

The merits of a Community Interest Company (CIC)



Rural Care provides training and work related experiences for people with learning disabilities and/or mental health issues in a supportive and caring environment at Church Farm in Ardeley and Aldenham Country Park in Elstree. Ann De Bock (founder and manager of Rural Care) and her team work in partnership with North Hertfordshire

College to deliver an animal care course as well as bespoke timetables for individual students. They also work with co-farmers with learning disabilities through referrals from Health and Community Services (formerly Adult Care within Social Services). Here Ann discusses the merits of setting up as a Community Interest Company.

<http://www.churchfarmardeley.co.uk/education-a-care/rural-care.html>

<https://www.gov.uk/set-up-a-social-enterprise>

How and why did you first start looking at legal structures for Rural Care?

I set up Rural Care, which is part of Church Farm in December 2008. In order to reduce financial risk I have looked at whether Rural Care activities could separate from the rest of the business. I obtained free *pro bono* advice from solicitors which I accessed through an organisation called 'Unlimited' (<http://unltd.org.uk/path/>), but you can also get free advice from LawWorks (<http://www.lawworks.org.uk/>). Unlimited helps social entrepreneurs, and I obtained a £3000 award to get started with tools and a year's worth of practical help. You can be a business and its one of the few places I know of where as a non-charity you can obtain advice. You can go on and be a level two award winner too. The best thing is all the contacts you get with other social entrepreneurs, you can get business advice and training and pro bono advice.

What is Rural Care?

Rural Care provides training and work experience for people with learning disabilities and/or mental health issues in a supportive and caring environment within a fully working farm, here at Church Farm, Ardeley.

We also work in partnership with North Hertfordshire College to provide accredited training for their students with learning disabilities on the farm.

Volunteers are welcome and can help out with Rural Care or can work on their own so they can enjoy the tranquility of the farm.



I LOVE Church Farm

Church Farm
An amazing, beautiful place to work and learn new skills

Church Farm is a 175 acre farm with rare breed livestock such as Berkshire and British lop pigs, Red Poll cattle and Black Welsh Mountain sheep.

We have chickens roaming in the fruit orchard, geese in the nut orchard and turkeys in the woodland, as well as six acres of organically grown vegetables and a pick-your-own soft fruit area. The produce is sold via the Farm Store, Café, Mobile Shop and Vegetable/Meat Box Scheme.

All of this enables us at Rural Care to get involved in lots of different jobs and tasks. We are the co-farmers.

Something for everyone

- Co-farmers work in small mixed ability teams in a variety of jobs to suit individual interests, needs and abilities.
- Co-farmers are supported by fully qualified and experienced staff.
- We help to look after the livestock, and grow vegetables and fruit. Working in the store, café or kitchen to package and process food is also part of the experience as well as having fun and making new friends.
- On a day at the farm, you might collect eggs, feed the pigs, sow seeds and harvest strawberries and serve them to customers or eat them yourself!



So what legal structure will you go for?

I did some research and filled in a questionnaire online (<http://www.getlegal.org.uk/>). Partly due to experience I had with trustees at a charity I previously worked for, I found that my preferred option was for a Community Interest Company (CIC), which would give me more control over the organisation than if we were a charity. With a CIC you get paid for what you do and you're still in control of what you're doing, but with a charity trustees are legally in charge.

We haven't become separate to Church Farm yet, rather we're currently looking at the whole farm becoming a CIC. When we become a CIC trust funds will look more favourably on us, as it's not about an individual making profits, it's about social impact objectives, to either reinvest profit in the company or invest in the community. When I look at Church Farm that's exactly what we do. So much effort goes into helping people learn about food and farming, we have the ethos of a CIC already. CIC status would allow us to get more trust funding, and a lot of companies who are looking for volunteer days for their staff are looking to support charities or CICs. I've had people say they can't support us because we're not a charity but if we were a CIC it wouldn't be a problem. For example, GlaxoSmithKline are based locally, sometimes one department isn't able to come out because we're currently a private business, but other departments can come out.

If you're just a private company it's hard to access most trust funding, anyone can say they have social objectives but you need the legal status to back it up. I also feel the general public might support us more if they could clearly see our social objectives. The local Health and Community Services department would look more favourable on us too as all similar places that offer horticulture therapy are charities.

What advice would you give a LNFYS host, a commercial farmer looking to get into care farming more?

I'd look at becoming a CIC, and try and access Unlimited support. The funding is great but really it is the advice and networks that are out there, it really helps. The reality is that most care farms are small businesses trying to make a living. They're not big, they want to do something good, but ultimately they want to be in charge and don't want to be told by someone else what they should be doing. I think CICs are the way forward for a lot of care farmers. I think as a charity you can lose too much control.

Fortunately I've known what to charge, my co-farmers fees pay the wages and care farm bills so I'm market led. We can be very customer led and can make decisions quickly. We can take opportunities when they are there, whereas a charity can sometimes have to wait for trustees to



make a decision. Some trusts will only fund charities, but CICs are new and I think as more people get to know about CICs they'll be supported more widely.

What is a Social Enterprise?

A social enterprise is not a type of legal form or structure; it is a status conferred on a business that trades in the market with a social purpose. A social enterprise can therefore adopt any one of a number of different legal structures. There are no legal requirements for a social enterprise, but they share a number of common characteristics: a clear social and/or environmental mission, the reinvestment of the majority of their profits to further this mission, and accountability to their stakeholders and the wider community.

Why were CICs developed?

CICs were developed in order to address the lack of legal vehicle for non-charitable social enterprises, and as such they offer all the flexibility of a company limited by guarantee with the additional safeguards of a lock on assets and a defined benefit for the community. CICs are also subject to significantly less regulation than charities, and you can remain in control of the company and receive a salary from it. CICs must satisfy a community interest test, which is much easier to satisfy than the test for a charity. A CIC has to deliver to the Registrar of Companies an annual community interest report with its annual accounts, which records the CIC's activities for that year, but that is the only additional requirement on a CIC besides the usual company filings.

