastfeeding Team. In addition the CIC provides primary medical services through a practice in Great Yarmouth and an extensive portfolio of health improvement services. Through these services thousands of people have been supported. Many people who would otherwise have been admitted to hospital have been supported to stay at home safely. Vulnerable families have been supported and others have been helped to regain their independence. Check out the website at:

<http://www.eastcoastch.co.uk/>



**The Ealing Half Marathon** has been voted Best Half Marathon at the 2015 Running Awards in association with 'everydayhero'. The running awards are

the only independent annual awards ceremony celebrating the best of running and its culture as voted by runners. The CICs director Kelvin Walker and race co-ordinator Sandra Courtney were presented with their trophy from Mike Bushell in front of a room full of A-list names from the running and sports industry at the O2 Arena on 24<sup>th</sup> April. Mr Walker said “We are overwhelmed to win the Best Half Marathon category for the second year in a row and to beat some very big and established races”. The Ealing Half Marathon is a firm fixture in the autumn running calendar, with runners of all levels aspiring to be on the start line this September.

Alzheimer’s Society, who raised over £50,000 at the Ealing Half Marathon 2014 is the main charity again in 2015. Check out the website at:

<http://www.ealinghalfmarathon.com>



TeenTech were incorporated in September 2011 to introduce students, teachers and parents to scientists, engineers and technologists in the contemporary workplace. The aim is to provide accurate and up to date careers advice and provide stimulating ideas to teachers to incorporate into lessons, running events and encouraging the development of closer relationships between business and education. In 2014 the CIC ran large scale TeenTech events around the country including South Yorkshire, South Wales, Hampshire and London. Over 2,040 companies now work with the CIC to create the lively, engaging activities and investing their time, talent and industry knowledge into making TeenTech a stand out experience for every teenager and every teacher who participates. The CICs CEO is Maggie Philbin of BBC fame. She was asked to lead the independent UK Digital Skills Taskforce which produced an interim report ‘Digital Skills for Tomorrows World’ in July which was done with the invaluable support of many TeenTech companies and communities. TeenTech were also commissioned to plan,



curate and deliver the first day of Digital 2014 in Wales. Check out this successful CICs website at: <http://www.teentech.com/>



**Creative Innovation Centre** -The co-founder of this CIC has been chosen as one of 100 people to win the prestigious Queen’s Award in recognition of his contribution to enterprise. Richard Holt has won the award for Enterprise Promotion. Winners of the award are nominated for their efforts to encourage UK entrepreneurship. Richard said “ It is an honour to receive this award for my work, the CIC and for Taunton” The CIC offers a blend of community access and business enterprise training, supporting artists, designers and musicians and exhibiting art. In just over two years the space has been used by thousands of community members and has helped businesses take part in a range of training and workshop activities.

Richard added “ This is a great boost for putting Somerset and Taunton on the creative enterprise map and we look forward to inspiring more people in our community to innovate, create and make their dreams a reality through the work we do at the Creative Innovation Centre” Check out the website at : <http://www.creativeinnovationcentre.co.uk/>



**Rochdale Circle CIC** is an organisation for the over 50’s that organise between 20-30 social events every month ranging from going out for coffee, a

meal or a show, exhibitions and daytrips, weekends away and even short holidays. Members select which activities they want to attend each month and they can choose as few or as many as they wish. They have been hailed as a world leader in the field of reducing social isolation in older people by members of Studio-L, a high powered delegation of social designers and entrepreneurs from Japan. They visited the offices of the CIC to learn from the success of the CICs work in the Rochdale Borough. Mark Wynn, the Director of the CIC said “It is incredibly gratifying that we have received international recognition for the work we do. We are only a tiny organisation but we know we make a huge, positive difference to the lives of Rochdale Circle members in a fun and exciting way. We are proud of the fact that a Rochdale based organisation is held in such high regard around the world”. A spokesperson for Studio L, Noriko Den, said “Our visit to Circle has been excellent. We are struggling to take in just how successful they are at getting older people out and socialising and having a good time. In Japan we have an increasing problem of older people becoming isolated and Rochdale Circle could be the solution we are looking for”. Check out the CICs website at:

<http://rochdalecircle.org/>



**Reading UK** in partnership with Reading Borough Council picked up the award for ‘Town of the Year at the 2015 Thames Valley Property Awards on May 14<sup>th</sup>. The award recognises the council and the CICs leadership and success in bringing about the regeneration of Reading Town Centre over the last decade. Town of the Year is presented to the management team of the town which is judged to have enhanced its town brand by implementing the most successful town-centre strategy. Reading UK and the Borough Council were crowned the winners after being judged to have effectively implemented a huge transport and commercial infrastructure programme that led to the town centre becoming an attractive business and visitor destination. Nigel

Horton-Baker, executive director of Reading UK CIC said “Business and investment are being attracted to Reading by the combination of excellent transport infrastructure, a dynamic and welcoming town centre and the skills and talent of our workforce. Key to this has been the creation of a world class transport hub at the station and the support for business to redevelop many unattractive and redundant buildings in the station quarter”. Check out the website at: <http://livingreading.co.uk/reading-uk-cic>

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## 6. 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:



**Challenger Troop** has received £960,452 in grants and funding to 31 July 2014. They deliver a unique uniformed, military youth leadership and engagement programmes for vulnerable, disengaged young people between the ages of 6 and 18. They offer the opportunity for young people to develop individual skills through a range of challenging personal development activities in a disciplined outdoor environment. They have outreached to over 10,000 young people, engaging around 2,500 in the last 12 months. They have extended their work to include a 'Troubled Families' programme and family engagement projects and have continued to develop their community impact through charitable activities and directly supporting vulnerable communities. In 2014 the CIC had an independent evaluation carried out by Brighton University in order to formally demonstrate their high levels of successful impact on improving outcomes in education across their community. Check out their website at: <http://challengertroop.org/>



**Timewise Foundation** converted to a CIC in April 2007 and has received almost £674,000 in funding and grants to 30 June 2014. This includes £146,635 from NESTA Operating Company and was ring fenced for their 'Career Swapshop' project; £130,973 from The Big Lottery, ring fenced for their 'Building the Part-time Recruitment Market' project and £123,329 from the J.P. Morgan Foundation. The CIC runs a range of services which support people to find flexible work, including confidence-building for those returning to work after a career break, information, advice and guidance in their job searching, coaching to improve job searching skills, recruitment services to place people into part-time and flexible jobs and post employment support. 2013/14 was a very successful period for the CIC. They expanded in several areas, whilst also completing on a key investment for the CIC which has given

them a platform for further growth - both for their social impact and sustainability. Further information on the CIC can be found on their website at <http://timewisefoundation.org.uk/about-us>



**Beyond Youth** received £517,314 in funding to December 2014 including £451,814 from The Big Lottery Fund and £24,743 from the Andrew Lane Fund. During the year they have continued to expand the delivery of their 'Chance 2 Change' programme which provides therapeutic group work to marginalised members of society. They have worked with children and young people who are experiencing emotional distress, are involved in criminal activity or who are experiencing poverty abuse and mental illness. They have also worked with adults who are held within custodial settings and supported them to integrate back into their communities upon release with a package of support. All of their work has helped to up skill their beneficiaries both emotionally and practically to allow them access opportunities within the community. They have worked with around 1200 people this financial year. Check out their website at: <http://www.beyondyouth.org.uk/>



**NCSCT** was incorporated in February 2011. Their full title is the National Centre for Smoking Cessation and Training and they received £322,718 in grants this financial year which includes £232,768 from the Department of Health. They continue to provide online and face-to-face training courses for stop smoking practitioners, resources to support the delivery of smoking cessation services (including independent audit of stop smoking services, and

an electronic training and referral system in secondary care) and online training modules for health and social care professionals. These services improve the knowledge and skills of practitioners, increase the quit rates that they achieve with smokers and therefore leads to significant improvements in individual and public health. Check out the website at <http://www.ncsct.co.uk/>



**Greenacre Pre-School** received £110,216 in grants from the Nursery Education Grant. They offer high quality, affordable childcare to children 6 months to 5 years old in Tadley and its surrounding areas. The pre-school is committed to working in partnership with all its stakeholders, working closely with parents and other professional agencies. The CIC is keen to encourage children to achieve at their optimum level and to make a positive contribution to society. In doing so, they raise matters such as diversity, and looking after the environment. Their aim is to help children become rounded individuals who are confident to face the challenges of formal education. Check out the website at: <http://www.greenacrepreschool.com/about.html>



**Bearpit Improvement Group** received £58,065 in grants to August 2014, including £32,065 from Bristol City Council Grant and £15,600 from a Heritage Lottery Grant. The CIC has now established permanent trading operation, with three street traders operating through the 2012/13 winter and others joining in

the summer of 2013. Three ex shipping containers have been acquired to support this activity and a vintage bus has also been bought and has now been converted into a café. Decking and canopies have been constructed around these units to provide cover for outdoor catering. A permanent outdoor table tennis table has been installed and bats and balls can be borrowed from the market manager. An outdoor gallery of artwork has been maintained throughout the year and a bear sculpture (above) unveiled in April 2013. Over the last 12 months the entire space has been repaved and new steps into the space are under construction, all works carried out by the city council were to designs worked out by the group. Check out the website at <http://bearpitimprovementgroup.co.uk/>

Other funders that have helped CICs include:

FUNDER	AMOUNT £	CIC NAME
Arts Council England	49,000	Centre for Contemporary Art and the Natural World
Office of Police and Crime Commissioner	40,000	Wigan Women's Project
Wolverhampton County Council	35,601	Wolverhampton Federation of Tenants Associations
Paul Hamlyn Foundation	14,000	Boys Development Project

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## **7. Completing the form IN01**

In our experience, applicants find the completion of the form IN01 the most hazardous. A massive 80% of all rejections of applications are through errors on this form. The most common errors are the completion of sections A1 Company Details, A3 Exemption from name ending with Limited, and A7 Articles of Association. The following are our top tips for the completion of these sections:

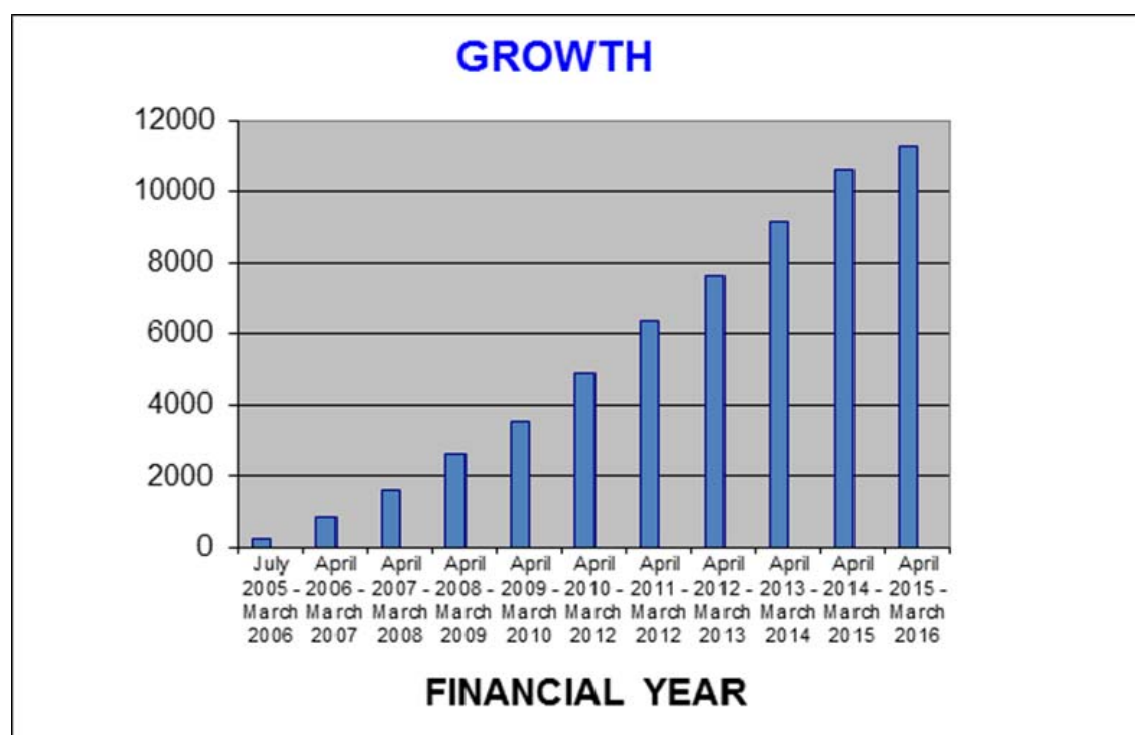
- A1 - Ensure that the name ending is shown in the company name. For private limited CICs these are 'community interest company' or 'c.i.c.' If the company name in full is not shown on the IN01 form Companies House will reject.
  - A3 - DO NOT COMPLETE! - this should be left blank
  - A7 - Please tick option 3 - this is because the proposed company is adopting articles that are bespoke to CIC companies.
-



## 8. 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	1825	484	8	1333
2011 - 2012	2087	590	11	1486
2012 - 2013	2055	765	11	1279
2013 - 2014	2494	976	11	1507
2014 - 2015	2569	1104	3	1462
2015 - 2016	852	295	0	557
<b>Total</b>	<b>15,956</b>	<b>4,706</b>	<b>54</b>	<b>11,196</b>



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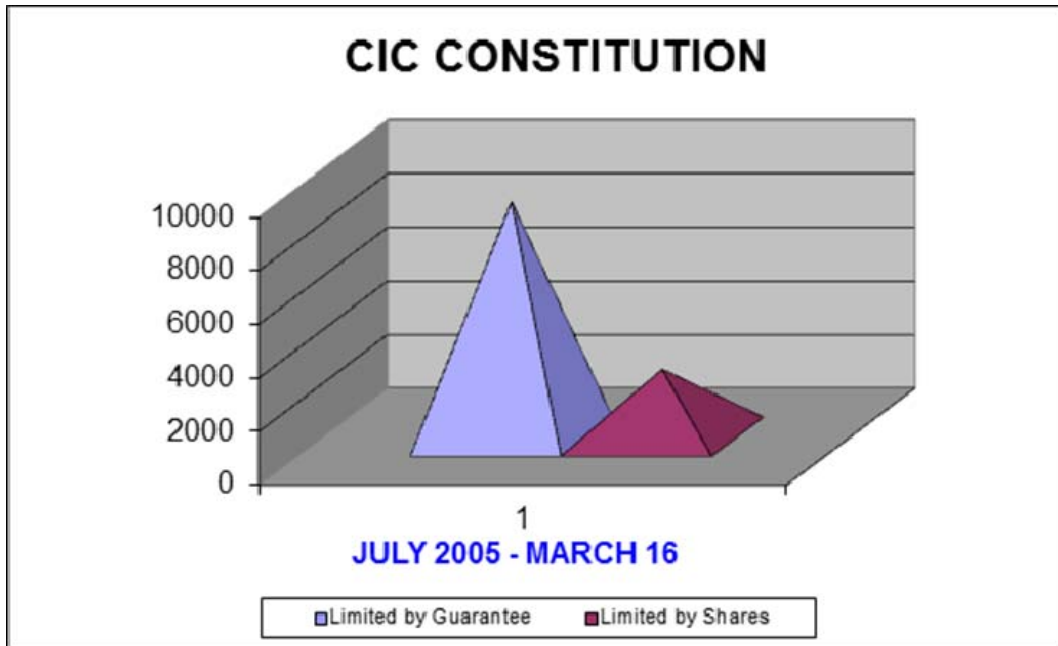
**b) INCORPORATIONS AND CONVERSIONS**

<b>United Kingdom</b>	
Incorporations	9769
Conversions	1427
<b>Total</b>	<b>11,196</b>
<b>England</b>	
Incorporations	8725
Conversions	1315
<b>Total</b>	<b>10,040</b>
<b>Northern Ireland</b>	
Incorporations	189
Conversions	19
<b>Total</b>	<b>208</b>
<b>Scotland</b>	
Incorporations	499
Conversions	70
<b>Total</b>	<b>569</b>
<b>Wales</b>	
Incorporations	356
Conversions	23
<b>Total</b>	<b>379</b>

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**c) CONSTITUTION**

<b>United Kingdom</b>	
Limited by Guarantee	8696
Limited by Shares	2500
<b>Total</b>	<b>11,196</b>
<b>England</b>	
Limited by Guarantee	7778
Limited by Shares	2262
<b>Total</b>	<b>10,040</b>
<b>Northern Ireland</b>	
Limited by Guarantee	182
Limited by Shares	26
<b>Total</b>	<b>208</b>
<b>Scotland</b>	
Limited by Guarantee	419
Limited by Shares	150
<b>Total</b>	<b>569</b>
<b>Wales</b>	
Limited by Guarantee	317
Limited by Shares	62
<b>Total</b>	<b>379</b>

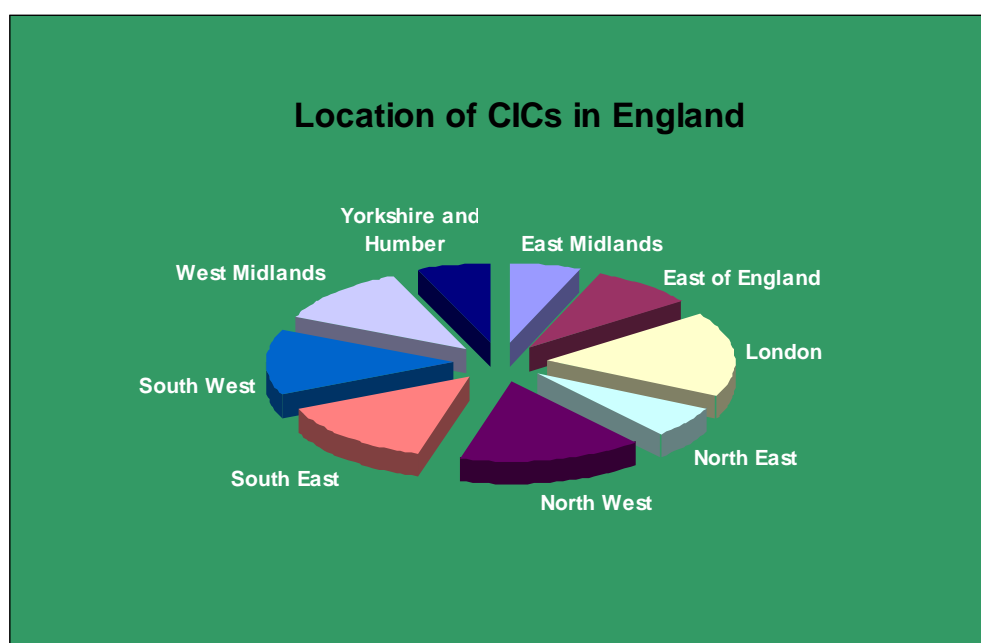


At the close of the period 78% of the CICs on the public register were limited by guarantee, with 22% limited by shares.

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d) LOCATION OF REGISTERED OFFICE

	Number	%
East Midland	633	5
East of England	825	7
London	1722	16
North East	594	3
North West	1546	15
South East	1478	14
South West	1340	13
West Midlands	1247	12
Yorkshire and Humber	655	6
<b>Total England</b>	<b>10,040</b>	<b>91</b>
Northern Ireland	208	2
Scotland	569	4
Wales	379	3
<b>Total</b>	<b>1,156</b>	<b>9</b>

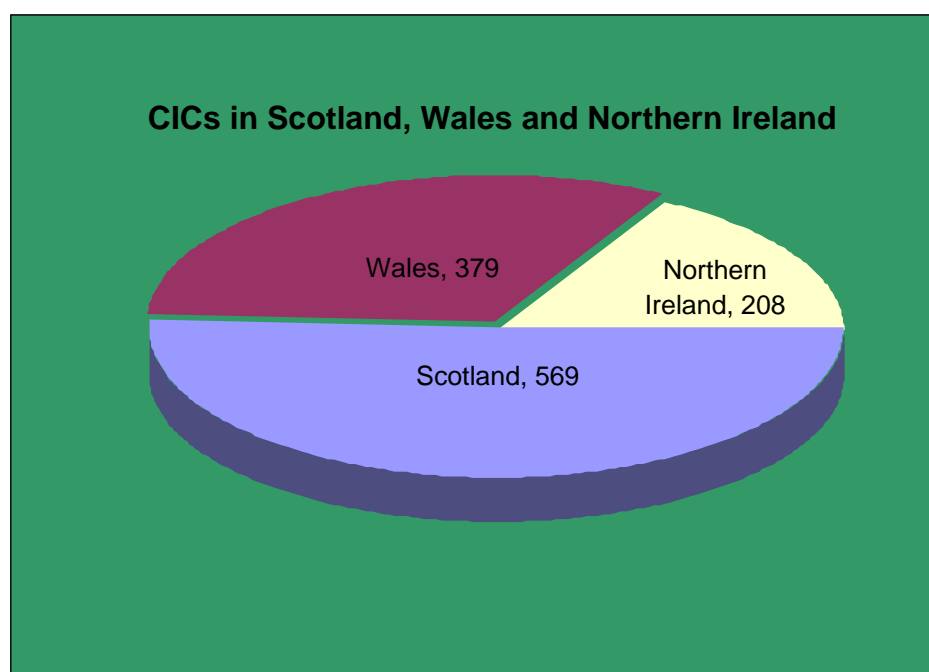


## e) CICS IN SCOTLAND, WALES AND NORTHERN IRELAND

The number of community interest companies registered in Scotland, Wales and Northern Ireland remains relatively small, representing just 9% 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 Social Enterprise UK. She has also had meetings with Social Firms Wales and The Business Enterprise, Technology and Science Minister to discuss CICs in Wales to spread the CIC word!



**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.

<b>Financial Year</b>	<b>Number</b>
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
2015 - 2016	1670

## ADMINISTRATION

In this first quarter 2015/16 the Office of the Regulator of Community Interest Companies has dealt with the following number of enquiries:

	Telephone	E-mail
Current quarter	938	615

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