



## **Information sheet for Carer Support South Lakes Services C.I.C. 12077139**

Carer Support South Lakes (CSSL) provide essential support to over 1,300 carers within South Lakeland, offering a range of services to people of any age who care, unpaid, for a friend, or family member who cannot cope without their support due to illness, disability, mental health problems or addiction.

In 2017 a strategic plan was developed by CSSL to further improve its sustainability as an organisation, ensuring it can consistently deliver its social objectives. Part of this plan was to develop a cost effective, affordable and quality Lasting Power of Attorney (LPA) form registration and completion service, that would generate unrestricted income for the main charity.

In 2017 CSSL ran a pilot LPA service drawing on learning from existing schemes that were operated by Carlisle Carers and West Cumbria Carers. CSSL then secured a grant from First Ark Social Investment to work with Pulse Regeneration ([www. http://www.pulseregeneration.co.uk/](http://www.pulseregeneration.co.uk/)) to prepare a three year business plan. This plan formed the basis of an application for further investment through First Ark which provided a £14,500 start-up grant and £35,500 loan for working capital, marketing, recruitment, training and equipment.

### **Carer Support South Lakes Services C.I.C. 12077139**

CSSL Services C.I.C. was set up for “non-primary purpose fundraising activities that could involve a significant risk to assets, or might result in a tax liability, if they were carried out by the charity directly”.

On the 1st July 2019 CSSL registered CSSL Services C.I.C. with Companies House. CSSL is the listed asset-locked body.

### **The Board of a trading subsidiary**

As a separate legal entity from the charity, a trading subsidiary must have its own board of directors. Since the trading company has a different purpose from the charity (i.e. to carry out for-profit trading) the board may require people with different skills and backgrounds to those of the charity’s trustees. In any event, the board of the trading company should not be composed solely of trustees of the charity.

The board of the subsidiary might typically include two or three of the charity’s trustees, possibly including the chair and treasurer. It may also be appropriate to include employees of the charity who are not also trustees. But some of the directors should be people not associated with charity to provide an independent viewpoint, avoid any conflicts of interest, and provide scope to recruit board members with specific skills of expertise related to the trading company’s activities.

It is recommended that at least three trustees of the charity should not serve as directors of the trading company. This enables trustees to hold a quorate board meeting of the charity without worrying about conflicts of interest. Those trustees who are not directors of the trading company will be in a better position to make objective evaluations of the trading company’s performance and the relationship between the company and the charity, on behalf of the charity.

### **About Community Interest Companies CIC - CIC Legal structure at a glance**

<b>Summary: most typical features</b>	New ‘off-the-peg’ limited company structure for social enterprise with secure ‘asset lock’ and focus on community interest.
<b>Ownership, governance and constitution</b>	As for other limited companies, but subject to additional regulation to ensure community benefits.
<b>Is it a legal entity distinct from those who own and/ or run it?</b>	Yes; members’ liability limited to an amount unpaid on shares or by guarantee. (CSSL Services has a liability of £1 per member).
<b>Can its activities benefit those who own and/ or run it?</b>	Yes, but must benefit wider community as well. Can pay limited dividends to private investors.
<b>Assets “locked in” for community benefit?</b>	Yes, through standard provisions which all CICs must include in their constitutions.
<b>Can it be a charity and get charitable status tax benefits?</b>	No, but can become a charity if it ceases to be a CIC.

## **The role of the CIC Board**

- Has collective responsibility for the leading the CIC to ultimate success.
- It develops the vision and community purpose, executing plans effectively and managing risk.
- It provides governance, leadership, organisational strategy and ensures accountability and transparency.

### **To achieve this the board needs to:**

- Meet regularly, and ensure that board meetings are well chaired, with enough time and the right kind of information to be able to make considered decisions effectively.
- Be clear about the purpose of the CIC and of what is going on around them in the external environment.
- Set the CIC's strategy, budgets and procedures ensuring they remain relevant and achievable.
- Agree an appropriate plan for the ongoing development of the CIC to deliver the strategy.
- Regularly monitor business performance, including impact and performance against budgets and targets.
- Evaluate the results, outcomes and impacts of the business.
- Ensure the CIC consults regularly with its stakeholders – the community which is being served, employees, volunteers, suppliers, funders, partners, collaborators, customers and all who become part of the community – with a view to involving them in the development of the strategy of the CIC where appropriate.
- Ensure the CIC meets all legal requirements under company law and particular CIC law.
- Be transparent about financial and other matters.

## **The Duties of a CIC Director**

As with any other company, the directors of a CIC occupy an important position of trust, and company's law imposes on them a range of duties. The directors are responsible for ensuring that the CIC meets its statutory and other obligations.

A CIC director has the following duties under the Companies Act 2006:

1. To act within the company's powers
2. To act in the way he or she considers, in good faith, would be most likely to achieve the community purpose of the company, and in doing so have regard (amongst other matters) to:
  - The likely consequence of any decision in the long term
  - The interests of the company's employees
  - The need to foster business relationships with customers, suppliers and others
  - The impact of the company's operations on the community and the environment
  - The desirability of the company maintaining a reputation for high standards of business conduct
  - The need to act fairly as between the members of the company
3. To exercise independent judgement
4. To exercise reasonable care, skill and diligence
5. To avoid conflicts of interest
6. Not to accept benefits from third parties
7. To declare an interest in proposed transactions or arrangements and in existing transactions and arrangements where appropriate.

### **Is this for you?**

- Carer Support South Lakes is seeking to recruit a number of individuals with business skills to serve as directors of CSSL Services CIC and help develop and grow social enterprise initiatives.
- The first initiative is the development and growth of the Lasting Power of Attorney Service.
- The commitment will be one, 2 hour meeting every 2-4 weeks.

By joining the board you will be helping a local charity, in your local community to support local people. An LPA gives people piece of mind that they have prepared the people they trust for a time when difficult decisions need to be made on their behalf.

Please contact a member of the Management team if you are interested in serving as a Director.

Additional information about CIC's and Social Enterprise from:

[www.cicregulator.gov.uk](http://www.cicregulator.gov.uk)

[www.nefconsulting.com/](http://www.nefconsulting.com/)

[www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)