



# OFFICE OF THE REGULATOR OF COMMUNITY INTEREST COMPANIES

## QUARTERLY REPORT

MARCH 2007

**CONTENTS**

Organisational Structure

Legislation underpinning Community Interest Companies

Events and Meetings attended by Regulator and Deputy Regulator

Administration

Website Developments

Questionnaire issued to CICs registered post 25 July 2006

Annual Community Interest Reports

Analysis of the status of applications received and processed

Analysis of the number of community interest companies on the Register

Analysis of the type of community interest companies on the Register

Analysis by region of the community interest companies on the Register

Analysis by sector of the community interest companies on the Register

---

### **Organisational Structure**

Regulator:	John Hanlon
Deputy Regulator:	Julie Court
Office Manager:	Phil Horrell
Case Manager:	Jon Reed
Case Manager:	Johnny Bryon
Operational Support Officer:	Helen Huish

---

### **Legislation**

The Companies (Audit, Investigations and Community Enterprise Act 2004 (the “Act”) and the Community Interest Company Regulations 2005

---

### **Events and Meetings Attended**

#### This Quarter the Regulator attended:

Meeting with the Department of Transport  
Meeting with Community Development Finance Association  
Meeting with National Council for Graduate Entrepreneurship  
Meeting with Newport City Council  
Meeting with the Queen’s Nursing Institute  
Tamworth CVS Workshop  
Meeting with the Department for Education and Skills  
Gateway Family Services C.I.C. Gala Award Ceremony  
Meeting with the Social Enterprise Coalition  
Primary Care Trust informal meeting  
Meeting with the Social Enterprise Institute of Heriot-Watt University  
Meeting with the National Council of the Voluntary Organisations  
Fit for Purpose Conference  
Social Enterprise Ambassadors Programme  
CIC Launch in Northern Ireland

---

## Administration

During this Quarter the Office of the Regulator of Community Interest Companies has dealt with:

<b>Jan – March</b>	<b>Last Quarter</b>
<b>1245</b> telephone enquiries	<b>(324)</b>
<b>568</b> e-mail enquiries	<b>(276)</b>
<b>427</b> briefing packs – issued	<b>(100)</b>
<b>4295</b> leaflets – issued	<b>(1,240)</b>

---

## Website Developments

We have introduced a number of improvements to our website [www.cicregulator.gov.uk](http://www.cicregulator.gov.uk) to make it more user friendly, which includes:

- Introduction of an Office managed newsfeed detailing news stories on community interest companies as they occur
  - Website passed Disability Forum, Bobby, CSS W3C, HTML and IE7 compliance testing New forms section about:
    - Forming a Public Limited CIC
    - Converting a CIC limited by shares to a Public Limited CIC
    - Converting an Industrial and Provident Society to a CIC
  - Microsoft Word versions of the model constitutions for CICs together with information about required adjustments to constitution to form a Public Limited CIC.
  - A new information leaflet to be used to inform funders about CICs.
-

## **Questionnaire**

Since 25 July 2006, the Office of the Regulator has been issuing a short questionnaire to every registered CIC inviting them to tell us:

- Why they chose to become a community interest company?
- What opportunities did they think would be open to them now that they are a community interest company?
- How they would like community interest companies to be promoted in the coming year?
- How we as a regulator's office could improve our service?

The results of this survey from July to December follows. An evaluation of this survey and the steps we propose to take will appear will appear in the June 2007 quarterly report and on our website [www.cicregulator.gov.uk](http://www.cicregulator.gov.uk)

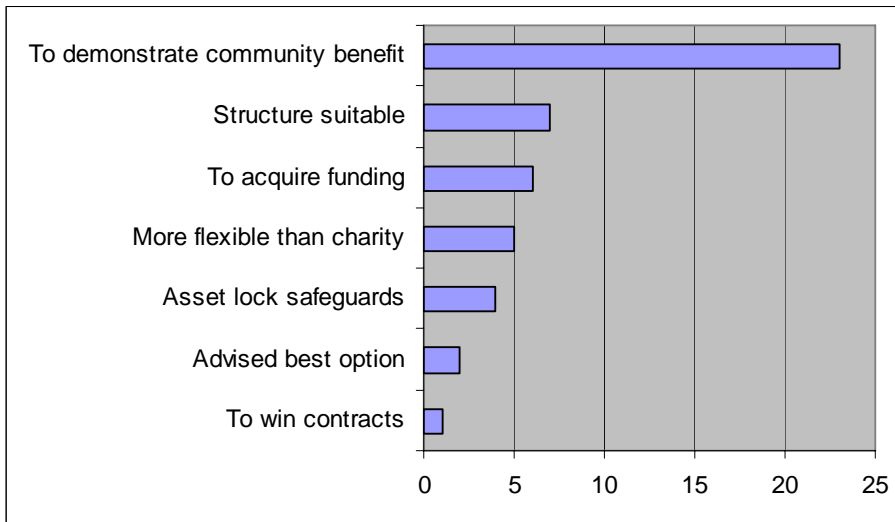
---

**Community Interest Companies  
Feedback from Questionnaire  
July – December 2006**

Number of CICs registered during period:	240
Number of CICs surveyed:	240
Number of responses:	48
Percentage responses:	20%

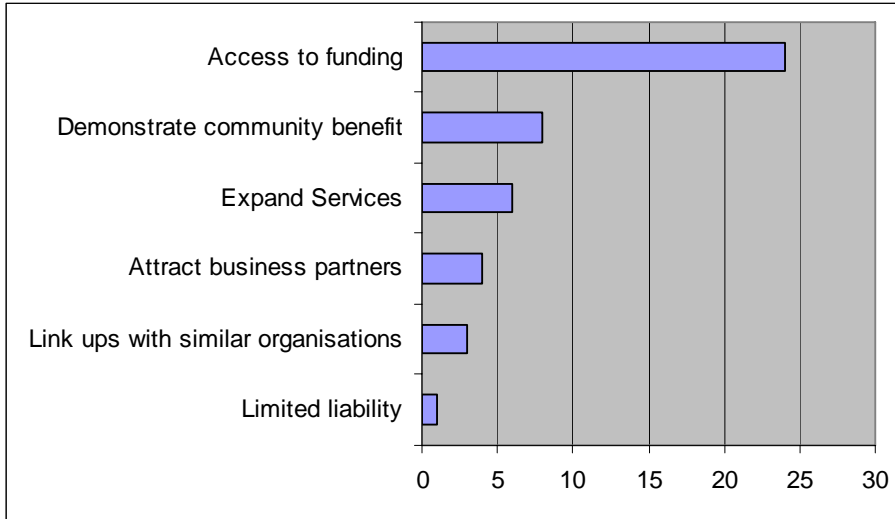
N.B. In some cases throughout the survey there were multiple answers or no answers.

**1. *Why did you choose to become a community interest company?***



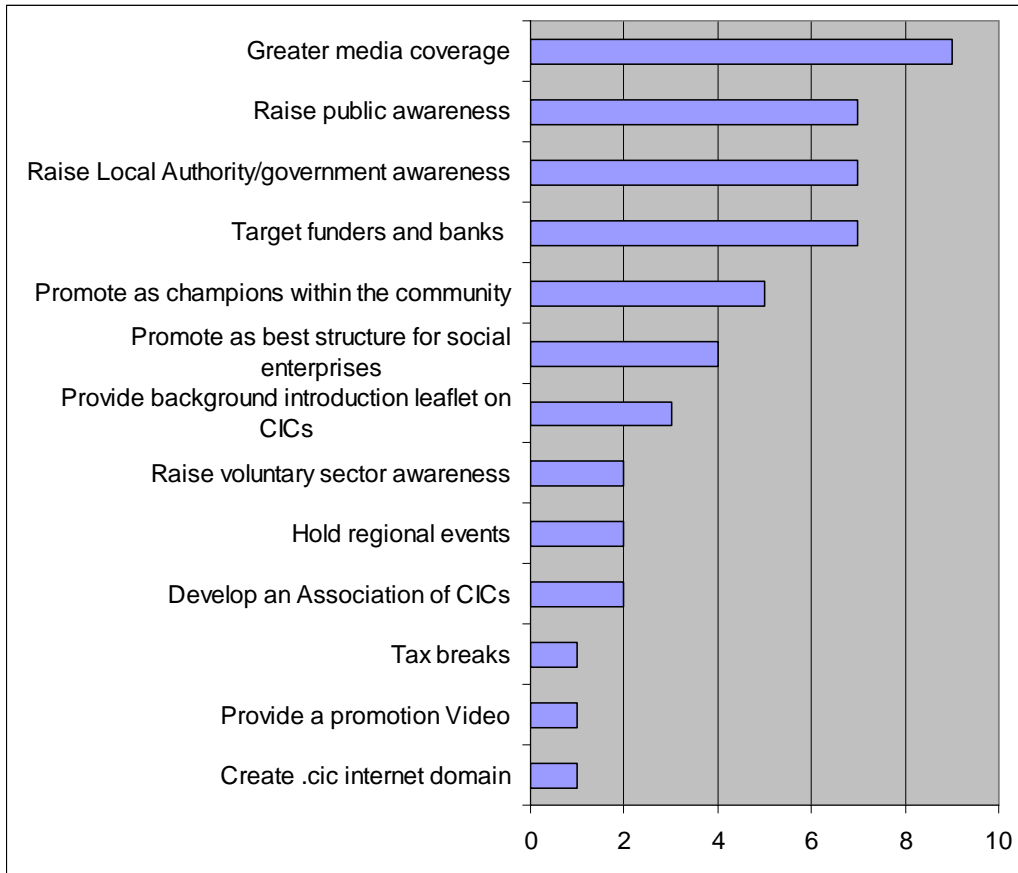
To demonstrate community benefit	48%
Structure suitable	15%
To acquire funding	13%
More Flexible than charity	10%
Asset lock safeguards	8%
Advised best option	4%
To win contracts	2%

**2. What opportunities do you think are open to you now that you are a community interest company?**



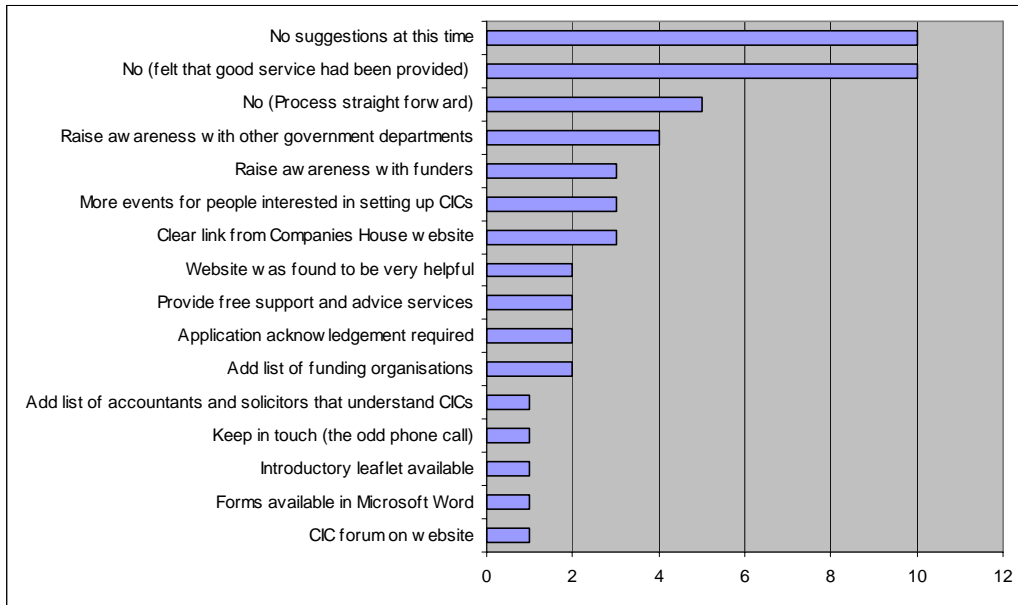
Access to funding	52%
Demonstrate community benefit	17%
Expand services	13%
Attract business partners	9%
Link ups with similar organisations	7%
Limited liability	2%

**3. How would you like community interest companies to be promoted in the coming year?**



Greater media coverage	17%
Raise public awareness	14%
Raise Local Authority and government awareness	14%
Target funders and banks	14%
Promote as champions within the community	10%
Promote as best structure for social enterprises	8%
Provide background introduction leaflets on CICs	5%
Raise voluntary sector awareness	4%
Hold regional events	4%
Develop an Association of CICs	4%
Tax breaks	2%
Provide a promotion Video	2%
Create ".cic" internet domain	2%

**4. Have you any suggestions about how the CIC Office can further improve the service we provide to applicants and enquirers?**



No suggestions at this time	19%
No (felt that good service had been provided)	19%
No (Process straight forward)	10%
Raise awareness with other government departments	8%
Raise awareness with funders	6%
More events for people interested in setting up CICs	6%
Clear link from Companies House website	6%
Website was found to be very helpful	4%
Provide free support and advice services	4%
Application acknowledgement required	4%
Add list of funding organisations	4%
Add list of accountants and solicitors that understand CICs	2%
Keep in touch (the odd phone call)	2%
Introductory leaflet available	2%
Forms available in Microsoft Word	2%
CIC forum on website	2%

## **Annual Community Interest Reports**

All the directors of a CIC have an additional obligation to prepare an Annual Community Interest Report to be filed with their accounts. The purpose of the report is to show that the community interest company is still satisfying the Community Interest Test and that it is engaging appropriately with its stakeholders, in carrying out activities which benefit the community.

This quarter we received 19 community interest reports.

---

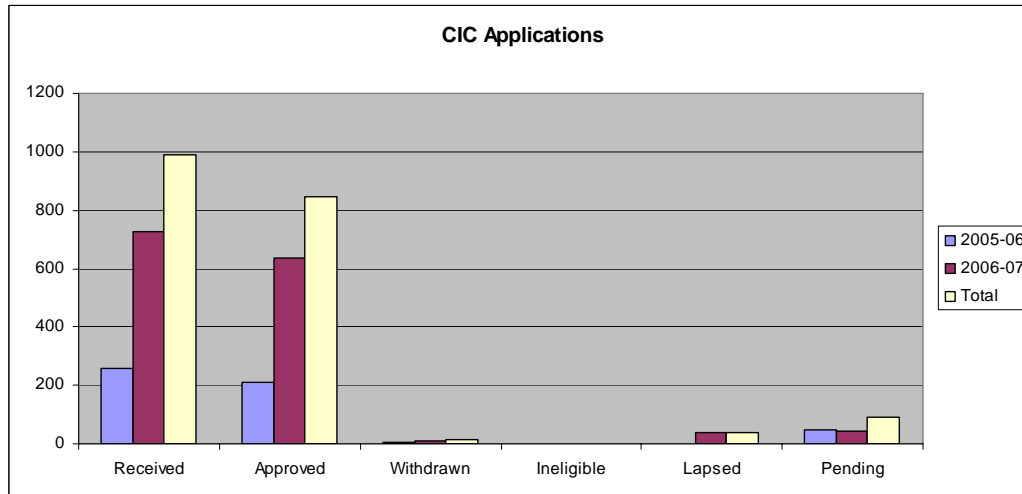
## **Statistics**

The tables which follow provide statistical data on the:

- 1      Status of applications received and processed**
  - 2      Numbers of community interest companies on the Register**
  - 3      Types of community interest companies on the Register**
  - 4      Regions covered by the community interest companies on the Register**
  - 5      Sectors covered by the community interest companies on the Register**
-

**1. Analysis of the status of applications received and processed**

	January – March 2007	From 25 July 2005 to date
RECEIVED	236	989
APPROVED	202	845
WITHDRAWN	1	14
INELIGIBLE	0	1
LAPSED	3	39



## 2. Analysis of the number of community interest companies on the Register

<b>Great Britain</b>	
Incorporations	<b>694</b>
Conversions	<b>151</b>
Dissolutions	
Restorations	
<b>Total</b>	<b>845</b>
Withdrawals	<b>14</b>

<b>England</b>	
Incorporations	<b>649</b>
Conversions	<b>143</b>
Dissolutions	
Restorations	
<b>Total</b>	<b>792</b>
Withdrawals	<b>14</b>

<b>Scotland</b>	
Incorporations	<b>23</b>
Conversions	<b>6</b>
Dissolutions	
Restorations	
<b>Total</b>	<b>29</b>
Withdrawals	<b>0</b>

<b>Wales</b>	
Incorporations	<b>22</b>
Conversions	<b>2</b>
Dissolutions	
Restorations	
<b>Total</b>	<b>24</b>
Withdrawals	<b>0</b>

### 3. Analysis of the type of community interest companies on the Register

<b>Great Britain</b>	
Public Companies	
Private Companies	
Incorporations limited by guarantee	<b>532</b>
Incorporations limited by shares	<b>162</b>
Conversions limited by guarantee	<b>71</b>
Conversions limited by shares	<b>79</b>
Charities converting to a community interest company	<b>1</b>
<b>Total</b>	<b>845</b>

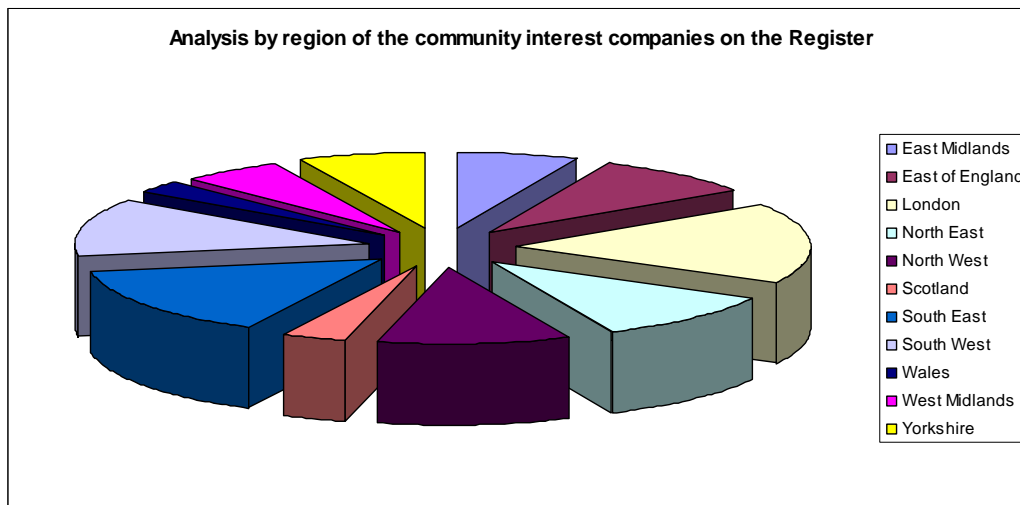
<b>England</b>	
Public Companies	
Private Companies	
Incorporations limited by guarantee	<b>499</b>
Incorporations limited by shares	<b>150</b>
Conversions limited by guarantee	<b>69</b>
Conversions limited by shares	<b>73</b>
Charities converting to a community interest company	<b>1</b>
<b>Total</b>	<b>792</b>

<b>Scotland</b>	
Public Companies	
Private Companies	
Incorporations limited by guarantee	<b>16</b>
Incorporations limited by shares	<b>7</b>
Conversions limited by guarantee	<b>1</b>
Conversions limited by shares	<b>5</b>
Charities converting to a community interest company	
<b>Total</b>	<b>29</b>

<b>Wales</b>	
Public Companies	
Private Companies	
Incorporations limited by guarantee	<b>17</b>
Incorporations limited by shares	<b>5</b>
Conversions limited by guarantee	<b>1</b>
Conversions limited by shares	<b>1</b>
Charities converting to a community interest company	
<b>Total</b>	<b>24</b>

**4. Analysis by region of the community interest companies on the Register**

Region of registered office	Number	%
East Midlands	56	7%
East of England	76	9%
London	144	17%
North East	90	11%
North West	90	11%
Scotland	29	3%
South East	127	15%
South West	103	12%
Wales	24	3%
West Midlands	47	6%
Yorkshire and the Humber	59	7%
<b>Total</b>	<b>845</b>	<b>1.00</b>



## 5. Analysis by sector of the community interest companies on the Register

<b>Great Britain</b>	
Group A - Agriculture, Hunting and Forestry	3
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	19
Group E - Electricity, Gas and Water Supply	12
Group F - Construction	2
Group G - Wholesale, Retail; Certain Repair	42
Group H - Hotels and Restaurants	18
Group I - Transport, Storage & Communication	20
Group J - Financial Intermediation	10
Group K - Real Estate, Renting & Business	174
Group L - Public Administration & Defence	15
Group M - Education	170
Group N - Health and Social Work	126
Group O - Other Social & Personal Services	291
Group P - Private Households with Employees	1
Group Q - Extra Territorial Organisations	1
<b>Total</b>	<b>904</b>

<b>England</b>	
Group A - Agriculture, Hunting and Forestry	3
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	16
Group E - Electricity, Gas and Water Supply	11
Group F - Construction	2
Group G - Wholesale, Retail; Certain Repair	34
Group H - Hotels and Restaurants	17
Group I - Transport, Storage & Communication	18
Group J - Financial Intermediation	9
Group K - Real Estate, Renting & Business	166
Group L - Public Administration & Defence	15
Group M - Education	165
Group N - Health and Social Work	123
Group O - Other Social & Personal Services	275
Group P - Private Households with Employees	0
Group Q - Extra Territorial Organisations	1
<b>Total</b>	<b>855</b>

<b>Scotland</b>	
Group A - Agriculture, Hunting and Forestry	0
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	2
Group E - Electricity, Gas and Water Supply	0
Group F - Construction	0
Group G - Wholesale, Retail; Certain Repair	6
Group H - Hotels and Restaurants	1
Group I - Transport, Storage & Communication	2
Group J - Financial Intermediation	1
Group K - Real Estate, Renting & Business	2
Group L - Public Administration & Defence	0
Group M - Education	2
Group N - Health and Social Work	3
Group O - Other Social & Personal Services	8
Group P - Private Households with Employees	0
Group Q - Extra Territorial Organisations	0
<b>Total</b>	<b>27</b>

<b>Wales</b>	
Group A - Agriculture, Hunting and Forestry	0
Group B - Fishing	0
Group C - Mining & Quarrying	0
Group D - Manufacturing	1
Group E - Electricity, Gas and Water Supply	1
Group F - Construction	0
Group G - Wholesale, Retail; Certain Repair	2
Group H - Hotels and Restaurants	0
Group I - Transport, Storage & Communication	0
Group J - Financial Intermediation	0
Group K - Real Estate, Renting & Business	6
Group L - Public Administration & Defence	0
Group M - Education	3
Group N - Health and Social Work	0
Group O - Other Social & Personal Services	8
Group P - Private Households with Employees	1
Group Q - Extra Territorial Organisations	0
<b>Total</b>	<b>22</b>

**NB: Group O - Other Social and Personal Services includes:**  
Physical Well Being Activities; Sporting Activities; Radio and Television Activities and Artistic and Literary Activities