

how to guide



**ORGANISATIONAL TYPES
& LEGAL STRUCTURES:**



DO-OCRACY HANDBOOK



Introduction

Whether you are organising a short term project, setting up a voluntary or community group or creating an enterprise that may trade, own assets and employ people, you will need to come to a common understanding of how you will collaborate. It is likely that you will need to create some sort of formal organisation around your initiative.

This guide is an overview of options, both in terms of the different ways to organise and the legal structures available in the UK. It also covers other issues to consider including tax, profit & charitable status.

This guide is not intended to be comprehensive and where there are additional resources available, they will be directly linked from this document.

About the author

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Mark is the founder of Co-op Culture and is a co-operative and community enterprise advisor, who works with new and existing enterprise and in particular with community agriculture, community energy, forestry and Transition Enterprise.

Mark is also a founder member of several community enterprises, including Pennine Community Power Limited and The Fox and Goose Co-operative Pub.

www.culture.coop

What is Do-ocracy?

I'm indebted to the [Transition Town Crystal Palace](#) for the introduction to the term “Do-ocracy”. When we were discussing the most appropriate structure for their local market, they said that they wanted a “Do-ocracy” where the people who got involved, and got their hands dirty, were the people who owned and controlled the organisation. The term instantly chimed, as for years that has been my preferred organisational design philosophy and now I had a name for it.

There is often a desire to create organisations with maximum inclusivity and democracy involving all stakeholders and whilst this is sometimes appropriate, that is not always the case. It is pointless to create organisations involving people who whilst they support what you do, don't have the time or appetite to get involved in the governance of the organisation. It is much better to create an organisation of the people who are committed and then find other ways to involve other stakeholders in the ways that they want to get involved.

The term do-ocracy is used elsewhere and has definitions in various wikis. As well as the meaning we are using, where roles and responsibilities fall to those with the capacity and desire to take them on, there is often a wider more “just get on with it without co-ordination” aspect. The organisation of free festivals were a classic example of do-ocracies in action. Another example is the recent community responses to flooding in Yorkshire. Communities didn't wait for the local authority or emergency services, but rather organised their own emergency hubs, work teams, security patrols, community kitchens, crowdfunding etc. and just got on with it.

Reasons to organise

There are many reasons that people come together for a common purpose, for example:

- To campaign for a change or to oppose an injustice
- To raise money
- To share information, experience and network
- To learn
- For defence, security and mutual support
- For mutual benefit – together we can do what we can't do alone
- To own property in common
- To run an enterprise
- To organise a one off event

These interactions can be transient lasting for a short time or long-lived, surviving for many generations. Some of these interactions just happen without any formal organisation, some require a simple catalyst such as a flash mob. Some involve a more formal organisation that is time-limited for a one off event. Others require complicated partnerships with convoluted internal structures.

The key thing, however you organise is that the organisation should conform to the following principles:

- The organisation should be designed to fit its purpose – form follows function
- The simpler the structure the better
- Flexible is best

Picking a legal structure

Unincorporated structures

At some point in the life of an organisation, you will need to decide what you are going to create as the entity that will own and control the organisation. This is known as your “legal form” in the UK, there are a lot of different possible legal forms and as a result people find this choice difficult and often get stuck at this point. If you start your organisation without registering a legal form, you will automatically have an unincorporated legal form. You will be either:

- a sole trader, if your enterprise is just you and not really an organisation
- an unincorporated association, if you are a group of people working together for a common purpose without a view to profit; or
- a partnership, if you are a group of people working together for a common purpose with a view to generating profit.

Most unincorporated organisations working for social change in the UK will create an unincorporated association with a written constitution.

The downside of being an unincorporated association is that:

- The personal liability for the debts of the association are unlimited.
- The organisation cannot enter into contracts in its own name.
- The organisation cannot own assets in its own name.

Open Co-operatives and Peer to Peer networks

There have always been movements and organisations that exist without a formal structure or even membership, particularly for those involved in protest, because those involved have no desire to put their identities in the public domain.

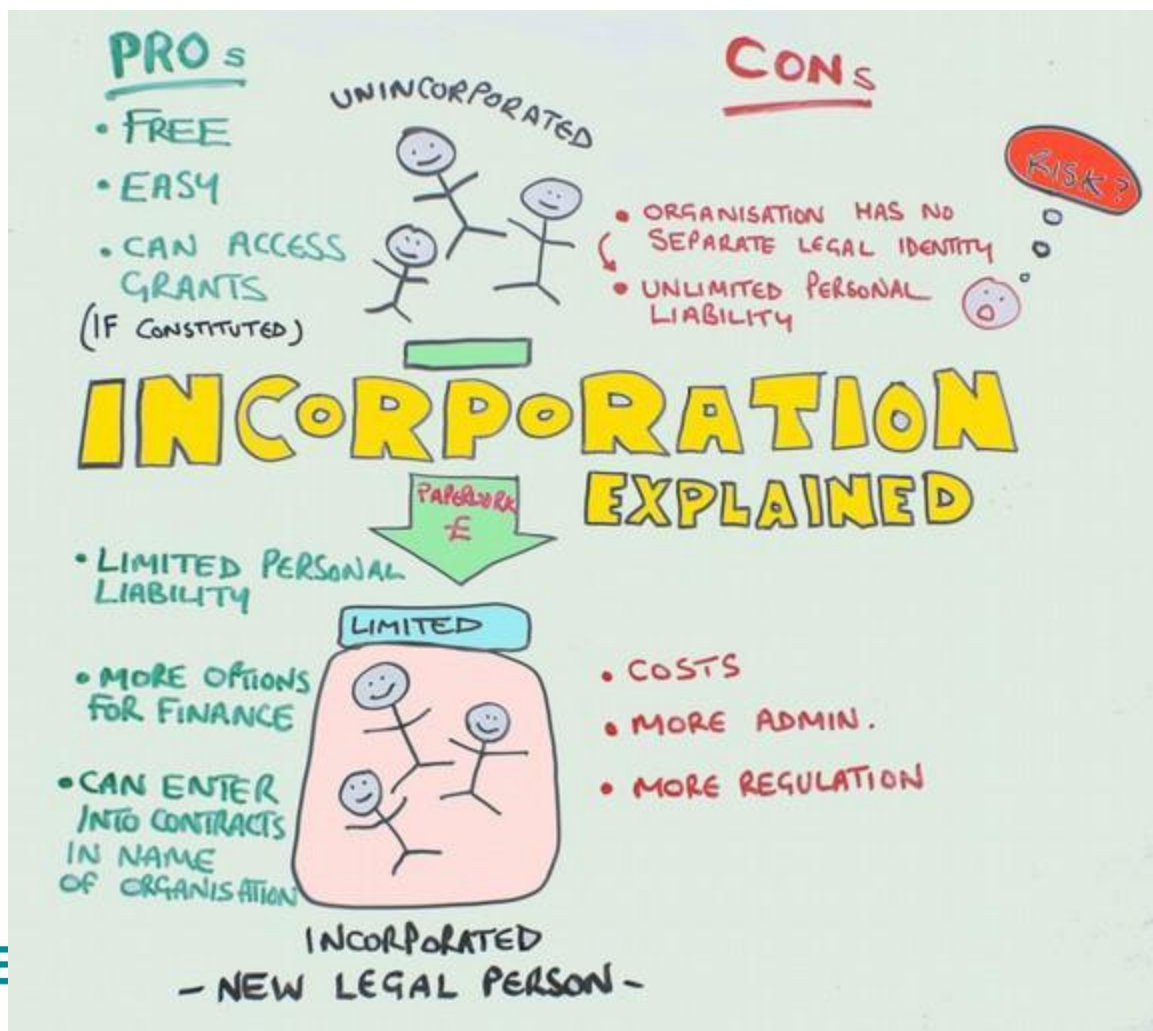
Increasingly we are starting to see more formal peer-to-peer networks on-line, with a membership having some governance role. A classic example of this would be Freecycle. It is unclear how the law would define the legal form of Freecycle and other such peer to peer networks.

Incorporation

Whilst there is nothing wrong with an organisation being unincorporated, many will create a separate legal entity, to be the legal vehicle for the organisation, through the process of incorporation. This new “legal person” can then have a separate existence to its members, which:

- limits the personal liability of those involved (as Members or Directors);
- allows the organisation to enter into contracts in the name of the enterprise;
- gives more choice with regard to finance; and
- may make people take the enterprise more seriously.

There are a number of different ways to incorporate in the UK, creating several different legal forms.



Legal form vs. organisational type

Before we go on we should distinguish between legal form, which is how the law regards the organisation, and organisational type, which is how you present it to the world and how you organise internally. You can have several organisational types, but you will have only one legal form. For example social enterprise is an organisational type which might use a company, society, community interest company or partnership as its legal form. Common organisational types include:

- Social Enterprise
- Transition Enterprise
- Community Enterprise – an enterprise owned and run by a geographical community or a community of interest.
- Co-operative – an enterprise owned and run democratically by those who trade with it.
- Worker co-operative – owned and run by its workers
- Housing co-operative – owned and run by its tenants
- Consumer Co-operative – owned and run by its customers
- Co-operative Consortium – owned and run by other businesses which use the services of the co-operative.
- Multi-stakeholder Co-operative – a mixture of any or all of the above.
- Community Land Trust – an organisation created to hold land for community use.
- ...and many, many more.

You might find it easier to think of it as jam in a jam jar.

- The jam is your organisational type – the stuff that matters to you.
- The jar is your legal form – the container for your organisation.

Different UK Legal Forms

The commonly incorporated UK legal forms used by the VCSE (Voluntary, Community and Social Enterprise) sector are listed below:

- Private Limited Company - either limited by Shares or Guarantee
- Community Interest Company (CIC) – again either limited by Shares or Guarantee
- Co-operative Society
- Community Benefit Society
- Charitable Incorporated Organisation (CIO) or Scottish CIO
- Limited Liability Partnership (LLP)

Below we explore the key features, pros and cons of each legal form.

Company Limited by Shares	
Key Features	
<ul style="list-style-type: none"> • Members are also shareholders. The most they can lose if it all goes wrong is the value of their shares. • Registered with Companies House. • Governing document is the Articles of Association (normally just called Articles). • Unlikely to also be a charity. For a full overview of Charities and Charitable status, see later section “So what about Charity”. 	
Pros	Cons
Allows a way for members to put money in to the organisation as shares.	<ul style="list-style-type: none"> • Unable to advertise shares to the public. • Not favoured by funders as seen to be for member’s private profit. • Members may sell their shares to anybody – leading to potential takeover.
Summary	
A company limited by shares is only really likely to be the best choice where you are creating an organisation that won’t seek grant funding and you have a small group of founders who want to put money in and you don’t need to advertise for additional investors.	
Case study - DotDotDot Property Guardians Ltd.*	
<p>DotDotDot lets people who do great volunteering live as property guardians in buildings that would otherwise be empty.</p> <p>We turn empty buildings from a blight into an asset – providing a vital security service to property owners, giving our guardians cheap accommodation, and making a meaningful and measurable contribution to communities. As a social enterprise, we’re committed to supporting our guardians to get involved in great voluntary projects and to contribute to the neighbourhoods where we place them.</p> <p>All our guardians do at least 16 hours a month of volunteering for a charitable purpose, and we help new guardians find the right opportunities to get involved with so that this voluntary work is enjoyable and worthwhile for everyone.</p> <p>We also set up and run our own projects in the areas where we have concentrations of properties – such as a new community gardening project on a housing estate in E14 where we are bringing neglected growing beds back into use and helping elderly people with the care of their gardens.</p> <p>Legally, we are currently a Company Limited by Shares and we intend to set up an associated charity when our scale justifies it. We chose this structure while starting up to give us maximum flexibility. We operate as a social enterprise and are committed to achieving social outcomes.</p> <p style="text-align: right;">http://dotdotdotproperty.com</p>	

Company Limited by Guarantee

Key Features

- Probably the most common incorporated legal form used in the Voluntary, Community and Social Enterprise (VCSE) sector
- Members' liability is limited to their guarantee (normally £1)
- Registered with Companies House
- Governing document is the Articles of Association (normally just called Articles).

Pros

- Well understood, common legal form. People will know what you are.
- Quick and cheap to register

Cons

- Doesn't allow you to raise community finance (shares and loans) easily.
- Community shares is impossible.
- Companies House will fine for poor/late submissions of returns.
- Lack of model Articles suitable for VCSE sector.

Summary

A company limited by guarantee is particularly suitable where all you need is the protection of limited liability as it is quick and easy to set up, well understood and relatively easy to convert to most other legal forms later if find it appropriate to do so. Grant funders generally have no problem with companies limited by guarantee.

Case study - Handmade Bakery Ltd.*

We aim to provide excellent, healthy nutritious bread and food, sourced as locally as possible using organic ingredients wherever we can. We care about the development of local food networks, take an ethical stance in choosing who we build relationships with and as a workers co-op, we are active members of the co-operative movement. We are a non-profit making organisation.

We are a workers co-operative, not for profit and limited by guarantee. We believe in the values of shared working and shared profits. The non-hierarchical structure of a co-op means that we all have equal control and responsibility that develops a sense of mutual trust and commitment to the business amongst its worker members. As co-op, we also act with concern for our wider community.

www.thehandmadebakery.coop

Community Interest Company (CIC)

Key Features

- A company structure with additional features, which can be limited either by shares or by guarantee
- Designed for social enterprise
- Has to operate for community benefit
- There are restrictions on the organisation's use of its profits and assets - an asset lock (see Assets and Ownership section)
- Cannot be a charity. For a full overview of Charities and Charitable status, see the section "So what about Charity"

Pros

- Has model Articles suitable for VCSE sector
- Quick and cheap to register
- Loans and equity investment in a CIC are eligible for Social Investment Tax Relief (SITR) for the investors

Cons

- Still not that well understood by funders and other stakeholders.
- Additional regulation and administration as it has to report both to the CIC regulator and Companies House.

Case study - The Big Lemon CIC*

The Big Lemon's mission is to provide affordable, friendly and sustainable bus and coach services to encourage the shift from private car use to sustainable alternatives. We're a Community Interest Company, because we felt it best reflected our intentions when we set up the business, and we wanted to ensure that there was a legal framework to ensure our aims stood the test of time.

www.thebiglemon.com

Registered Society

Key Features

Formally known as Industrial and Provident Societies, Registered Societies are a different option to the company route. They are registered with the Financial Conduct Authority rather than with Companies House. They are particularly suited to large membership, democratic trading enterprises. Registered Societies are exempt from some of the regulation around financial promotions, which makes them particularly useful where an enterprise wants to attract investment from the community, which might otherwise be unlawful.

There are two types of Registered Society: Co-operative Society & Community Benefit Society.

Registered Society - Co-operative Society	
Key Features	
<ul style="list-style-type: none"> • Designed for co-operative enterprises • Share based. Members can have from £1 to £100,000. • One member one vote – having more shares doesn't give you more votes. • Registered with the Financial Conduct Authority (FCA). • Governing document is known as the "Rules". • Cannot be a charity. • Exists primarily for the benefit of its members 	
Pros	Cons
<ul style="list-style-type: none"> • Can advertise shares to the public. Those shareholders become members. • Can pay the surplus or profit back to members before corporation tax – the "co-op divi" • Can pay interest on members' shares • Co-operative principles are hard-wired into the organisation's governance • Can lawfully raise finance from the community as loanstock (a type of loan), without bringing those lenders into membership. Useful for worker co-ops. 	<ul style="list-style-type: none"> • Unlike the Community Benefit Society, it is ineligible for SISR – whilst you can ask the community to invest or lend you money, those investments or loans would not be eligible for tax relief • Takes longer to register than for a company and can be slightly more expensive. • Currently unable to complete returns to the regulator (Financial Conduct Authority) on-line • Some stakeholders will be less familiar with a Society structure than they are with Companies
Summary	
<p>In many ways the Co-operative Society form is ideal for a co-operative enterprise, where there is a direct trading relationship with the members as customers, tenants, workers. It is particularly suited where you want to reflect members' money in the organisation as shares. As well as being suitable for raising investment from the members, they are also attractive to grant funders, although some funders may object to any power to distribute profit to the members.</p>	
Case study - Uig Community Shop*	
<p>We are a community owned shop on the far west coast of the Isle of Lewis, Outer Hebrides. We provide lifeline services of fuel, fresh foods and post office to a fragile and remote community. We exist to meet a very real community need. We are 40 miles away from the nearest shops, along mainly single-track B roads.</p> <p>We are a Co-operative Society. This model was chosen as we registered to become corporate members of The Co-operative Group Limited and it fitted their criteria.</p> <p style="text-align: right;">www.uigcommunityshop.co.uk</p>	

Registered Society - Community Benefit Society	
Key Features	
<ul style="list-style-type: none"> • Share based. Members can invest from £1 to £100,000. • One member one vote – democracy not linked to shareholding. • Registered with the Financial Conduct Authority (FCA) & governing document is the Rules • Cannot be a registered charity, but can register with HM Revenue & Customs as an “Exempt Charity” with the same tax reliefs. For a full overview of Charities and Charitable status, see section “So what about Charity”. • Exists primarily for the benefit of the community rather than its members, although this doesn’t mean that there can’t be a benefit to members too. • Has an “elective” asset lock and once it is on it's on for ever. Even without the asset lock, assets must only be applied for community benefit. 	
Pros	Cons
<ul style="list-style-type: none"> • Can advertise shares to the public. Those shareholders become members. • Can pay interest on members' shares but cannot distribute profit to members in any other way. This is different to a Co-operative Society that can also pay a “dividend” in proportion to the amount of trade the member has had with the co-op. • Loans and equity investment in a community benefit society are eligible for social investment tax relief (SITR). 	<ul style="list-style-type: none"> • Takes longer to register than for a company and can be slightly more expensive. • Currently unable to complete returns on-line. • Some stakeholders will be unfamiliar with the Community Benefit Society structure.
Summary	
<p>The community benefit society is the most popular legal form for organisations and enterprises that raise finance from their community. It has been used for community shops, pubs, energy generation, buildings, land, woodland etc. It is particularly suited for community land trusts which exist to own/steward a piece of land or a building (see appendix on owning land). As well as being suitable for raising investment from the community, they are also attractive to grant funders.</p>	
Case study - Bath and West Community Energy Limited*	
<p>Our aim is to reconnect local people with local energy services by generating both individual and community returns and enabling local governance and ownership. Our model is underpinned by a primary commitment to generating community benefit. We want to create a new market for community energy that will change the way we think about and value energy, as a response to the pressures of both climate change and energy security.</p> <p>We are a Community Benefit Society. We chose this form because we wanted a structure that would enable us to raise finance but that built in democratic governance, an asset lock and a primary commitment to community benefit. We believe this is the best approach to delivering the outcomes we seek.</p> <p style="text-align: right;">www.bwce.coop</p>	

Charitable Incorporated Organisation (CIO)

Key Features

- Relatively new legal form. Previously in order to form an incorporated charity, you had to register a company and then obtain charitable status. The CIO allows you to create it in one step.
- Only required to report to one regulator, the Charities Commission, unlike a charitable company, which must also report to Companies House.
- Two types available:
 - Foundation CIO's - trustees and members are the same people
 - Association CIO's – trustees plus a wider membership

Pros

- Simpler accounting and reporting requirements than for a company
- No minimum income threshold (£5k turnover for other charity registrations).
- No cost to register
- Simple model governing documents (the constitution) available.

Cons

- Relatively new and less well understood.
- Cannot raise equity (would need to create a charitable community benefit society to do this).
- All CIO's have to file a return irrespective of size.

Summary

It's early days for CIO's and although there are no obvious problems, caution is advised. For a full overview of Charities and Charitable status, please see the section "So what about Charity".

Case study - The Big Lemon CIC*

Our mission is to mobilize a global network of people who extend the lifespan of electronics by fostering repair skills and improving product design.

"Restart Parties" are our current main service. These are events where volunteers experienced with electronics help participants learn to repair or maintain their broken or slow electronic devices, as well as share tips on how to take back control of what they buy.

We are a Charitable Incorporated Organisation. We chose this structure because we see ourselves as a social start-up enterprise but given that a lot of our activities bring social benefits without necessarily generating revenues, a charitable form was preferable. We also chose this structure in order to ensure transparency and accountability.

www.therestartproject.org

Limited Liability Partnership (LLP)	
Key Features	
<ul style="list-style-type: none"> • Very similar to a traditional unincorporated partnership with the added benefit of limited liability for the members. • Governing document is the “Members' Agreement” (no legal requirement to actually have one or file it at Companies House) • Registered with Companies House 	
Pros	Cons
<ul style="list-style-type: none"> • Tax transparent – the LLP doesn't pay corporation tax, rather the members pay tax on their distributed profit. • Registration is simple and cheap. • Very flexible governance. 	<ul style="list-style-type: none"> • No way to represent member equity except as loan accounts. • Disfavoured by funders as explicitly for profit. • Difficult to see how a common ownership clause could be implemented.
Summary	
<p>LLP's are particularly suited for co-operative consortia (organisations whose members are other organisations) of existing businesses. They continue to operate their own businesses (incorporated or as sole traders) using the consortium as a marketing vehicle for their services or products.</p>	
Case study - Blackbark	
<p>Blackbark is a workers' co-operative committed to the health of woodlands in Calderdale. We think that engaging with woodlands in a way which benefits the land and allows people to make a living is a very sensible and exciting way forward.</p> <p>Between us we have a whole range of skills including coppicing and other woodland management practices, tree planting, teaching, carpentry, dry stone walling, and laughing at the smallest things. We strive for the next step: regenerative interaction with woodlands.</p> <p>Blackbark members run their own businesses using Blackbark as a marketing vehicle.</p> <p>Taken from Blackbark LLP's website http://www.blackbark.co.uk</p>	

*All Case study information above taken from the report *Inspiring Enterprises – The new economy in 20 enterprises*. <http://www.reconomy.org/inspiring-enterprises>

What about charitable status?

If it weren't complicated enough, there is a third factor when looking at your structure. A Charity is any organisation that by virtue of what it does and how it is organised can have Charitable Status, which exempts it from the payment of some taxes. Most Charities are registered with the Charity Commission.

So an enterprise will have one legal form, one or more organisational types and may or may not have Charitable Status. Unincorporated associations can have Charitable Status.

Earlier we used the metaphor of a jam jar for the legal form of the organisation. The jam inside is the organisational type - how the organisation regards itself. You can think of charitable status as being like a Fairtrade label on the jar; a label that brings additional benefits and restrictions.

Definition of charitable status

This is an additional status granted to an organisation in addition to its legal form.

Charitable purposes

In order to be able to register a charity, all the aims of the organisation have to fall within a list of 13 charitable purposes:

1. The prevention or relief of poverty.
2. The advancement of education.
3. The advancement of religion.
4. The advancement of health or the saving of lives.
5. The advancement of citizenship or community development
6. The advancement of the arts, culture, heritage or science.
7. The advancement of amateur sport.
8. The advancement of human rights, conflict resolution or reconciliation, or the promotion of religious or racial harmony or equality and diversity
9. The advancement of environmental protection or improvement
10. The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

11. The advancement of animal welfare.
12. The promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services
13. Any other charitable purpose

In addition, the organisation must be able to identify a benefit to the public or some section of it.

Additional information on charitable status can be found on the website of the Charity Commission:

www.gov.uk/government/organisations/charity-commission

Legal forms suitable for a charity

Not every legal form can also have charitable status. The following can, if they fit the other criteria mentioned above, be registered charities:

- Unincorporated association or Trust.
- Private Limited Company (nearly always limited by guarantee).
- CIO or SCIO – is a charity by definition.

The following legal forms cannot be registered charities:

- Community interest Company (CIC).
- Limited Liability Partnership (LLP).
- Co-operative Society
- Community Benefit Society – can be registered as an exempt charity by HM Revenue and Customs, subject to certain conditions.

Pros and cons of charitable status

The main benefits of charitable status are:

- tax benefits such as exemption from corporation tax;
- partial exemption from business rates; and
- access to some funding that will only fund charities.

The downside is restrictions on:

- the trade,
- use of assets and income,
- paying Directors or Trustees
- the governance of the organisation.

Whilst the benefits of charitable status may be attractive, it is not suitable for all organisations that are working for social change. Co-operatives in particular are unsuited to the charitable model as they exist by definition for the benefit of their members. The charitable model is based on a philanthropic model of doing good for others rather than mutual self-help.

Different ways to organise

Whilst the legal form (and charitable status) will often affect the internal governance and structure of the organisation, there often remains a great deal of freedom and flexibility around how you organise the internal structures, governance and management of an organisation. Leaving aside the just get on with it and see what happens philosophy, which requires little description, this section will focus on the different organisational models.

Members and Directors

All of the legal forms above will have members. These are the people who own and control the organisation, vote at the AGM, elect any Board or Committee and ultimately can vote to wind the organisation up.

In addition all incorporated legal forms (except LLP's) will have Directors – people who may or may not be drawn from the members, who manage the strategic direction of the organisation using the delegated authority of the members.

In LLP's, there are merely members, although the legislation does require the creation of at least two “designated members” who have some additional responsibilities similar to those of company directors.

Strategic vs. executive

In any organisation there is also a division and a tension between two different parallel and linked functions – the strategic and the executive.

If we use the metaphor of a ship on a sea voyage:

The **strategic** function is the equivalent of the people on the bridge – plotting the course, monitoring the ship's position, ordering course corrections and looking out for icebergs. This is equivalent to the Board of Directors or the Committee of an organisation.

Meanwhile all the day to day activity of the ship still needs to happen – trimming the sails, cooking the food, maintaining the ship etc. This is the work of the crew and is the equivalent of the

executive and the workforce in an organisation, who execute the day to day functions under the strategic overview of the Board.

These two functions can be carried out by the same people and in small organisations they often are. However it is important that both actually happen. A common governance problem in small VCSE organisations is that those responsible for the strategic overview of the organisation get distracted and bogged down in the day to day stuff, neglecting the strategic until there is a crisis (the iceberg).

Hierarchical structure

This is probably the most common organisational management model, certainly in commerce and charitable organisations. There is a top level concentration of managerial power in a chief executive officer or CEO who whilst accountable to a board of Directors with overall responsibility for strategy, the CEO effectively controls an executive hierarchy below them. Often this hierarchy is subdivided into separate departments with their own heads.

Flat structures

In a flat structure the levels in a hierarchy are reduced; flattening the structure, potentially to a completely flat structure. This has the effect of increasing the accountability of the organisation and involving more people in the decision making.

Co-operative

In a co-operative, where the organisation is owned and run by its members, there are still a variety of models available. The model chosen will often depend on the type of co-operative.

In a **worker co-operative**, all of those involved in the management of the organisation will be members and will also elect the Board. In this inherently democratic way of working there is also a tendency towards flatter structures. However this doesn't mean that there is no division of responsibilities. What there is in a well-run worker co-operative are systems that encourage an open-ness and accountability.

In a **consumer co-operative**, whilst the customer members elect the Board, there is often a more conventional hierarchical management structure created to run the business.

In a **multi-stakeholder co-operative** we can see a position where all stakeholders, be they some combination of workers, investors, consumers, tenants, investors etc., engage with the governance, electing the Board etc., there still remain various options around the management structure.

Collective governance

An organisation that has no separate governing body, and all its members are also directors or the equivalent role, is a collective. It is important to remember that even though an organisation has collective governance, it still requires two styles of meeting as defined in its governing document:

- General meetings of the entire membership at which a member may vote in their own interests; and
- Board or committee meetings at which the members in their role of Director are bound by the legal duties and responsibilities as directors and must act in the best interests of the organisation.

Committee governance

Once an organisation has a membership greater than 12-15, it becomes harder for all of the membership to be directly involved in its governance. It becomes harder for all members to attend meetings and the decision making is more challenging in a larger group. It is common in this situation for the membership to elect a smaller committee (the governing body) and delegate some of its powers to it. This committee can meet more easily and make decisions between general meetings of the entire membership.

In all organisations, the relationship between the members and the governing body is defined in the governing document, which will also define the relationship between the organisation and the rest of the world.

Sociocratic governance

Many organisations involved in social change are using or adapting the sociocratic, or circle organisation method of governance. Sociocracy as a philosophy based on cybernetic principles and was a development by Gerard Endenberg to better manage his Dutch engineering company.

There are 4 principles of sociocratic organisation:

1. Governance by Consent – decisions only made where there is no remaining reasonable objection.
2. Circle Organisation – the creation of semi-autonomous committees that have autonomy and control for their functional area of the organisation. Circles exist in a hierarchy.
3. Double Linking – each circle or committee elects a representative to represent it on the circle above; and the circle above is also often represented by another appointee in the circle below. The top-most circle is effectively the Board of the organisation, which is comprised of representatives of the circles below.

4. Elections by Consent - Selection of People to Roles and Responsibilities by Consent after an Open Discussion

For more information about sociocratic governance, see:

<https://en.wikipedia.org/wiki/Sociocracy>

An example of a sociocratic co-operative is OrganicLea. It is a worker co-operative in London that has several different trading activities. Each of these trading areas is run by a circle (or spoke in their case). Functional areas such as Finance are also run by its own spoke. The spokes appoint representatives to a Hub which is the Board. The members at General Meeting remain the ultimate authority in the co-operative and ratify the board membership. www.organiclea.org.uk

Decision making

This handbook does not propose to cover decision making within an organisation. However it is fair to say that your organisation will require meetings to function and ways to make decisions.

Luckily, there are several excellent guides available that do cover this in great detail:

Simply Governance is Co-operatives UK's guide to the systems and processes involved in the governance of co-operative or community enterprises.

www.uk.coop/resources/simply-governance-guide

Consensus decision-making is also dealt with in more detail in booklet 3 of Co-operative UK's '**From Conflict to Co-operation**' series - Improving meetings and decision-making:

www.uk.coop/resources/conflict-co-operation

Seeds For Change have recently produced "**A Consensus Handbook – Co-operative Decision-making for activists, co-ops and communities**". The handbook is available as both a hard copy and a PDF download:

www.seedsforchange.org.uk/handbook

Assets and ownership

The ownership of and the permitted ways in which they can be used are often the key feature of a legal form, with some having strict restrictions, whilst others have total flexibility.

Asset locks

An asset lock is a legal restriction on the use of an organisation's assets, both when the organisation is wound up and also during the life of the organisation. The key feature is that the value of the assets are locked for community benefit and cannot be transferred to the members of the organisation. It is a common mistake to think that the assets of an organisation with an asset lock cannot be sold; this is wrong. The assets may be sold, but only for their full value. The money realised however cannot be distributed amongst the members and must be applied to the objects of the organisation, for example by buying other assets or paying debts.

There are 3 types of legal form that have a statutory asset lock:

A Community Interest Company (CIC)

A community benefit society. In the case of a community benefit society the asset lock is "elective" - it can be included when the society is formed or the members can elect to include it later. However once it exists as a clause in the governing document, it cannot be removed.

A Charitable Incorporated Organisation (CIO) or Scottish Charitable Incorporated Organisation (Scottish CIO)

In addition any organisation that has charitable status whether incorporated or not has an asset lock under charity law.

Common ownership

Where an organisation is not one of the above legal forms, it can create its own clauses in the governing document which have the same effect. The main difference is that it is theoretically possible for the members to vote to remove the clause. This is generally known as common ownership.

Companies and co-operative societies cannot currently have a statutory asset lock, but can have a common ownership clause. LLP's where the profits are automatically allocated to the partners (who are liable to tax on them) whilst they may desire to be common ownership, would struggle to implement it.

Joint ownership

Where people create an organisation to collaborate together in a consortium of other enterprises (a co-operative consortium), it is not uncommon for that consortium to have a joint ownership clause that allows the distribution of residual assets on wind-up to members and former members. These assets are effectively their commonwealth resulting from their mutual trade.

Why have an asset lock?

The choice as to whether you have or need an asset lock is often a confusing one for new organisations. Whilst it might seem like a good thing to have, it may restrict your freedom down the line. For example you may not be able to support another organisation by donating stuff you no longer need. Organisations often create structures with asset locks where there aren't likely to be any significant assets to protect.

Funders will favour organisations with asset locks or common ownership, especially if they are funding capital purchases to create those assets.

Where an organisation intends to own an asset such as land or a building, where there might be a temptation for a future membership to sell the asset and distribute the value (generally known as carpet bagging) then an asset lock would be useful.

Treatment of surplus or profit

The pursuit of profit is often seen as part of the problem we are trying to address. As such, [Transition](#) and many other social enterprises market themselves as “not for profit”. However unless your enterprise will be perpetually dependent on grant funding, you will have to make a profit or at least break even. If you are using debt finance then you need to be profitable in order to repay the loan and interest. If you use equity finance, your investors will normally expect a return on their investment; again this would require you to make a profit.

Transition Enterprises and Social Enterprises in general, tend to look at profit in the following way:

1. Profit is not the primary purpose of the enterprise. It exists to deliver its social, environmental and/or community objectives not to make money for speculative investors, although it can reward them appropriately for the use of their money.
2. Any return on investment is only at a level sufficient to attract the investment in the first place.

The standard definition of a social enterprise normally states that profits are principally reinvested in the enterprise, however the definition of a Transition Enterprise views profit slightly differently “Transition Enterprises can be profitable, but excess profits are used to benefit the wider community rather than just enrich individuals.”

How will you distribute profit?

With all of the above in mind, and assuming that there is a surplus or profit, we have several choices about what to do with it. These will generally be part of a clause in the governing document, often called “Application of surplus”. Subject to that clause, the possibilities are:

1. Reinvest it in the organisation and its mission. This money is taxable.
2. Co-operative dividend – pay it to members in proportion to their trade with the organisation. In a consumer co-operative where the profit has been generated by selling to the members, you can think of it as an overpayment that is being returned to the member. In working men's clubs there has been a tradition of operating a free bar at the end of the year until the surplus has been drunk as a “liquid divi”. Co-operative Dividends are not taxable from the point of view of the organisation although the member may be liable to tax on their individual dividend.
3. Pay interest on company shares. This money is taxable. May be capped to a percentage of the surplus or by legislation.
4. Give it away. This money is subject to tax relief if it is given to charity. Who it can be given to may be restricted by the legal form or the content of the governing document.

Note that the list above doesn't include the payment of salary bonuses to workers or the payment of interest on members' shares in a Registered Societies. These are seen as costs of the business rather than profit distribution and so like other expenses are not part of the surplus or profit of the organisation.

The above list is not mutually exclusive or compulsory. Where they exist, they are merely the power to distribute surplus in a certain way, can be used together and are subject to the members agreement.

Effect on choice of legal form

The options for surplus distribution are limited by the choice of legal form and the legislation associated with each.

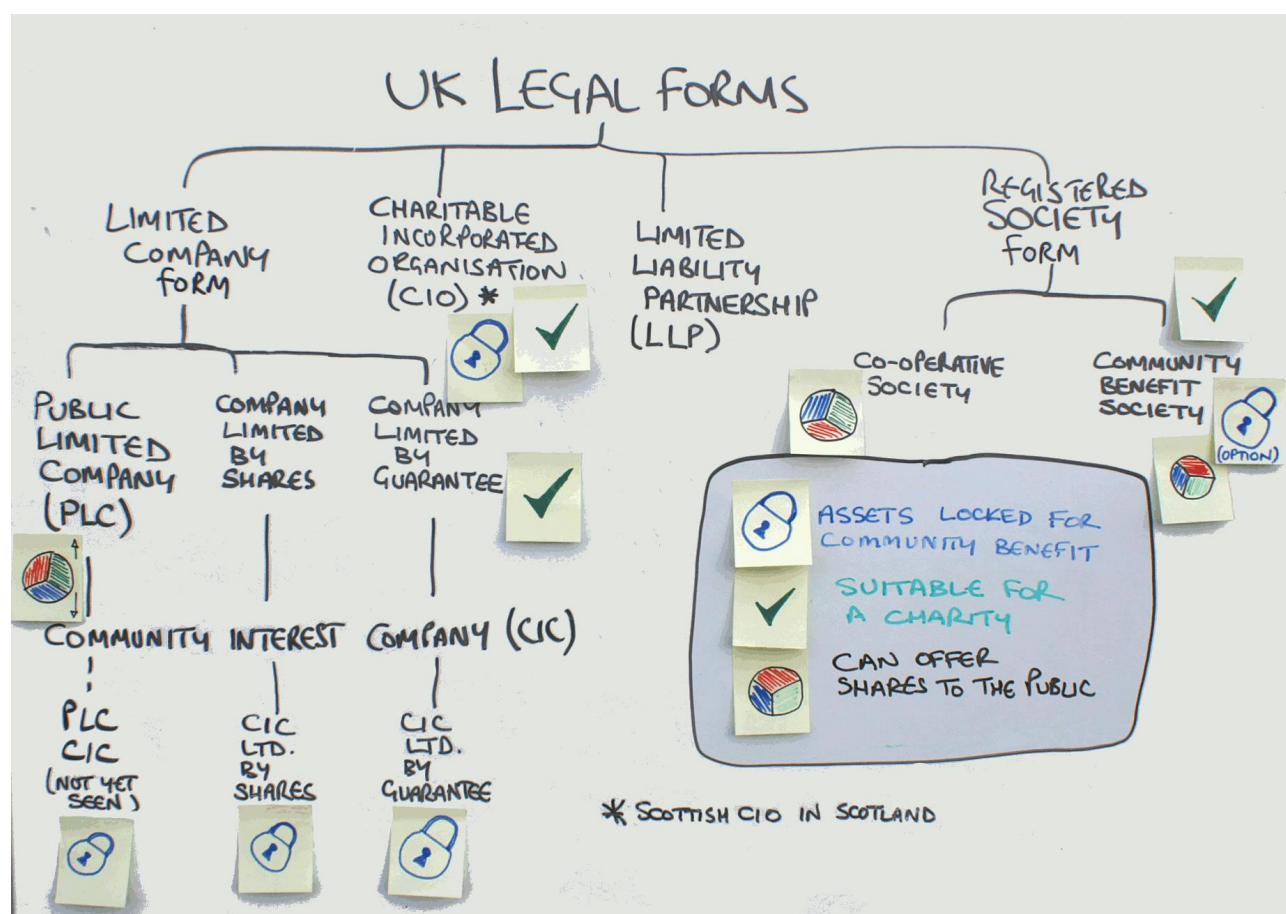
Legal form	Reinvest	Co-op dividend	Interest on shares	Give it away
Company limited by guarantee	Yes	No	No shares	Yes
Company limited by shares	Yes	No	Yes	Yes
CIC limited by guarantee	Yes	No	No shares	Subject to restrictions
CIC limited by shares	Yes	No	Limited	Subject to asset lock restrictions
Co-operative Society	Yes	Yes	Yes, but not paid from surplus and limited.	Yes

Community Benefit Society	Yes	No	Yes, but not paid from surplus and limited.	Subject to any asset lock and restrictions community benefit.
Charitable Incorporated Organisation (CIO)	Yes	No	No	Subject to charity law
Limited Liability Partnership (LLP)	The profits of a LLP are automatically apportioned to its members in proportion to some formula as defined in its partnership agreement. Members are taxed rather than the LLP.			

Legal forms – in conclusion

So we can see that there are many different ways that organisations with similar aims and ways of working can organise and incorporate. It is recommended that you seek support around this choice as getting it wrong could cause you problems in the future.

The chart below attempts to summarise the overall position.



How to choose the most appropriate legal form

It is not a simple matter to choose the most appropriate legal form for an organisation in the UK, not least because of the large number of different legal forms available. The key questions you should be asking when making that choice are:

1. What exactly are you going to do? Are you operating for the benefit of members or the community, or even both. If you are trading what is your business model?
2. Do you need to incorporate? Do you need to own significant assets, enter into contracts (e.g. employment contract) or will there be risk associated with trading? If so, you should seriously consider incorporation.
3. How are you going to raise any start-up capital? Will you be applying for grant funding, borrowing money or issuing shares? This will have a big effect on your choice.
4. Where will your income come from? If your organisation will be permanently dependent on grant income then this will restrict your choices.
5. Who will own and control the organisation? Some legal forms cannot be co-operatives for example as that would conflict with their charitable status.
6. What will you do with any surplus? See section on distribution of surplus.
7. What can happen with the assets of the organisation? See section on assets.
8. What will you do if you wind up the organisation? See section on assets.

General tendencies

- Organisations that need to incorporate, but don't need any additional “bells and whistles” that other legal forms offer, tend to set up companies limited by guarantee.
- Organisations that need to raise community investment by advertising to their community have to set up one of the two types of Registered Society as these are exempt from legislation that would otherwise make this activity otherwise unlawful.
- Organisations, whose objects are charitable, and will be permanently reliant on grant funding, tend to set up charitable structures.

On-line tools

There are several tools and toolkits available on-line aimed at the VCSE sector. They generally help you determine the most appropriate legal form for your organisation by asking similar questions to those above, but should be used with caution as they:

1. will often result in more than one possible legal form; and
2. it is easy to get the wrong result as you have misunderstood one of the questions – what seem like arbitrary choices can exclude legal forms that may have been suitable.

It is better to use these tools to facilitate a discussion around your vision and structure and then take the results to an advisor.

Co-operatives UK select-a-structure tool

We particularly recommend Co-operatives UK's select-a-structure tool, not least because we helped to develop it!

<http://www.uk.coop/developing-co-ops/select-structure-tool>

Appendix A - Options for registering your legal structure

If you are creating anything incorporated, you will need to register it with the appropriate registrar, meet their criteria and pay a fee. It is also possible to register through third parties who will have model governing documents and hold your hand through the process. This option is generally less painful although more expensive, but not prohibitively so. The options for the most common legal forms are given in more detail below.

Be aware that many of the support packages available to the VCSE sector will often include support to help you register your legal form and some may even pay the registration costs.

Unincorporated

If you are creating an unincorporated association, there is no need to register it anywhere, but you will need a written constitution if you intend to open a bank account or apply for most types of funding.

For unincorporated Transition organisations, we particularly recommend the excellent model constitution of Seeds for Change, available to download here: <http://www.seedsforchange.org.uk/resources>

Private Limited Companies

You can register directly and cheaply with Companies House, using their form IN01. The main problem with doing it this way is that Companies House model articles are very basic and generic, containing very little that relates to the ways of working of most VCSE organisations – basically they say that you can do whatever you want to achieve whatever you want (so long as it's lawful and is consistent with the Companies Act 2006). Funders will not generally consider companies using Companies house model. If you wish to register on-line, you have to use their model articles.

<https://www.gov.uk/limited-company-formation/register-your-company>

You could pay someone to draft you a set of bespoke company articles, but that is likely to be expensive. Some organisations have model company articles that you can use. For instance Seeds for Change have model articles for a worker co-operative that can also be adapted for a co-operative consortia.

<http://www.seedsforchange.org.uk/resources> . Their guide “How to set up a Workers' Co-operative” (available to download at the same URL) also contains guidance on the process of registering the company.

Co-operatives UK will register your company for you (if a co-operative) using their model articles, for a reasonable cost. <http://www.uk.coop/packages-support>

Community Interest Companies (CIC's)

CIC's are registered with the CIC Regulator, who publish detailed guidance and model articles that are much more appropriate to the VCSE sector and acceptable to most funders.

<https://www.gov.uk/government/publications/community-interest-companies-business-activities>

In addition to the information on the IN01 form, that you would normally provide for a company incorporation, CIC's have to complete a CIC36 form – a community interest statement that details how the organisation will benefit the community.

Application is by post and the registration fees are relatively small - £35 at the time of writing in early 2016.

Registered Societies

Registered Societies are registered with the Financial Conduct Authority (FCA). It is possible to draft your own governing document (The Rules) and register directly with the FCA, but the cost is quite high and there will often be protracted negotiation over the content of your Rules, to ensure their consistency with Society Law. For this reason, the majority of Registered Societies register through “sponsoring bodies” using “model rules” that have already been approved by the FCA.

Fees charged by sponsoring bodies are typically in the range of £250 to £600 – considerably more than for a company using model articles, but much less than a direct registration with the FCA.

Sponsoring bodies for Registered Societies:

1. **Co-operatives UK** have a range of models, including worker co-operatives, consortia, community finance and multi-stakeholder co-operatives and community benefit societies.
<http://www.uk.coop/packages-support>
2. **Somerset Co-operative Services** have a range of models and particularly focus on models that balance the power of different classes of membership in multi-stakeholder organisations.
<http://www.somerset.coop> They also provide other model governance related documents, such as membership policies and social accounts.
3. **Wessex Community Assets** have two sets of model Rules for community benefit societies that are establishing Community Land Trusts. <http://www.wessexca.co.uk>
4. **The Plunkett Foundation** have a set of community benefit society “Model Rules for Community Ownership”. These have been used extensively with the community shops, pubs and other rural enterprises that they support. <http://www.plunkett.co.uk>

5. **Radical Routes** have model co-operative society Rules for housing co-operatives. These models also include provisions for consensus decision making. These can be registered through Catalyst Collective. www.catalystcollective.org

Appendix B - Getting a bank account

In order to access finance and funding, and then operate, your organisation will almost certainly need a bank account. You will certainly need one to receive any grant funding.

Where an organisation will incorporate but there will be a period of development work before this, it is common to create an unincorporated association to carry out this work. It can have a bank account and apply for funding before the final structure is finalised.

An example of this is the [Fox and Goose](#) community pub in Hebden Bridge, West Yorkshire. Whilst they spent a couple of years exploring their options, paying for surveys and building a community of interest in owning their local pub, they set up the "Friends of the Fox and Goose" as an unincorporated association with a constitution and a bank account. This organisation then registered the pub as an Asset of Community Value with the local council. They then created a community benefit society to raise £130k of community shares to buy and run the pub. The unincorporated association could then be wound up having served its purpose.

There are bank accounts available that are designed for ethical enterprise. Some even offer free banking.

In order to open a bank account, you will generally need to supply to the bank.

- The constitution of your organisation
- A record of the meeting at which it was agreed to open the account
- Personal details of your committee and any officers
- Details of who will be able to access the account and how
- Security information such as passwords and PIN's

A note of caution

I have frequently come across voluntary organisations that have changed committee, members, forgotten who are signatories and the security information. In the worst cases, the bank refuses to deal with them as they can't jump through the security hoops; they are locked out of their account and have no choice but to set up a new account.

So keep accurate and secure records, photocopy the forms you send to the bank and save yourself a whole load of trouble.

Appendix C – Access to land

In my work advising co-operative and community enterprises around their start-up and development, there is one chunk of support that I have to give so often, that I thought it would be worth writing it all down.

The question I get asked all the time is “what is the best legal structure for our project that will own a piece of land”. The answer is of course “it depends”. The purpose of this appendix is to present all the things it depends on and hopefully simplify what can seem a very complicated barrier to the project being planned.

We focus on the challenges facing a group of people accessing land rather than an individual. Where that group actually own the land, the term commonly used is a “Community Land Trust” (CLT).

Motivations

There are many reasons why a community or group of people might want to access land. Typical examples would include:

- Practical use - To allow its use by the community for agriculture, forestry, energy generation or other community enterprise.
- Recreational – To allow leisure use of the land, for example a village green.
- Obstruction - To protect the land from development
- Stewardship – To preserve the land in community ownership. This ownership could facilitate public access and/or have nature conservation as its main motivation.

It is perfectly possible that the motivation of a community would cover several or all three of these motivations, but it is important to understand what these motivations are as you design the structure of any community land trust and how the community interact with it.

It would also be possible for a community land trust to own several pieces of land with different motivations for each.

Ways to access land

There are several different ways that a community can access land in the UK. The choice of which method you use will have a large effect on any structure you use, what you can do and how you might fund it. You will often find that a project will evolve through several of these options as developmental stages.

From the less secure and precarious to the more secure and official, the options are:

Squatting the land. This involves using the land without the express permission of the landowner.

Guerrilla gardening is a typical example of this, as is the use of pop-up temporary growing spaces as a form of protest. Any such project is unlikely to require a formal structure as people are probably going to want to remain anonymous for fear of legal repercussions. This anonymity is not always the case. [Incredible](#)

[Edible Todmorden](#) began to plant the growing spaces in their community in West Yorkshire without seeking the permission of the local authority. However this led to Calderdale Council then entering into licence agreements with constituted groups.

Meanwhile use - sometimes it is possible to enter into agreements for the temporary use of land where the landowner has no short to medium term use for the land themselves. The key here is to reduce any administrative burden for the landowner as the easiest option for them is always to do nothing.

Licensed access - in order to give some degree of security and stability for both the landowner and you the community tenant, you can formalise any agreement around access using a licence. Lease or tenancy, Leasehold, Freehold.

Legal structures for CLT's

Generally community groups accessing land have no formal structure (particularly in their early stage) or have a simple constitution, which allows them to have a bank account, apply for funding and get insurance for their activities. This is fine if you don't do any significant trading, don't employ people, don't enter into significant contracts and don't need to own a significant asset such as land.

We can illustrate this issue by using a case study. In 2008 a group of people in the village of Heptonstall, West Yorkshire began to explore the possibility of renting a piece of land with a view to dividing it up into allotments that they then rented to themselves. They negotiated the rental of a field adjacent to the local bowling club. In order to facilitate all this they set up an unincorporated association – Heptonstall Allotment Garden Society (HAGS), with the plot holders as members. HAGS rented the land from the bowling club and then sublet the plots to the members. All of this was formalised using simple tenancy agreements supplied by the National Society of Allotment and Leisure Gardeners (NSALG). HAGS had its own constitution also that covered its governance – committee, meetings etc. HAGS also became a member of the NSALG, which gave it access to cheap public liability insurance.

After a couple of years the bowling club offered to sell the land to HAGS. The members of HAGS were of course very interested in this, to secure their allotments and also lower their plot rents in the longer term.

The key constraint at this point is that only people can own land. If HAGS had purchased the land in the names of all the members, then this would soon lead to all sorts of administrative and legal problems as members joined, left and died. So what was needed was a new legal person to own the land. This legal person would remain constant as the members change. The creation of a new legal person is what is commonly known as “incorporation”. So that is what HAGS did. They created a new company called HAGS Limited that could own the land and the plot holders were now members of this new organisation. The old association was no longer needed once the bank account had been transferred.

The rest of this section concerns the different types of legal person that can be used in order to own land. It builds on the general descriptions of UK legal forms above, but focusses down on the different legal forms used by community land trusts:

Company Limited by Guarantee

A company limited by guarantee is a very simple legal form that will allow you own the land as the separate legal person. The company has members who guarantee a certain amount towards the debts of the organisation (normally £1). The company also has to have Directors who have strategic overview of the organisation. What the guarantee company can't do is represent any shared ownership in terms of any money used to purchase the land as shares. This would have to be done as loans.

An example of a company limited by guarantee would be the Heptonstall Allotment Society above. They funded the land purchase purely through grant funding, so there was no need to represent the members putting any money in as shares. The company was simply a cheap and easy option, without the need for any of the additional features offered by the other legal forms we will meet later.

Company Limited by Shares

A company limited by shares (CLS) is similar to the guarantee company, but rather than a guarantee, the members have shares in the company and it is these that they may lose if the company should fail (the limit of their liability). A share company would be OK if a small group of people came together to buy land and wanted to represent the different amounts that they put in as shares. This is known as their equity. There are several things to bear in mind with a share company though:

- They have been traditionally used by for-profit organisations, with profit being distributed as interest on shares. If you intend to seek grant funding, the typical grant funders will be wary of supporting a CLS.
- The shares in a CLS are transferable so there is no guarantee that they won't be sold on or inherited by people who have less of an interest in the social objects of the community land trust.
- Shares bring control, so the more shares someone has, the more votes they have.
- You cannot advertise the shares to the public so it really is only suitable where you know all your potential investors.

An example of the use of the company limited by shares legal form for a community land trust is the Orchard Land Trust a community supported agriculture project in Cornwall.

Registered Society

Probably the best choice for a community land trust. Registered Societies (formerly Industrial and Provident Societies) are particularly suited to large membership, democratic organisations. They also have

the advantage that they are exempt from much of the legislation around public promotion of investment and so can be used to advertise shares to the community. As they are share based they are ideal to represent member equity. They also have the principle of one member one vote rather than one share one vote, so are inherently democratic.

There are two kinds of Registered Society:

Co-operative Society

A Co-operative Society, exists for the mutual benefit of its members, who generally have a trading membership with the co-operative. Due to this focus on the trading relationship, the Co-operative Society is less likely to be used for the stewardship model of a CLT.

The Ecological Land Co-operative were a Co-operative Society, but have now converted to a Community Benefit Society (or Ben. Com.). They still operate as a multi-stakeholder co-operative, but the Ben. Com. structure features a stronger asset lock and there may be additional financial incentives available to investors with this structure (see below).

<http://ecologicaland.coop/>

Community Benefit Society

A Community Benefit Society (or Ben. Com.), which whilst it has members and they can benefit from their membership, it primarily exists for the benefit of the community. A Community Benefit Society can only use its assets for community benefit, but is able to pay investor members a return on their investment. The Ben. Com. is the main legal form used for the many community enterprises that have financed themselves using community share offers.

One of the advantages of the Ben. Com. over a Co-operative Society is its eligibility for the Social Investment Tax Relief (SITR) scheme, which can reward investors in, and lenders to, the organisation with tax relief. Organisations trading in agriculture and forestry are excluded however, although there are plans to allow SITR for small scale horticulture. It is also likely that the rental of land to a tenant would also be considered an excluded trade for SITR.

A further good example of a Ben. Com. Community land trust is Whistlewood Common, a Transition and Permaculture inspired project in Derbyshire, which raised around £50K towards the purchase of 10 acres of land. The project is run to help people understand how to live more sustainably, appreciate nature and the outdoors, and hold events that bring their community closer to face future challenges. <http://www.whistlewoodcommon.org/>

Community Interest Company (CIC)

A CIC is simply a limited company with some additional features. You can have a CIC limited by shares, by guarantee or theoretically a CIC PLC.

Charitable Incorporated Organisation (CIO)

A CIO would be a suitable structure for a CLT, particularly where the land or building was being donated to the organisation, so there is no need to raise finance. The charitable nature of the organisation would protect the value asset, although it would not prevent the organisation selling or developing the asset in the future, so long as this was consistent with the charitable objects. Where you want to protect an asset from the actions of future owners, you would need to create additional legal covenants.

Limited Liability Partnership (LLP)

It is unlikely that you would use an LLP for a CLT as the community aspect would be hard to preserve as members of the partnership would retain part ownership of the underlying asset. An LLP might be appropriate where a small group of people who intend to own land together and pass on that ownership to their heirs.

Complex structures

Sometimes it makes sense to structure CLT's (and other organisations) as several different organisations working together.

Subsidiaries - Charities often create subsidiaries to carry out trading activities that aren't consistent with the charitable objects of the parent charity. This also has the effect of distancing riskier activities from the charity, so that they are not threatened should the subsidiary fail. Other types of organisation can create subsidiaries for the same purpose.

Secondary co-operatives – The non-charitable sector whilst it may also set up wholly owned trading subsidiaries, there is a greater tendency to rather create secondary structures that are owned by the “subsidiaries” – co-operatives of other organisations.

An example of this is the planned structure for the Kindling Community Land Initiative (KCLI), a CLT incorporated as a Community Benefit Society. KCLI will own a sizeable farm in NW England that will be an exemplar of sustainable land use and food growing. The Society will steward the land provide infrastructure and shared services and will itself be owned by investors, workers, and the tenant organisations, some of whom will be co-operatives themselves.

This has the advantage of spreading trading risk across organisations, so that the only threat to the CLT would be temporary loss of rental income. In addition the decision making is focussed at the levels that makes sense for those involved, as opposed to a single organisation that did everything, which would require a significant management structure separate to the governance.

Appendix D - Additional Resources

Legal structures

Simply Legal – PDF guide to legal forms and organisational types www.uk.coop/resources/simply-legal

Select-a-structure tool for choosing your legal structure –

<http://www.uk.coop/developing-co-ops/select-structure-tool>

Governance

Simply Governance - www.uk.coop/resources/simply-governance-guide

From Conflict to Co-operation – PDF guides to running an effective organisation

www.uk.coop/resources/conflict-co-operation

Start-up

Simply Start-up – a guide to the process of starting a co-operative or community enterprise

www.uk.coop/resources/simply-start

Transition Enterprise Handbook www.reconomy.org/practical-guides-for-community-economic-change

How to set up a workers' co-op - <http://radicalroutes.org.uk/publications-and-resources.html>

How to set up a Social Centre - <http://radicalroutes.org.uk/publications-and-resources.html>

Decision-making

Seeds for change – A Consensus Handbook www.seedsforchange.org.uk/handbook

Advice on legal issues around land

Community land advisory service - impartial, collaborative service aiming to increase community access to land across the UK. Provides advice and model lease agreements to communities and landowners.

<http://www.communitylandadvice.org.uk>

Community Land Trusts

National CLT network - <http://www.communitylandtrusts.org.uk>

Appendix E - Abbreviations

Annual General Meeting (AGM)
Charitable Incorporated Organisation (CIO)
Community Benefit Society (Ben. Com.)
Community Interest Company (CIC)
Community Land Trust (CLT)
Company Limited by Shares (CLS)
Financial Conduct Authority (FCA)
Heptonstall Allotment Garden Society (HAGS)
Kindling Community Land Initiative (KCLI)
Limited Liability Partnership (LLP)
National Society of Allotment and Leisure Gardeners (NSALG)
Public Limited Company (PLC)
Scottish Charitable Incorporated Organisation (SCIO)
Social Investment Tax Relief (SITR)
Uniform Resource Locator - website address (URL)
VCSE - Voluntary, Community and Social Enterprise (VCSE)

AGM - Annual General Meeting
CIO - Charitable Incorporated Organisation
Ben. Com. - Community Benefit Society
CIC - Community Interest Company
CLT - Community Land Trust
CLS - Company Limited by Shares
FCA - Financial Conduct Authority
HAGS - Heptonstall Allotment Garden Society
KCLI - Kindling Community Land Initiative
LLP - Limited Liability Partnership
NSALG - National Society of Allotment and Leisure Gardeners
PLC - Public Limited Company
SCIO - Scottish Charitable Incorporated Organisation
SITR - Social Investment Tax Relief
URL - Uniform Resource Locator - website address
VCSE - Voluntary, Community and Social Enterprise

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