

# Community Interest Companies

## *CIC ISSUES*

Presented by: Phillip Horrell  
Deputy Regulator of CICs

# Regulation: Blessing or Curse

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- **provides assurance to stakeholders**
- **delivers continued benefit to community**
- **ensures that the CIC brand is protected**

# Regulation: Blessing or Curse

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- **places additional responsibility on directors**
- **the asset lock and dividend cap places restrictions on CICs**
- **community benefit is paramount**

# Discretionary Rate Relief

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- **Business Rates Review 2015**
- **Cultural shift in the way we work, shop and socialise**
- **Three fold increase in town centre closures in 2014**



# Discretionary Rate Relief

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- **An increase in on-line services not operating from commercial premises**
- **14% of all workers now operate from home**
- **Emergence of giants like Amazon operating in cheaper locations**



# Discretionary Rate Relief

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- **CICs are active in the local community**
- **Operate in town centres and high streets**
- **80% of CICs are SMEs**
- **Small scale businesses are leading on growth in the high street**



# Discretionary Rate Relief

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**The Regulator would like:**

- **support for regulated social enterprises**
- **a consistent policy amongst the LAs**
- **the LAs to retain 100% of rates**



# Raising Awareness of CICs

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- **The digital revolution**
- **No central funding**
- **Be loud and proud**
- **CICs thrive through strong social enterprise network**





# Raising Awareness of CICs

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- **Bristol, Plymouth, Sunderland, Oxfordshire**
- **Ashoka Change Maker Campus**
- **CICs Networking Together**
- **CICs happy to play a part**



# Access to Finance

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- **Master Class on raising finance**
- **CICs are becoming less grant dependent**
- **Social Investment Tax Relief**
- **CICs do access funding**



# Access to Finance

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- **target the right investors**
- **have a strong business plan**
- **know your market: use the CIC brand**
- **identify social impact**
- **corporate governance**



# Filing Documents On-Line

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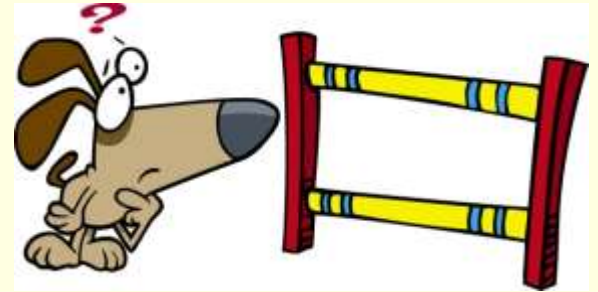
- **CICs still submit paper copies**
- **Penalties in place for Late Filing**
- **Regulator in negotiations with CH**
- **Available 2018/19**



# OTHER OBSTACLES

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- **CIC Brand**
- **The Economy**
- **Competition in the market place**



# Some Interesting Facts!

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- **there are six times the number of CICs on the Register than forecast by Parliament;**
- **proportionally less CICs dissolve after 21 months than ordinary companies;**
- **CICs operate in every economic sector with 62% in Health and Social Care;**
- **72% of CICs are limited by guarantee;**
- **31% of CICs are conversions.**



# GLOBAL INTEREST



- **The UK is recognised as having the most advanced social enterprise sector in the world.**

## **Increased interest from:**

- **Canada (British Columbia, Nova Scotia)**
- **China**
- **Denmark**
- **France**
- **Japan**
- **South Korea**

# The Regulator's role

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- **light touch Regulator;**
- **considering CIC applications;**
- **encouraging the growth of the CIC model;**
- **maintaining confidence in the CIC model;**
- **exercising Regulator's power of investigation and enforcement.**



# Contact Points

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- **Twitter:** [@cicregulator](#)
- **Blog:** [communityinterestcompanies.blog.gov.uk/](http://communityinterestcompanies.blog.gov.uk/)
- **Website:** [www.gov.uk/cic-regulator](http://www.gov.uk/cic-regulator)
- **Email:** [cicregulator@companieshouse.gov.uk](mailto:cicregulator@companieshouse.gov.uk)
- **Phone:** 02920 346228
- **Address:** Office of the Regulator of Community Interest Companies, 2<sup>nd</sup> Floor, Companies House, Cardiff CF14 3UZ