

Some possible legal structures for intentional communities, community-led housing and not-for-profits (UK)

	Unincorporated Association	Cooperative Society	Community Benefit Society	Limited company	Community Interest Company
Summary	A membership organisation set up by a group of people not wanting to make a profit. E.g. a voluntary group or sports club.	Society owned by its members, and set up for their benefit. Must be based on co-operative values. E.g. fully mutual* housing co-op in common ownership**	Society owned by its members, for community benefit. E.g. a housing association, or community ownership of a building or other community asset	A company limited by guarantee or shares. Can be used to own the freehold of land and buildings, with members buying a lease.	A limited company that is designed for social enterprises, and uses its profits and assets for the public good – to be benefit a defined community.
Registered with	n/a	Financial Conduct Authority	Financial Conduct Authority	Companies House	Companies House and CIC Regulator
Incorporated? (i.e. separate legal entity)	No. Can't really have staff, own property, sign contracts	Yes	Yes	Yes	Yes
Limited liability	No, members are personally liable	Yes	Yes	Yes	Yes
Income / profit / surplus / tax	Not suitable if carrying out any trade or business.	Carries on a business, industry or trade. Any profit can be distributed to members of the co-op.	Carries on a business, industry or trade. Any profit must be used for the benefit of the community.	Trades products or services. Expected to make a profit /surplus. Pays Corporation Tax & VAT.	Trades products or services. Expected to make a profit/ surplus (for the community). Pays Corporation Tax & VAT.
Asset lock?	n/a	No	Possible, i.e. voluntary asset lock (may help to get grants)	Possible, e.g. for non-profit companies	Yes, must lock its assets
Reporting requirements	n/a	Annual return and accounts to FCA	Annual return and accounts to FCA	Annual return and accounts to Companies House	Annual return and accounts to CH, plus CIC Report
Other info	<ul style="list-style-type: none"> Being unincorporated, and with members personally liable, are big downsides 	<ul style="list-style-type: none"> Can issue community shares/bonds Can be a Mutual Home Ownership Society 	<ul style="list-style-type: none"> Can issue community shares/bonds Harder for CBS to get a decent credit rating 	<ul style="list-style-type: none"> Flexible, familiar structure Can use a Mutual Home Ownership model 	<ul style="list-style-type: none"> Has a clear commitment to social goals Lighter touch regulation compared to a charity
Examples	[More for forming groups which haven't yet set up a bespoke legal structure]	<ul style="list-style-type: none"> Keveral Farm Community LILAC Cohousing Redfield Community 	<ul style="list-style-type: none"> Langley CBS Our Food 1200 South Dartmoor C. Energy 	<ul style="list-style-type: none"> Lancaster Cohousing The Community Project Trelay Cohousing 	<ul style="list-style-type: none"> Calon Cymru Network On The Brink Cohousing Threshold Cohousing

* Mutual = all users are members and all members are users (e.g. tenants in a housing co-op or workers in a workers' co-op).

** Common ownership = the assets of a co-op can't be given to the members or shared among the members if the co-op dissolves – rather, any remaining assets would be passed on to another co-op in common ownership.

Note: Intentional communities can use more than one structure e.g. a housing co-operative for residential and a company limited by guarantee for farming/business.

Note (2): Some of the above structures can also be registered and operated as a charity or a Community Land Trust – see next page...

Community Land Trusts – Several of the legal structures can also be established as a Community Land Trust (as a kind of ‘wrapper’); including Community Benefit Society, Company Limited by Guarantee and CIC. Community Land Trusts (CLTs) are democratic, non-profit organisations that can own, develop and/or protect land for the benefit of the community. They are run by local people who are accountable to their community. They are intended to be long-life organisations to cater for future generations. They can gain access to funding for community-led housing projects.

Examples: [Bridport Cohousing](#) and [Somerset Co-operative](#) are both Community Benefit Societies *and* CLTs.

Example: [Coed Talyelan](#) is a Community Benefit Society *and* CLT (A housing co-operative leases some of the land, and a limited company manages the rest).

Charities – Several of the legal structures can be operated as a charity (as a kind of ‘wrapper’); including Unincorporated Association, Community Benefit Society and Company Limited by Guarantee (Charitable Company). Alternatively, there are two bespoke forms of charity: a Charitable Incorporated Organisation and a Charitable Trust. Charities must have a charitable purpose and exist for the public benefit. Most charities have to be registered with the Charities Commission. Charity status is good for fundraising and receiving grants and donations; and charities can claim tax relief. Charities have to provide financial statements in the charity format.

Example: [Arcon Housing Association](#) is a charitable Community Benefit Society.

Example: [Ecological Land Cooperative](#) is a Community Benefit Society that has also set up a separate Charitable Incorporated Organisation.

Links

[Which organisational form should your community-led housing group choose?](#) [YouTube video] Advises groups to take time to consider the big questions: How do we want to live? How do we want to relate to each other? Who has the power? How does decision-making happen? Also covers differences between individual and community home ownership.

[DLA Piper – Legal Structures for Social Enterprises](#) [PDF] Has a flowchart for general guidance, and detailed comparisons.

[Resource Centre – legal structures](#) [webpage] Includes several things to consider: How will your organisation be funded? Will your organisation have voting members? Will your organisation incorporate? Will your organisation be charitable?

[Seeds of Change – legal forms](#) [webpage] Legal forms for co-operatives

[Wrigleys Solicitors \(2018\)](#) [slide presentation] This includes important ‘getting started’ questions: Who will benefit? (who will live there?) Who has control? What are your aims and priorities? Will it be resident or community owned? Where is funding coming from? How should the property be owned?

[Wrigleys Solicitors – A Guide to Legal Structures to Community-led housing](#) [PDF] Includes advantages and disadvantages of each legal structure.

[Cohousing UK](#) including [case studies](#)

[Confederation of Cooperative Housing](#) including community-led housing [case studies](#)

[Community Land Trust Network](#)

[Community Led Homes](#)

[Cooperatives UK](#)

[Financial Conduct Authority](#) including its [mutuals public register](#)

[Radical Routes](#)

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