

News story: Community interest companies (CIC) needed to test online filing

We're developing an online filing service for community interest companies (CICs), so you can file your annual report and accounts online.

If you're a CIC, or agent who files on their behalf, you can help us by [answering a quick survey](#) about online filing.

We also need your help to take part in user-testing at our Cardiff office. User-testing during development will help us make our new service fit for your needs.

The testing will only take around an hour, and we'd be grateful for your help.

What CICs are for

If you're thinking of starting a business, but want to provide a benefit to the local community, then a CIC might be for you.

A CIC is a company for people wishing to set-up a business as a 'social enterprise'. This means the business will trade with a social purpose, or carry out other activities for the benefit of the community.

Many social enterprises and community organisations are already incorporated as companies. They're usually limited by guarantee, without shares. Others, such as co-operatives, are registered societies. Many are less formal, with assets held on their behalf by trustees.

A CIC is suitable if you want the freedom of a limited company, without either the private profit motive or charity status. They're more flexible than some other legal forms, and there's a variety of capital options to meet your needs. CICs aren't strictly 'not for profit', but returns to investors must be balanced and reasonable, to make sure community benefit is always its purpose.

How to form or incorporate a CIC

The basic legal structure for CICs is the limited liability company. They can either be incorporated as a new company or converted from an existing company.

Creating a CIC has significant legal implications, such as the 'asset lock'. This means the assets of the CIC (including any profits or other surpluses it makes) are used for the benefit of the community. This is a permanent step, which cannot be reversed.

To register as a CIC, a company must adopt articles that comply with [The 'CAICE' Act](#) and [CIC Regulations 2005](#). Existing companies must make changes to their articles and a change of name. A CIC's name must end in either, 'CIC' or 'community interest company', and not 'limited' or 'ltd'.

The CIC Regulator

Another feature of a CIC is that they report to the [Office of the CIC Regulator](#). The regulator's job is to make sure the CIC is genuinely a social enterprise, and isn't abusing the trust the public expects to put in a CIC.

By making the CIC report to the regulator, the directors can clearly show that the company is a genuine social enterprise venture, and not for private profit.

If you need further help, the regulator has produced [a list of do's and don'ts](#) when completing an application to incorporate a CIC.

Deciding to form a CIC is a major step and professional legal advice is recommended.

News story: Information for parents: 2018 key stage 1 and 2 assessments

We have published an [information leaflet](#) today for parents of children in years 2 and 6 about national curriculum assessments (commonly called SATs).

The leaflet is to help parents understand more about the end of key stage assessments that will take place in primary schools throughout May.

For pupils at the end of key stage 1, typically aged 7, teachers will judge the standards at which they are working. To help teachers inform those judgements, pupils will take tests at any time throughout May in:

- mathematics
- English reading
- English grammar, punctuation and spelling (optional test)

Pupils at the end of key stage 2, typically aged 11, will take tests on set days in the week beginning 14 May in:

- English grammar, punctuation and spelling
- English reading
- mathematics

Videos about SATs at key stages 1 and 2

We have also published 2 [videos](#) for parents, providing more detail at each key stage about:

- the purpose and format of the tests
- when tests will take place
- how parents can best support their child
- how results will be reported

The leaflet and videos may be useful resources for schools to share with parents, or to use during conversations with parents about primary assessments. We have provided a text only version of the leaflet for ease of printing.

[Press release: More families helped to change their lives for the better](#)

Local Government Minister Rishi Sunak has welcomed the progress made by the Troubled Families Programme over the past year to help families with multiple and complex problems improve their lives, to reform local services and to reduce pressure on the public purse.

The [second Troubled Families annual report](#) published today (27 March 2018) details how the programme is working with families as a whole to provide the stability and practical support they need to overcome complicated issues including 'worklessness', uncontrolled debt and truancy.

This programme of whole family working has achieved significant progress with:

- more than 90,000 families meeting the improvement goals agreed with local services against each of the problems they need to overcome – up more than 48,000 on the previous year
- almost 14,000 of families where progress has been achieved, 1 or more adult has succeeded in moving into continuous employment – an increase of over 4,800 since last year
- reduced demand on children's social care services; the programme's focus on preventative services is starting to show positive results with families getting the type of help they most need, including reducing the number of cases that need to be escalated to children's social care

Local Government Minister Rishi Sunak said:

This report details the hard work that's been happening across the

country over the past year to help families with a variety of challenging problems improve their lives, reduce their dependency on local services, and in doing so deliver better value for taxpayers.

Adults who were once far from the job market are now moving into work. Children are getting the right support they need and local leaders are encouraging and challenging all services working with children and their families to act early and offer whole family support, to stop their problems becoming worse.

Rather than responding to each problem, or single family member separately, assigned Troubled Families key workers champion working with the whole family. This means they receive support from coordinated services working together to identify and solve their problems as early as possible, rather than merely reacting to crises.

Since the current programme began in 2015, local authorities and their partners have worked with 289,809 eligible families. This compares with only 2,000 families who had received whole family support in England between January 2006 and March 2010.

In addition to working successfully with families struggling with a variety of chaotic issues in their lives, the report outlines how the programme is also driving real long-term change across local services including police, housing, social care and Jobcentres. Services and professionals are now better connected and working in partnership.

Rather than circling around families with multiple and separate assessments and appointments, local authorities are using the programme to work across organisational and cultural boundaries to achieve better lives for the families in need and produce savings for the public purse.

Following a review of the programme's funding model, the annual report also sets out how a new payment structure will be piloted in 11 selected local authorities, with upfront payments made to help support families and accelerate change across local services. This new 'Earned Autonomy' model builds on the existing Payments by Results system in which local authorities are paid for each family who either achieves 'significant and sustained progress' or moves into continuous employment.

Case study

Staffordshire's local Troubled Families Programme has driven service reform and reduced demand on children's social care services. Since 2015, of the 891 families that have achieved continuous employment or significant and sustained progress through the Troubled Families Programme (up to 31 January 2018), 15 families – less than 2% – required further early help intervention and just 12 families – required any future children's social care intervention

This is the second annual report of the current Troubled Families Programme and meets the Ministry of Housing, Communities and Local Government's statutory duty to report annually on performance. See [Supporting disadvantaged families: annual report of the Troubled Families Programme 2017 to 2018](#).

The current Troubled Families Programme was rolled out in England in April 2015 and replaced the first programme which had been in place since 2012. The programme will continue support for disadvantaged families with complex problems and will work with up to 400,000 families by 2020.

The annual report confirms that the programme continues to reach families with complex and multiple problems. In the year before starting the programme, troubled families had the following characteristics compared to the general population:

- children were nearly 8 times more likely to be classified as a Child in Need
- adults were 7 times more likely to have a caution or conviction
- adults were 5 times more likely to be claiming benefits
- children were nearly 3 times more likely to be persistently absent from school

In addition:

- over two fifths of troubled families had a family member with a mental health issue
- just under a quarter of troubled families had a family member affected by an incident of domestic abuse or violence

The 11 areas that will pilot the new Earned Autonomy funding model are: Barking and Dagenham, Brighton and Hove, Bristol, Camden, Cheshire West and Chester, Durham, Islington, Kent, Leeds, Liverpool and Staffordshire.

[News story: Inspection reports to be published on 28 March 2018](#)

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Statement to Parliament: Northamptonshire County Council: statement

Mr Speaker, with permission, I wish to make a statement about the independent inspection report on Northamptonshire County Council.

Everyone in this House, regardless of party, appreciates the crucial role that local government plays as the frontline of our democracy.

Delivering vital services on which we all depend and helping to create great places to live.

And, in doing so, making the most of every penny they receive from hard-pressed taxpayers to secure better outcomes.

All of which builds confidence and trust between local authorities and those they serve.

Which is why the situation in Northamptonshire is of such concern.

Prior to my instigation of the report, there were signs that Northamptonshire's situation was deteriorating.

External auditors at Northamptonshire had lodged adverse value for money opinions in audit reports...

...suggesting that the council was not managing its finances appropriately.

The former leader resigning in May 2016, also signalled the need for change.

As late as last year, the Local Government Association conducted a financial Peer Review...

...which concluded there were issues with delivering the Next Generation reforms and, again, with the mismanagement of its finances.

The then Chief Executive Paul Blantern resigned in October 2017.

These reports, along with the concerns raised by district councils in Northamptonshire...

...and by Hon Members of this House with local constituencies...

...prompted me to act, as I was concerned that there were potentially fundamental issues within the authority.

On 9 January 2018, I informed the House that I had concerns regarding the financial management and governance of the council.

I therefore decided to exercise my powers under section 10 of the Local Government Act 1999 to initiate a Best Value inspection of the council.

And I appointed Max Caller, an experienced former Chief Executive and Commissioner, to conduct this...

...and report on whether the council was complying with its Best Value duty.

Mr Caller [submitted his report](#) on 15 March.

And I placed a copy in the library of this House so that everyone could see what he had found and see his recommendations.

And before I go any further, I would like to thank Mr Caller, and his assistant inspector, Julie Parker...

...for their dedication and focus in conducting such a thorough and prompt review.

When I commissioned the Best Value inspection, I asked the Inspector to consider 4 things in particular:

First, whether the council has the right culture, governance and processes to make robust decisions...

...on resource allocation and to manage its finances effectively.

Second, whether the council allowed adequate scrutiny by councillors.

Third, whether there were strong processes and the right information available to managers and councillors...

...to underpin service management and spending decisions.

And fourth, whether the council was organised and structured appropriately to deliver value for money.

Mr Speaker, I have reflected on the contents of the Caller report.

It is balanced, it's rooted in evidence and compelling.

The Inspector has identified multiple apparent failures by Northamptonshire County Council in complying with its Best Value Duty.

Failures on all counts.

Whilst I recognise that councils across England have faced many challenges in recent years, the Inspector is clear that...

... Northamptonshire's failures are not down to a lack of funding or because it is being treated unfairly or is uniquely disadvantaged compared to other

councils.

In fact, his report says that:

“for a number of years, NCC has failed to manage its budget and has not taken effective steps to introduce and maintain budgetary control”.

Furthermore, the complex structure of financial support meant oversight was difficult and accountability blurred.

This report says that Northamptonshire’s Next Generation approach – which envisaged outsourcing many of the council’s functions – had no:

“hard edged business plan or justification to support these proposals”.

This “...made it difficult to ensure a line of sight over costs and operational activity”...

...and “made it impossible for the council, as a whole to have any clarity or understanding as to what was going on”.

Similarly, the inspector found that Northamptonshire County Council used capital receipts to support revenue spend...

...without documentary evidence demonstrating compliance with the Statutory Guidance and Direction.

Furthermore, until this February, there was no report to full council on the proposed projects and their benefits.

He says that “Savings targets were imposed without understanding of demand, need or deliverability...

...and it is clear that some Chief Officers. did not consider that they were in any way accountable...

...for the delivery of savings that they had promoted.”

On the question of scrutiny, the report says that:

“The council did not respond well, or in many cases even react, to external and internal criticism...

...Individual councillors appear to have been denied answers to questions that were entirely legitimate to ask...

...and scrutiny arrangements were constrained by what was felt the NCC executive would allow.”

Mr Speaker, I want to emphasise that the report also indicates that the hardworking staff of Northamptonshire County Council...

...are not at fault and have worked hard to provide quality services.

With all of this mind, it is clear that I must consider whether further action is necessary to secure compliance with the Best Value duty.

In doing so, I want to reassure the residents of Northamptonshire that essential services will continue to be delivered.

The Inspector is clear that "the problems faced by NCC are now so deep and ingrained that it is not possible to promote a recovery plan...

... that could bring the council back to stability and safety in a reasonable timescale."

He recommends that "a way forward, with a clean sheet, leaving all the history behind, is required".

I am therefore [minded to appoint Commissioners](#) to oversee the Authority...

...using my powers under section 15 of the Local Government Act 1999.

From day 1, I propose that they take direct control over the council's financial management and overall governance.

Getting these basics right must be the first step in stabilising this authority.

I also propose giving them reserved powers to act as they see fit across the entirety of the authority's functions...

...if they consider that they must step in.

My officials are writing to the council and district councils today to this effect and they can make representations on my proposal.

I will consider any representations carefully before reaching a final decision.

The Caller report makes a clear recommendation on restructuring, and notes there are a number of options available.

So, in addition, I'm inviting Northamptonshire County Council and the district and borough councils in the area...

...to [submit proposals on restructuring local government](#).

I would like those councils to think about what is right for their community and the people they serve...

...and to come forward with proposals.

This invitation and the letter to Northamptonshire that I mentioned earlier have been published today and copies placed in the Library.

It is clear to me that any proposals from the councils should seek to meet the criteria for local government restructuring...

...that I have previously shared with the House.

Namely, that proposals should:

- improve local government
- be based on a credible geography
- and command a good deal of local support

I will be particularly interested in hearing how the councils have consulted with their communities...

...to ensure that Northamptonshire's future is truly locally-led.

Mr Speaker, the findings of Mr Caller's inspection report on Northamptonshire County Council are extremely serious.

Which is why this government is prepared to take decisive action...

...to ensure that local people receive the high quality services they need and deserve.

And to restore faith in local government in Northamptonshire.

I commend this Statement to the House.