

MINUTES OF THE FIRST MEETING OF THE CIC FORUM

Date: Thursday 8 May 2008
Time: 09.30 – 14.00

1. Welcome

Jonathan Bland, Chief Executive, Social Enterprise Coalition

2. Keynote speeches

CIC Regulator Sara Burgess, CIC Regulator

Sara outlined the role of the CIC Regulator, highlighting the significant responsibilities held whilst emphasising the intention to maintain a light touch approach to these responsibilities where possible.

Sara explained that the most important activity of the regulator's office at this stage is to promote the brand of the CIC model and to cement its position. Achieving this will involve meetings between the regulator and CICs to enable the regulator to engage with enterprises and gain a more thorough understanding of perceived challenges and opportunities for CICs.

Sara concluded by recognising the place of a CIC forum in bringing CICs together to discuss common issues, to share ideas and to work together to support the model.

Women Like Us (Best New Social Enterprise, Enterprising Solutions Awards 2007) Karen Mattison, Director and David Curtis, Director

Karen described the history of Women Like Us, a business which helps women to find flexible jobs which fit with their child care arrangements whilst providing employers needing part time staff with experienced employees. Karen stressed the importance of the partnerships the business had formed with schools in order to find women wanting to get back into work.

David discussed the financial approach taken by Women Like Us, which seeks to combine funding from a variety of sources to build a sustainable business model. Other factors in achieving success for Women Like Us included the identification of a gap in the recruitment market as well as good contacts with potential employers.

2.1. Q & A and panel discussion

Jonathan Bland, Sara Burgess, Karen Mattison, David Curtis and Tokunbo Ajasa-Oluwa

Issues discussed included the following:

- the need for greater recognition of the CIC model as a trustworthy brand to generate confidence amongst funders
- the need for consistency across all levels of government in acknowledging the social and environmental objectives of CICs
- the limitations of the dividend cap, which is creating a barrier to investment
- alternative options for raising finance including issuing shares or taking loans

Sara Burgess assured attendees that the regulator's office is exploring solutions to the issues raised including incentives for investment in CICs.

All of the issues raised at the forum will also inform the Coalition policy work to support CICs.

3. Breakout group discussions on Governance, Tax, Start-ups, Investment and funding, and CIC networks

Key points from each of the discussions are summarised below.

Governance

1. It would be very helpful to have a one page “idiot’s guide” to governance for CICs.
2. One clear advantage of the governance structure of a CIC in comparison with that of a charity is that founders and CEOs are able to sit on the company’s board. This enables founders/CEOs to have a voice when key decisions are made.
3. The transition from being a sole trader to running an organisation with a board is complex, but should be viewed as a positive step which provides support to the organisation’s CEO.

Tax

1. There is a need to create simplicity and parity in the experience the tax system amongst charities, companies and CICs to encourage take up of the new legal structure. Measures must ensure the brand of the CIC as socially responsible must not be undermined.
2. Better support from HM Revenue and Customs is needed to ensure the implications of different funding streams are navigated efficiently and do not act as a barrier to take up and growth of CICs.
3. Tax incentives at the point of investment would aid in the start up potential of CICs.

Start-ups

1. More widespread education and knowledge about CICs is needed within CICs and across government, support bodies and funders in order to promote use and awareness and to prevent conflicting advice.
2. Too many sources of funding require CICs to already have assets, income, profit or a track record. There is a need for long-term funding, preferably for three years, which is without strings (this might distort a CICs development and restrict its independence).
3. There is call for quantifiable social value tools which can translate social return or audit into business vocabulary to prove the value of the CIC to funders and commissioners.
4. An idea to provide information for those wanting to start CICs was a start up pack and (more) workshops, which would include formats and examples, explanation of terms, sample business plans and reports.

Investment and funding

1. There is a need for a clear set of incentives for investors in CICs – this would be better PR and marketing so private investors could use it in their CSR and also a better return on their investment.
2. Some CICs are calling for a reduction on Corporation tax for investors similarly to CITR.
3. There is a need for more flexible packages of funding including patient capital.

CIC networks

1. There is demand for a web-based network for CICs.
2. There is a question over who is managing the CIC brand.
3. A small grant is needed to make the network happen.

4. Close