

SiSTREN
LEGAL COLLECTIVE

COMMUNITY *Legal Toolkit*



Legal Structuring for Social Justice
A Community Legal Toolkit

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A Community Legal Toolkit by
Sistren Legal Collective

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ONE

Introduction

Sistren Legal Collective is a community of lawyers working at the intersection of law, grassroots organising and movement-building. We use our knowledge of the law as a tool to support the work of leaders, activists, changemakers and organisations, particularly those centring social and racial justice.

Our collective has emerged from a need to create spaces where lawyers and community organisations can come together and share their knowledge and expertise, to create a more just and equitable world.

Our backgrounds are varied but our common goal is to **resource** community organisations, **rethink** the role of lawyers and delivery of legal support, and **redistribute** legal knowledge into the hands of community organisations, changemakers and activists.

Why we wrote this toolkit

In 2023, we began researching the legal support needs of organisations led by or for people from minoritised communities in the UK¹. We focussed, in particular, on the experiences of ⁽ⁱ⁾ people from minoritised communities ⁽ⁱⁱ⁾ working at grassroots level in England & Wales ⁽ⁱⁱⁱ⁾ on issues of racial and social justice in accessing legal advice and support. For ease, we refer to these

as **'community organisations'** throughout this report.

Through the course of our conversations with community organisations, we became acutely aware of the need for accessible, informative and free resources that could be accessed by community organisations during their early set-up and growth phase.

Many of the organisations that we spoke to as part of the research had struggled to find resources that could help them to navigate the often quite daunting task of converting their ideas into reality. Others had managed to 'DIY' the process of setting up a legal structure or entity (included understanding what the legal process for setting up a non-profit organisation was, which type of legal entity they should choose and what its consequences would be). They had often done this either by themselves, or with some legal support from friends, community members or occasionally 'pro bono' or free legal services

¹ You can read more about our research and findings in our other publication: Community Lawyering: Building an Ecosystem of Legal Support for Grassroots-Led Social Justice.

– but often at significant personal cost and following processes that were lengthy, complicated or inaccessible.

While there is plenty of information out there (*if you know where to look*), this was often written with larger or different types of legal entities in mind. We couldn't easily find a resource that could helpfully guide community organisations through the options, while engaging with the nuances that grassroots community organisations face, navigating quite specific political, social and cultural dynamics. So, we wrote it.

This toolkit is our attempt to bring some basic information together in one place – combining our legal knowledge with the knowledge of lived experience that was generously shared with us by the people we spoke to who have gone through the process of establishing a community organisation in the UK.

The aim of this toolkit is to provide a free and accessible resource for grassroots and community groups – particularly those centring social and racial justice in their work – to help create a clearer and more permissive space for these organisations to start up and grow, by providing the basic tools and knowledge they need to navigate setting up and running their organisation in the early stages. **We see the provision of legal resources as a component in building power, resilience and confidence within community organisations.**

Who this toolkit is for

This toolkit is written for organisers, changemakers, activists and collectives wanting to 'formalise' or 'set up' non-profit organisations in the UK. The toolkit focuses in particular, on the needs of very early-stage grassroots organisations and on the needs and experiences of minoritised communities in the UK.

The people we spoke to through the course of our research identified predominantly as people from Black, Asian, indigenous, migrant/immigrant, refugee and disabled communities and so their experiences have been centred throughout this toolkit. This doesn't mean that the information contained within it is not relevant to other types of community groups. However, minoritised communities in the UK face particular, intersecting barriers to accessing legal advice and support² and so we have written this toolkit with those specific experiences in mind.

How should I read this toolkit?

If you're legal nerds like us, you are welcome to read this Toolkit from beginning to end for pleasure, with a cup of coffee or a cocktail. In the unlikely event that you don't want this to be your weekend pleasure read, just skip to the part of the Toolkit that feels relevant your circumstances.

We've designed the Toolkit to respond to some of the most common questions and issues

2 For more on this, see our other publication: Community Lawyering: Building An Ecosystem of Legal Support for Grassroots-Led Social Justice

that came up during our conversations with community groups. This includes questions on some of the following themes:

Legal structures

- ▶ What is a legal structure?
- ▶ Do I really need a formal organisational structure to carry out my work?
- ▶ What are the options for legal structures available to me anyway?
- ▶ How do I know what legal structure my organisation should have?

Companies

- ▶ I've set up my community organisation – now what do I need to know?
- ▶ My organisation has a constitution or articles of association but I have no idea what's in them! What do I need to know?
- ▶ I've set up as a company, but funders say they won't fund me unless
 - I'm a charity
 - I have a certain number of directors /trustees
 - 'Ownership' of my organisation is better distributed
- ▶ I'm a different type of company

Charities

- ▶ I set up this charity – can I get paid?
- ▶ I need trustees, right?

- Who are they supposed to be?
- And how many do I need?
- Can trustees be paid for their time?
- I'm confused – am I a trustee or a director?
- I don't really want to be a charity – what are my other options?

Governance

- ▶ Do I really need to have directors? It feels hierarchical and 'not us'.
- ▶ How can I make sure the decision-making process in my organisation reflects my community's needs and values?
- ▶ How do I set up governance systems that centre joy and safety?
- ▶ How do I make sure decision making is truly democratic in my organisation?

Other stuff

- ▶ What's a fiscal host and how do I get one?
- ▶ What policies do I need for my organisation and how do I make sure they work for my community?
- ▶ Can I pay myself in a non-profit organisation? And how much?
- ▶ English is not my first or second language – how do I find legal information that's more accessible to me?
- ▶ What other legal stuff have I not thought about for my organisation or community group?

We've provided a table comparing all of the legal structures we've discussed in this toolkit in **Annexe 1: Table comparing legal forms**. We've signposted you to helpful resources wherever we've found them in **Annexe 2: Helpful resources**.

We've also tried to help you 'DIY' certain processes. We can't guarantee that a DIY legal process works or is helpful (we'd like your feedback so we know) but you can access our DIY resources in **Annexe 3: How to DIY registering a community interest company (CIC CLG)** and **Annexe 4: How to DIY registering a charitable incorporated organisation (CIO)**.

In some cases, you may well need a lawyer to help you navigate certain questions or processes. But given that so many community organisations just get on and do it themselves and/or can't access a lawyer anyway³, we hope this toolkit helps to provide and signpost you to the resources you need to be able to carry out your work.

³ For a myriad of reasons, explored further in our publication *Community Lawyering: Building An Ecosystem of Legal Support for Grassroots-Led Social Justice*





TWO

Legal forms

Let's start at the beginning, with legal forms. This is an important concept to understand at the outset of your journey if you want to set up a non-profit organisation. Your legal form will underpin your organisation and has wide ranging implications for what you can and can't do, how you will run and govern your organisation, and how other organisations and the public may interact with you.

The word 'form' can have different meanings in English. When we refer to a 'legal form' in this toolkit, we don't mean the kind of form you fill out with pen and paper, like at a doctor's office. We mean the 'structure' or 'shape' or 'form' of a thing – in this case, your organisation.

What is a legal form?

A legal form is the structure of an organisation, and the rules that govern it, as recognised by law. In other words, it is the legally recognised vehicle through which an organisation drives its work or its mission and vision. Think of it as the **'legal house'** for your work.

There are a number of legal forms recognised by the law in England & Wales. You might have heard of a 'limited company' or a 'company limited by shares', which is often the most widely recognised type of legal form, but there are many other types of legal forms as well. The most common legal forms are summarised in the table on the next page. (We talk more about what it means to be a limited company later in this toolkit).

The legal form of an organisation is related to but *different* from the kind of business or work an organisation undertakes. For example, an organisation may engage in for-profit work (for example, most businesses), non-profit work (for example, most NGOs or charities), or a combination of for-profit and not-for-profit work (for example, many social enterprises).

How do I choose the best legal form for my work?

There is no one right answer to what is the best legal form for your work. The legal form you choose will depend on a variety of factors including the type of work you want to do, your business model (whether you're trying to make a profit, carry out a social/community mission, or both), the level of risk you want to take on and the size and scale of your organisation.

“We used to work informally and then needed to set up as a formal organisation to be able to get some funding. I didn't know anything about it so I just asked some people, and they said you can set up a company easily online. Only after I set up and went for funding, I realised it was a company limited by shares and I was told I wouldn't be eligible to receive any funding. So then I had to start all over again and figure out if I could change the organisation, or set up a whole new one.”

Table 1: Legal forms

Legal form	Business model
Company limited by shares (CLS)	Usually for-profit. Can be underpinned by a particular 'purpose' or 'mission' which may be for the benefit of a social or environmental purpose.
Company limited by guarantee (CLG)	Usually not-for profit.
Community interest company (CIC)	Can be for-limited-profit or not-for-profit, or somewhere in between.
Charitable incorporated organisation (CIO)	Not-for profit.
(Charitable) Community benefit society (CBS/Bencom)	Not-for profit.
Co-operative society (Co-op)	Can be for-profit or not-for-profit.
Unincorporated association	Not for-profit

Choosing the right legal form for your work at the outset is important because it impacts things like:

- ▶ **The types of funding your organisation can access.** For example, certain types of legal forms will find it more difficult to get grant or philanthropic funding. Similarly, it's more difficult for some legal forms to get loans or investment.
- ▶ **Taxation.** Your legal form impacts which taxes the organisation will need to pay. Some legal forms are exempt from certain taxes and can therefore maximise use of the funds they have.
- ▶ **Your ability to make a profit.** Some legal organisations don't allow you to make a profit, others place limits on how much profit you can access or how any profits can be used, while others have no restrictions at all on making a profit.
- ▶ **Your ability to pay the directors of your organisation.** In some legal forms, it is much more difficult to pay the directors of your organisation, while it's possible to do so in other legal forms.
- ▶ **Perception.** Your organisation's legal form impacts what it 'looks and feels' like to the outside world. Certain legal forms are traditionally recognisably not-for-profit and other legal forms are generally understood as being for-profit, though there are

sometimes cross-overs, grey areas and exceptions.

- ▶ **The level of regulation you'll need to comply with.** Some legal forms such as charities experience a much higher level of regulatory and legal compliance. This is often as a result of the tax benefits they are entitled to.
- ▶ **Campaigning and political activity.** Some legal forms are regulated such that can carry out no, or limited, campaigning and political activity work.

Some of the different kinds of things you should think through when deciding on the right legal form for your organisation are summarised on the opposite page.



Table 2: Key considerations when choosing legal forms

Funding and income generation	How you plan on funding your organisation will impact the type of legal entity you choose. For example, are you thinking of taking out a loan or attracting investors? Do you plan to rely on grant funding? Will you be engaging in trade and generating an income for your organisation?
Profit distribution	Whether you want to pay yourself or others through 'profit' (dividends) or 'income' (salary).
Ownership	Who will have ultimate control and ownership of your organisation is defined by the legal form you choose.
Personal liability	Who takes legal responsibility for the debts and liabilities of the organisation.
Governance	The rights and obligations of the individuals responsible for taking key decisions and driving forward the strategy of the organisation.
Asset and mission locks	Whether or not the organisation has a legal mechanism which protects the organisation's mission, purpose and assets against change.
Taxation	Whether or not the organisation receives certain types of tax breaks or benefits.
Perception	How your organisation is perceived by the outside world, including funders, investors and your community (e.g. as a for profit, not-for profit, social enterprise) is impacted by the legal form you choose.
Purpose	What your organisation is set up to achieve, what are its key purpose and mission.



THREE

Incorporation

How do I set up my chosen legal form?

Setting up an organisation through a process recognised by the law is called **'incorporation'**. Incorporating means going through a legal process, by which you are creating a legal form or a **'corporate body'**, which is recognised as a separate entity or body in law. This is the 'legal house' we referred to earlier.

This separate entity or body now has **'legal personality'**, which means the law recognises it as a separate (non-human) 'person'. This ensures that the corporate body has its own identity, separate from the identity of its founders, members or workers. This means that the work and activities are carried out by the organisation, rather than you, personally.

Legal personality also means the individuals who have set up the organisation (or its owners, directors or trustees) have **'limited liability'**. This means that these individuals do not take personal responsibility for the debts or liabilities of the organisation. This gives people significant comfort that if something happens to the organisation (e.g. if it has to close or has debts to pay) individuals aren't usually themselves personally responsible for paying off those debts (e.g. out of their own personal assets like their savings, house or car).

Should I incorporate?

Incorporation has both advantages and disadvantages. A few of the important ones are summarised on the opposite page.

The cost of setting up

The following are the approximate costs associated with setting up some of the more common non-profit legal forms (not including legal advice).⁴

Companies limited by shares (CLS) and companies limited by guarantee (CLG)

£ Cost = £40

Community interest companies (CIC)

£ Cost = £27

Charitable incorporated organisation (CIO)

£ Cost = £0

(Charitable) Community benefit society (CBS/Bencom)

£ Cost = Up to £950

Charity registration

£ Cost = £0 (but £5,000 of income needed to register)

"We registered as a CIC. Coming from being very poor, I had no money and I had to do the process myself. I saved my child benefit for weeks to pay for that Companies House payment."

⁴ The fees mentioned here are subject to change. Fees for companies regulated by Companies House are increasing shortly after the publication of this report, from 1 May 2024. You can access the updated fee levels for companies here: <https://changestoukcompanylaw.campaign.gov.uk/changes-to-companies-house-fees/>

Some advantages of incorporation	Some disadvantages of incorporation
Separate legal personality offers separation between the individuals and the organisation.	It can sometimes feel strange to disassociate the organisation you're creating from yourself and have others involved in running and governing it – this can feel deeply personal.
It is relatively easier to get different types of funding for the organisation – including grants, loans or attracting investments ('equity').	There are costs involved with incorporating and administering a formal legal entity, such as set up costs for some entities, form-filing costs for certain changes you might want to make to the entity, etc.
The organisation can enter into contracts – for example to hire employees, take out insurance or enter into agreements.	There are usually governance and administration requirements associated with an incorporated organisation. E.g. having directors or trustees, filing annual accounts and reports, paying corporate taxes etc.
It is often easier to open a business bank account as an incorporated organisation than as an unincorporated association.	Incorporated associations are subject to regulation by different regulatory bodies. Depending on the type of organisation (i.e. your legal form) you could be regulated by regulatory bodies such as Companies House, the CIC Regulator, the Charity Commission, the Financial Conduct Authority (FCA), other regulators, or a combination of regulators.
The directors/trustees of the organisation benefit from limited liability.	There are certain registration requirements and duties/ obligations on directors/trustees, including in some cases a need to list the address or contact details of directors/ trustees of an organisation, which can sometimes feel quite 'public' or onerous.

The complexity of the process

“I’ve been to university; I can read and write, and I made my way through the CIC application form – but it came back to me because I hadn’t used the right words that they needed in the form. I was working full time as well. When you do it yourself you put a lot of pressure on yourself and get angry. All of the CEOs we know in my circle are creative – we’re not very educationally minded but we’re very fast-paced, driven, and have hectic lifestyles, and yet we’re still creating businesses and organisations. But all of that administration and business support is very challenging and if you haven’t got the budget to get help to sort that out, it prolongs the startup period and makes it very, very challenging and more prolonged than others who maybe have better education, support and colleagues around them. I didn’t have help with that process, but I did manage to get through it at the end.”

There are websites and guides available to help you through some of these processes – some of these are listed in **Annexe 2**. Some people we spoke to found these confusing and unclear, but others said they felt there were helpful and clear resources.

“Setting up a CIC was really simple in part because gov.uk is THE best website!”

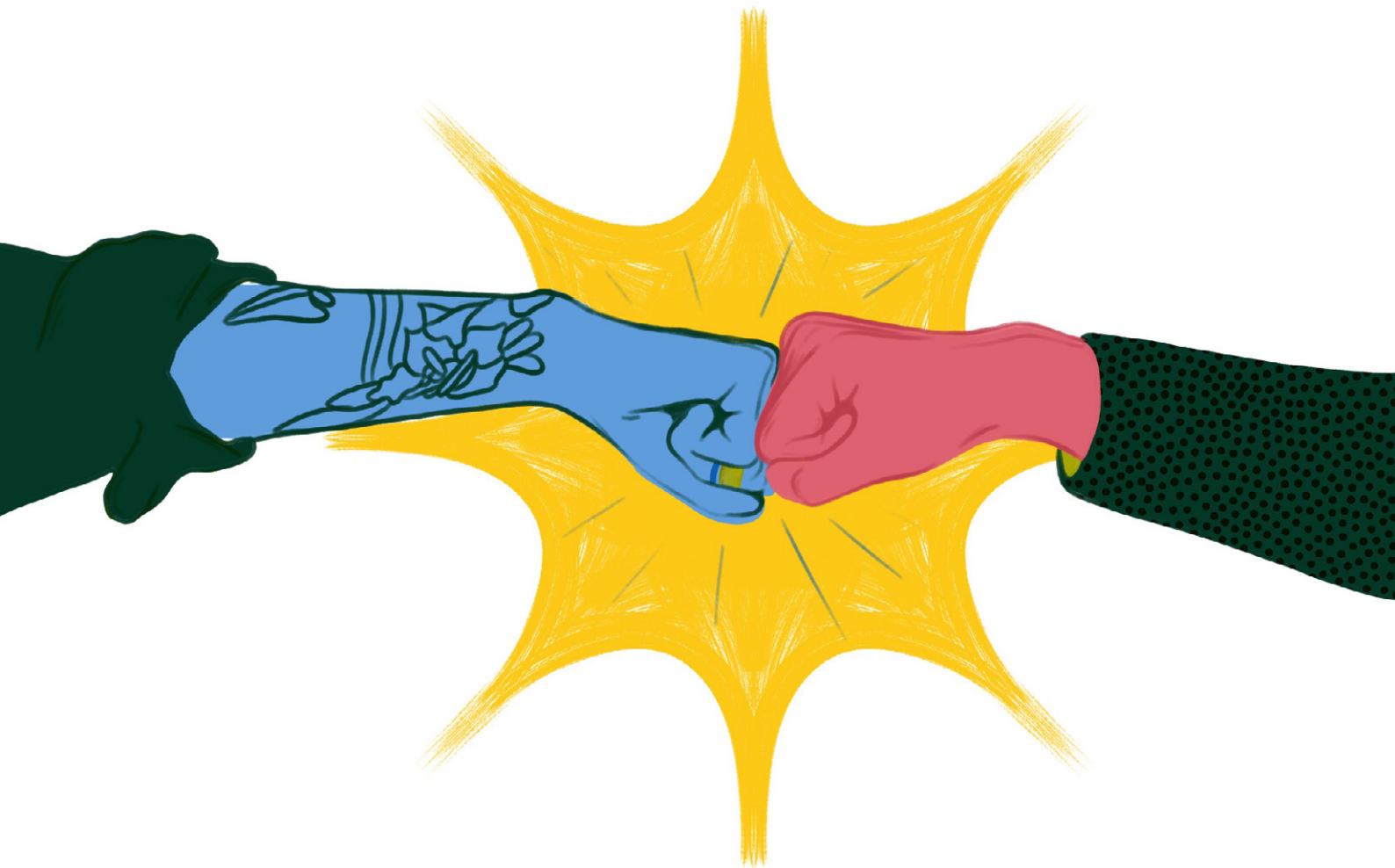
Our view is that the publicly available resources often provide a good starting point, although there are sometimes complexities or extra requirements that may require you to get additional support or advice.

We have provided step-by-step guides to setting up two of the most common non-profit legal forms – a ‘community interest company limited by guarantee’ (CIC CLG) and a ‘charitable incorporated organisation’ (CIO), in **Annexe 3: How to DIY registering a community interest company (CIC CLG)** and **Annexe 4: How to DIY registering a charitable incorporated organisation (CIO)**.

The need for a registered office address

“When setting up the CIC, we were asked for an official address. But we don’t officially have a home – we worked from pubs and public places. We registered with my home address for now.”

It’s perfectly fine to use a home address as a registered office address, if you’re comfortable with doing so. It will mean



however that your home address will appear on the public register of companies, as the address linked to your organisation.

If this doesn't feel comfortable or safe, a number of places offer 'registered office services' which means you can pay a fee to use their address as the registered address for your business. They will usually receive any official mail on your behalf and forward this on to you. [Impact Brixton](#) is one such service and there are other more corporate services such as [The London Office](#), [Your City Office](#) and others you can Google.

It is possible to [apply to protect your personal details at Companies House](#) if you are, or someone you are living with, is at risk of violence or intimidation. However, the threshold for applying for protection is

quite high and requires evidence to support the application, which may not be possible or comfortable. The categories of protection afforded by Companies House often don't apply to the types of violence community organisations or leaders often face (for example, Companies House notes that you can apply to protect your details if you're a director that's 'been targeted by activists, licensed under the Animal (Scientific Procedures) Act 1986, active in the defence industry or an easily traceable supplier to or partner of these organisations', none of which is helpful for individuals facing racialised threats, hostile policing, gender-based violence, etc). It also costs £100 to apply to protect your information on Companies House, which is often an amount that is unaffordable for community organisations in their very early stages.



FOUR

Unincorporated legal forms

There are a number of unincorporated legal forms recognised by the law in England & Wales, including trusts, certain types of partnerships and unincorporated associations. As unincorporated associations are generally the most common type of unincorporated legal form in the social sector, we've focused on these below.

Unincorporated associations

Many grassroots and community organisations and collectives start off as 'unincorporated associations'. This is essentially a group of people who agree to come together for a common purpose. Sometimes (but not always), the association may write itself a 'governing document' or 'constitution', which might include things like who its members are or how the organisation makes decisions.

You don't need to register an unincorporated association, there are no real formalities or legal requirements, and it doesn't cost anything to set one up. Unincorporated associations are not regulated, and you don't have any reporting obligations (though if the association does start trading and makes a profit, it will need to pay Corporation Tax). You can see why this is a common way for many communities and collectives to start out and organise themselves!

Unincorporated organisations have no separate legal identity from the people who run it. This means that the people who run the

organisation enter into all of its obligations themselves. For example, they might make payments for the organisation out of their personal bank accounts (because the organisation might not have a separate bank account) and might sign contracts on behalf of the organisation in their own personal capacities (for example, by entering into a lease for an event space). This means that the individual members of the organisation are personally liable for the organisation's obligations and responsibilities.

“Lots of people are not secure with their businesses. I work with a lot of Swahili women who together run small businesses like doing beauty or massages. It is not as secure for them as if they have not set up a company. The liability can be really high. They need people in the community to explain the liability to women who are working, but people also need to be aware of challenges that the women in the community are facing.”

This is one of the reasons why unincorporated associations choose to 'incorporate'. As you'll see below, incorporated organisations have a separate legal identity from the people who form part of the organisation. It often feels safer for members, leaders or founders of an unincorporated association to go through the process of incorporating so they are not personally liable for the liabilities or obligations of the organisation.

"I am a grassroots football coach and I teach kids football as a way to keep them away from knife crime. But every time I need to rent a football pitch I need to sign the lease in my own name. I don't know if I can get insurance in case something happens. I need to set up a more formal organisation so I can get insurance and do this work more safely.



Another reason why unincorporated associations often choose to incorporate is to be able to access funding – most commonly as grants, loans or investments. There are a few funders in the UK who are now funding individuals or groups/collectives/movements that are unincorporated. However, this remains uncommon in the UK funding landscape. It is far more usual for funders to require an incorporated legal entity to fund, or at least a 'fiscal host'.

Fiscally hosted or incubated organisations

“I’ve been told I should look into a fiscal host for my project, but I have no idea what that means!”

A fiscal host, sometimes also known as a fiscal sponsor or umbrella organisation, is an incorporated entity that provides financial and administrative support to individuals, groups or projects that are unincorporated and engaged in charitable or non-profit activities.

Fiscal hosts are typically non-profit organisations themselves, sometimes charities, and they serve as a bridge between individuals or groups who have a project or initiative with a charitable purpose and the resources necessary to support that project.



“Collectives that aren't registered or formalised within the non-profit industrial complex in the UK face challenges. There is lack of space for them to be incubated and supported. This kind of sponsorship is rife in the US – there are intentional, Black-led fiscal sponsors that understand the needs of collectives and movements and are care-focused and work in liberatory ways, that don't gatekeep resources, and that provide spaces for collaboration across different spaces. That doesn't exist as much in the UK space. Fiscal sponsorship in the UK is very white-led. We need to build a more liberatory space for what fiscal sponsorship should look like within the UK.”

Here's how a fiscal host typically works:

- ▶ **Project support:** An individual or group has an idea or project with a charitable or non-profit goal.
- ▶ **No legal structure or charity status:** The individuals or group may not have set up or incorporated an organisation, or may not have charitable status.
- ▶ **Fiscal host arrangement:** They partner with a fiscal host, which is already an incorporated legal entity, which may be able to hold charitable funds. The fiscal host agrees to accept donations and grants on behalf of the project or initiative. They can also sign contracts on behalf of the

“We started out as an idea and managed to get funding really quickly. We didn’t have the time or resources to go through the process of setting up an organisation or bank account, so we found a charity who could act as a fiscal host for our project through someone we knew. We were initially quite nervous about people who weren’t involved in our work guiding its direction or taking credit for it. We had some difficult conversations with the fiscal host at first, as they were typical white folk who really didn’t seem to understand the racial justice work we were trying to do. We’re trying to create a space for people of colour to work together in different ways, so we were uncomfortable with the fiscal host having ultimate decision-making authority and governing our work. But in practice it’s worked out fine – our host has taken away the administrative burden of running an organisation and has left us to define our work in the way we see fit.”

group. The board of directors or trustees of the fiscal host takes on legal responsibility for the activities of the individual or group and is responsible for any reporting and regulatory process on behalf of the individuals or group.

► **Administrative and financial support:**

The fiscal host may provide some administrative support, including managing finances, processing grants or donations, and handling due diligence, reporting and compliance requirements. They may also offer advice and expertise related to your work.

► **Funder requirements:** Funders are often able to fund a project that is fiscally hosted, as they have the comfort of the fiscal host being a recognised charity or non-profit organisation and funders can meet their own compliance requirements by donating to a fiscal host (rather than to an individual, collective or unincorporated group)

► **Project focus:** The individuals or group can focus on their project's mission and activities while the fiscal host handles the administrative and financial aspects.

► **Management of funds and reporting:**

Fiscal hosts are usually responsible for reporting on use of funds, through the charity's annual report (if the host is a

charity), or its company accounts. This will include the funds of the project and therefore fiscal hosts will need to have oversight of how project funds are being used. Fiscal hosts with charity status are also responsible for reporting any 'serious incidents' which may occur within projects to the Charity Commission.

► **Fees:** Fiscal hosts often charge a fee or take a percentage of any funding being received to cover their administrative costs and services. The specific terms of the fiscal hosting relationship arrangement can vary from one fiscal host to another and are often outlined in a 'fiscal sponsorship agreement' or similar document. Fiscal hosting fees can range massively, from 1% of your income to up to 20% of your income, depending on the fiscal host.

This fiscal hosting arrangement allows individuals or groups to pursue their public benefit goals without the burden of setting up and maintaining a separate non-profit organisation. It can be particularly beneficial for smaller initiatives, grassroots organisations, or projects that are temporary in nature.

Community organisations that we have interacted with have had mixed responses to fiscal hosting arrangements.

“There has been increasing discomfort within our organisation with the fiscal host we’re working with. They have insisted on time-consuming, burdensome and disproportionate reporting and compliance processes, which don’t account for different abilities and don’t reflect how we want to work in our community. We can’t work with a fiscal host where our communities continue to face harmful and excessive monitoring and compliance requirements that feel like surveillance.”

Fiscal hosts can be of immense benefit to organisations, especially in the early set phase of establishment, allowing organisations to focus on their mission and securing funding without the administrative burden of setting up an organisation. However finding a host which aligns with your values and has a clear understanding of your work and what you are trying to achieve is really key in a successful and safe relationship.





FIVE

Common incorporated legal forms

Company limited by shares (CLS)

A 'company limited by shares' is the most common form of for-profit businesses available in the UK. A CLS can be a *public limited company* (these are usually large corporations – think Microsoft, Apple, X/ Twitter – that sometimes may issue shares to the public) or a *private limited company* (these are companies with shares but can't issue those shares to the general public). Private limited companies can be used in a variety of contexts and are often the legal form of choice for commercial businesses, some 'third sector' businesses that have a social or environmental purpose at their core, some social enterprises, and some co-operatives.

Shares and shareholders

The defining feature of a CLS are 'shares' which are held by the owners of the company (known as 'shareholders'). The shares represent their investment into the company, and also provide a mechanism for them to take profits out of the company through 'dividend' payments. The shares also act as a way for an individual to exercise control or ownership over the company. Usually, the more shares a person has in a CLS, the greater their proportion of ownership and therefore the greater their influence over decision making. A person who owns all of the shares in the company can have access to all of the profits and can also be the ultimate decision maker as a 'sole shareholder'.

Directors

In addition to its shareholders, a CLS has a board of directors (the directors may, in some cases, be the same people as the shareholders). Directors have legal duties to promote the success of the company including by overseeing the company's business, guiding its strategy, overseeing its finances and compliance etc.

Regulation

A CLS is regulated by the Registrar of Companies (Companies House) and can be relatively simple to set up for a small business. It can also use a set of 'model articles of association' that are provided by Companies House. However, larger CLSs with multiple investors, shareholders, suppliers etc can be very complex to set up and govern.

CLS and non-profit work

Despite the fact that a CLS can be simple to set up initially and offers the benefits of limited liability, it is not typically used for organisations that are doing community-based non-profit work⁵. A key reason for this is because community organisations often rely on grant or philanthropic funding, but grant funders are often unlikely to provide funding to this type of legal structure.

There is no legal requirement prohibiting a funder from funding a CLS. However, funders (who are themselves often charities) usually

⁵ Increasingly, companies limited by shares are starting to embed a 'mission', 'social purpose' or social or environmental purpose into their for-profit business models.

must ensure that their own funds are used for charitable purposes and for the public benefit. Sometimes, for some funders, the structure of a CLS creates a worry that the ability for the shareholder(s) to extract profits through dividends in a CLS means that there is a mechanism that allows shareholders to extract profits (and so the worry is that not all of the funds will necessarily be used for the community or public purpose for which they have been granted). This can mean that funders are less certain that they can meet their own regulatory requirements when making a grant to a CLS – so many opt out of doing so as a matter of policy.

“We used to work informally and then needed to set up as a formal organisation to be able to get some funding. I didn’t know anything about it so I just asked some people and they said you can set up a company easily online. Only after I set up and went for funding, I realised it was a company limited by shares and I was told I wouldn’t be eligible to receive any funding. So then I had to start all over again and figure out if I could change the organisation, or set up a whole new one.”

Most of the organisations we engaged with did not explore the option of incorporating as a CLS, and so we haven’t focused on this legal form extensively in this toolkit. However, we did have numerous discussions with

community leaders that revolved around the limitations of confining community-led social and racial justice initiatives to non-profit legal structures. The leaders that are driving this kind of work often dedicate their lives to their cause, engaging in work that extends far beyond the confines of a typical nine to five job. Their work becomes intertwined with every aspect of their existence. Therefore, assuming that dividend payments from a CLS could result in personal financial gains that overshadow the organisation's primary charitable purpose seems unjust and misguided. The work that community organisation leaders are doing usually is for the public benefit. They should be able to be paid for this. The ability to take profits out of the business through dividend payments is not an inherently negative thing. Dividend payments are often a tax-efficient way of paying those who are investing their time into running an organisation. We think there is a need for funders to understand the circumstances in which grant-funding a CLS' work is possible and will further their own charitable objects.

There are a number of legal mechanisms that can be used to enable a CLS' mission to be 'locked' or 'safeguarded' to protect the social or environmental mission of the company and to limit the extent to which shareholders are able to derive disproportionate personal benefit through dividend payments. Usually this means including certain provisions in the company's articles of association to protect these features of the company. We haven't gone into these legal mechanisms in detail

for the purposes of this toolkit, but we see it as vital that community organisers and social entrepreneurs alike can utilise the benefits of a variety of legal forms for their work and that they are supported (and funded where needed!) when doing so.

Company limited by guarantee (CLG)

A 'company limited by guarantee' is the most common legal form for a non-profit organisation. Like a company limited by shares, they are relatively simple to set up and offer the protection of limited liability.

“At the start we didn't have the background to read what the different legal structures are. Every person we spoke to had a different legal form. We're a CLG. For us it was important that whatever approach we took would be fast and non-prohibitive and we understood we could do all the legal stuff we wanted to do under the CLG and keep interrogating our structure.”

Members

CLG companies don't have shares (meaning there is no legal mechanism for the 'owners' to take profits out of the company). The 'owners' in this case are called 'members' (rather than 'shareholders'). In fact, CLGs often include a legal provision in their articles of association

that says all the profits which are made are by the CLG must be reinvested into the company and cannot be distributed to its members for private benefit. As a result, a CLG is a favourable non-profit legal form and is used by a wide variety of non-profit organisations.

Directors

Like a CLS, in addition to its members, a CLG has a board of directors (the directors may, in some cases, be the same people as the members). Directors are entrusted with the legal responsibility for carrying out the organisation's purpose, guiding its strategy and overseeing its finances and compliance.

“I was looking [for] models outside of the traditional charity and CIC models because these two options don't feel like they would be right for what I'm looking to create. I decided that the best model for my social action project would be a company limited by guarantee – essentially a non-profit social business.”

Regulation

Like a CLS, a CLG is also regulated by the Registrar of Companies (Companies House) and can be relatively simple to set up for a small business. It can also use a set of 'model articles of association' that are provided by Companies House.

CLG as a charity

A CLG is not automatically a charity. However, this legal form is compatible with charitable status – meaning that with certain amendments to its articles of association, it is possible to apply to register a CLG as a charity, making it a 'charitable company limited by guarantee (charitable CLG)'. If a CLG is registered as a charity, it is regulated by both Companies House and the Charity Commission, so it will have two regulators. A CLG is often a first step to becoming a charity and can allow the time and space for an organisation to set up a bank account and 'get its house in order' before taking that next step towards registering as a charity.

If you're seeking funding from grant providers, incorporating as a CLG can often be a good option. But, it's important to note that some funders may require additional legal assurances, such as charity registration or an 'asset-lock', to ensure that their funds are being used for specific community or charitable purposes, or they may be more inclined to 'restrict' any grant funding. Before deciding whether to register as a CLG, it's worth consulting potential funders that you're considering, to understand any limitations they may have regarding the type of legal structure they are willing to support.

"I think the funding landscape has changed – there have only [been] a few occasions where we wanted to apply for a grant and the funder-

wanted us to be a CIO [charitable incorporated organisation] or a CIC [community interest company]. It does feel like there are charitable funders out there who do have pots of money set aside for non-charitable legal structures."

Campaigning work

The CLG is often a good legal form for campaigning or membership organisations which operate for a non-profit purpose, but are able to generate income from trading or membership fees, rather than grant funders. This is because they're not subject to the same regulation as a charity and don't have similar restrictions on engaging in campaigning and political activity. Some notable examples in the UK are Liberty and Greenpeace.

"We're a non-profit company limited by guarantee with an asset lock in place. We are deliberately not registered as a charity, as we don't want to limit political and campaigning work that we do."

Community interest company (CIC)

The 'community interest company' is a legal form peculiar to the UK and is often used by 'social enterprises'.

Social enterprises

You might have heard of social enterprise before and may not have known what the term really meant... it's a term to describe a business entity that operates with the primary goal of achieving social or environmental objectives, rather than solely focusing on generating profits for its shareholders. Social enterprises generally use entrepreneurial approaches to address social issues, improve communities, or promote sustainability while also sustaining themselves financially. For example, a business that makes candles and provides employment opportunities for refugees.

Not all social enterprises are CICs (social enterprises can be companies limited by guarantee, charities, community benefit societies or other legal forms that we discuss in this toolkit). However, CICs are often a well-suited legal form for social enterprises.

Community benefit requirement

The main criteria for establishment of a CIC is that the business is carrying out activities which are for the benefit of the community (or a section of the community).

It's not a difficult threshold to achieve the level of community benefit required to set up a CIC and they offer some flexibility, depending on

whether you want to operate more like a for-profit or a non-for-profit business.

CICs can be limited by shares or by guarantee (CIC CLS/ CIC CLG)

CICs are companies at their core and can either be limited by guarantee (CIC CLG) or limited by shares (CIC CLS).

A CIC limited by shares has the option to allocate shares to its members, which may entitle them to receive dividends. In most cases, these dividends are restricted by a maximum limit, aiming to balance the incentive for investment in a CIC with the principle of community benefit. The specific rate of the dividend cap is determined by the CIC Regulator. In contrast, a CIC limited by guarantee does not have share capital and therefore cannot issue shares.

In the non-profit world a CIC CLG is more common and usually more "fundable" than a CIC CLS for the reasons as set out above. Grant funders are increasingly supportive of funding CICs because they contain an 'asset-lock', meaning they have more certainty that the funds they give to the legal entity are maintained for a community purpose.



Asset lock

An 'asset-lock' is a legal mechanism which requires the 'assets' (i.e. the money, staff time, equipment, buildings etc) of an organisation to be used for a particular purpose. In the case of a CIC, the asset-lock requires the assets to be used for the benefit of the community that it was set up for. For example, if you have set up a CIC which is a community cafe supporting refugees in Barking with childcare, all of the assets in the cafe must be used for the benefit of providing childcare to refugees in Barking. In reality, this means you can employ staff, buy coffee machines, lease a building etc, but this must all be for benefit of refugees in Barking who require childcare. You couldn't then use the money you have or the buildings to start a gym in Barking, for example.

Even if in the future, the coffee machines are sold, a fair value must be received (so, you can't sell the coffee machines at a massive discount and the money received in that sale must still be used for the community purpose that it was intended for). If the CIC is closed in the future, the remaining assets have to be given to another named CIC or charity, again preserving the value of the assets for the community.

Therefore the benefit of the asset-lock for funders is that they know that the value of the funds they have given to the CIC are retained for the CIC's community purpose.

Therefore the benefit of the asset-lock for funders is that they know that the value of the funds they have given to the CIC are retained for the CIC's community purpose.

Key differences between a CIC and a charity

There are a few key differences to be aware of between a CIC and a charity.

- ▶ The CIC doesn't benefit from any particular tax exemptions (e.g. a corporation tax exemption) which is often one of the main drivers when people set up a charity. Therefore, unless your income and expenditure is managed carefully, any 'surplus' left at the end of your financial year will be subject to corporation tax. This includes any grant funding the CIC may have received.
- ▶ CICs are a less-heavily regulated legal form compared to charities (in part, because CICs don't benefit from the tax exemptions that charities get).
- ▶ Like charities, CICs can't be set up for a political purpose.
- ▶ Unlike a charity, there's no legal restrictions on paying directors for their services. You might not want to pay the people that are responsible for running the CIC for their role as directors, but for lots of organisations doing social and racial justice work, it can be important to have that option and pay people for their time and expertise.
- ▶ CICs are much quicker to set up than charities – they can usually be set up in a matter of weeks, whereas it takes months for a charity to be registered.



“We’re definitely going to go down the CIC route because its faster.”

In summary, the CICs offer a legal form which is acceptable to many grant funders and is relatively straightforward to set up. But the real downsides, particularly for organisations engaging in social justice work, are the lack of tax breaks, and restrictions around political purposes.

We’ve included a cheat sheet in **Annexe 3: How to DIY registering a community interest company (CIC CLG)**.

“We’ve seen that the establishment does use the Charity Commission to keep Black organisations in check. So that’s why people have suggested being a different structure because that’s less scrutinised and less hostile than a charity. We’re looking at being a CIC.”

Political purpose restrictions

One of the features of a community interest company is the legal limits placed on it carrying out political activity. Political activity is activity which aims to secure a change in the law or policy. It can include campaigning activity aimed at government, politicians and other political candidates such as counsellors.

A CIC cannot carry out political activities which are:

- ▶ the promotion of (or opposition to) **changes in any law** applicable in the UK or elsewhere;
- ▶ the promotion of (or opposition to) **changes in the policy** of a governmental or public authority in relation to any matter;
- ▶ activities which provide or affect **financial or other support to a political party or campaigning organisation**;
- ▶ activities intended or likely to **influence voters** in relation to an election or referendum.

There are usually exceptions to most prohibitions in law. For a CIC, it is possible to engage in political activity if its engagement can reasonably be considered as **incidental to activities** which a reasonable person might consider are carried on for the **benefit of the community, and which are not themselves incidental to political activities**.

For example, a CIC that uses a community centre for activities, which benefit local people, may be able to lobby local government for a grant to improve the facilities available in the building.

Therefore, a CIC can reasonably carry out political activities where this is incidental to the community activity it is set up to deliver. This means political activities cannot be the sole or the main activity of the CIC. So, looking at the example above, lobbying the local government can’t be the main activity it carries out as its community purpose.



SIX

Charities

Charities... wow, where to start! In the UK, a charity either means an organisation (which could be an unincorporated association, trust, or a CLG) that has been granted charity status, or a specific legal form which is known as a charitable incorporated organisation (CIO).

We've included a cheat sheet in **Annexe 4: How to DIY registering a charitable incorporated organisation (CIO)**.

Registering a charity

The two main ways that organisations 'incorporate and register' as a charity are: (i) by first setting up a CLG registered with Companies House, and then applying to the Charity Commission for this to be registered as a charity, or (ii) setting up a CIO directly with the Charity Commission.

Both are valid options for setting up a charity and might just come down to preference. Setting up a charitable CLG can be helpful if you need a legal entity up and running to get started with whilst you wait for charity registration (which currently can take anywhere from two to six months). However it requires you to demonstrate that you have at least £5000 available to the organisation, which is sometimes a prohibitive threshold for community organisations. The CIO route is more straightforward if you don't mind waiting

as you are only registered in one place (Charity Commission, rather than Companies House and the Charity Commission), which some organisations might prefer for simplicity. It's also more straightforward in some ways to set up a CIO as you don't have to meet the income requirement of £5,000 which you do with the CLG.

The notion of charity

'Charity' has so many connotations in the UK and abroad and will invoke different things for different people – some good and some bad. There are big international charities (sometimes known as NGOs) that operate globally and often provide humanitarian or other support to communities who are suffering from poverty, displacement, war and climate change (think Oxfam, Red Cross, Unicef etc). There are national charities which work on health, education, anti-racism, disability rights, animal welfare (e.g. Mind, Disability Rights UK, RSPCA) and local charities which include churches, schools,

community centres, sports clubs and more. Charities make up a huge part of our society and in so many ways contribute to a thriving civil society.

The British public has continuously showed its generosity in giving to charities, through donations, charity shop purchases, marathons and volunteering. Many would say charity features in the lives of nearly everyone in the country in some way at some point – whether you are relying on the services of a charity or helping to support one.

In a society which is constantly being starved of resources and with an ever-shrinking social security net, charity can fill the gaps and provide support to those who are most in need. They offer a space to challenge those responsible for policy and decision making, and create space to bring about social and societal change.

However, the notion of charity is a complex one. Whilst it is clear that the intention (and often the outcome) is to provide support and assistance where it is most needed, the structure and principles which embody charity can often lead to the perpetuation of harmful structures which keep those who charity is meant to support, marginalised and oppressed.

Despite its best intentions, the unfortunate reality in many cases is that for many people across the world, charity often has its roots in capitalist and colonial systems of oppression which rely on some people having access to

wealth and resources, and others not. The dependency which is created through this system is often reinforced by charity, often through its legal structure and the laws and regulations which govern it.

“Fairness and equity isn’t determined by legal structure. Charities have investments in arms and weapons – those structures don’t produce the ideologies that lead us to resist harmful structures of capitalism.”

That being said, charity can be, has been, and continues to be used as a vehicle for change with support of forward-thinking leaders and communities in the UK.

When helping community organisations, particularly those engaged in social justice work, to decide whether a charity is right for them, there are a few key things that we will discuss at the outset.

Key considerations

Charitable objects

In order for an organisation to be charitable, it must have ‘exclusively charitable purposes’. Charitable purposes (also called ‘charitable objects’) are derived from legislation⁶, which lists 13 purposes that are recognised as charitable under the law in England & Wales. This includes purposes such as the relief of

6 The Charities Act 2011

poverty, the advancement of education, the advancement of health or the saving of lives, the advancement of the arts and culture, the advancement of human rights, etc.

In order to be recognised and registered as a charity, an organisation must demonstrate which of the 13 recognised charitable purposes it is advancing and how it is doing so in the public benefit. However, it is not always simple – particularly for social and racial justice organisations – to demonstrate how their work fits within one of the 13 recognised charitable purposes. Much of the language used by the relevant legislation feels archaic and anachronistic to the work these organisations are carrying out.

“We also want to craft the right identity for ourselves and use the words and terms that are true to us for our work. There is a linguistic resistance about how we do our work and we want that to be reflected in our documents. Finding a way to get to legal compliance within an emancipatory framework is really important.”

Numerous community organisations have noted that the connotations of the word 'charity' and the inherent expectations of some of the recognised charitable purposes feel antithetical to social justice, racial justice, and empowerment.

“The idea of charity just doesn't sit well with our work. It's like they say, we want solidarity, not charity.”

Tax benefits

All registered charities and charitable incorporated organisations are exempt from paying corporation tax and capital gains tax (if the gain is applicable and applied for charitable purposes).

Charities also benefit from gift aid, which is a government scheme that gives 25p for every £1 to charities when individuals donate. Higher rate taxpayers can also claim back the tax they've paid on the donation and what the charity got back.

The tax breaks are often a huge incentive to become a charity. The ability to maximise the income received means charities can do even more with the money they have. Companies also generally find it easier to give charities as it helps to reduce their overall tax bill (and it also makes them look good to their employees/customers).

Trustees and voluntary trusteeship

A core aspect of charity is the appointment of trustees, who have legal responsibility for the charity. They are the equivalent of directors in a company or community interest company and are the ultimate decision-makers for the charity. They are usually responsible for the strategic direction, financial health and overall compliance of the charity. Depending on the size of the charity, trustees will vary in their

involvement in the day-to-day running of the organisation and often their decision-making responsibilities will be delegated (i.e. handed over) to staff, including the CEO, Executive Director or other employees.

“With charities, all that stuff about having a board, which is necessary... I believe in that transparency and scrutiny – but it doesn’t map onto where we’re coming from. I don’t want to give all that work we’ve done away. If I register as a charity I have to continue asking for permission – the board controls the organisation and it’s hard for you to be an employee and guide the work as a trustee. [But] our current situation [as a non-charity] does seem to exclude us from funding that we align with.”

Trustees are typically volunteers, meaning they are unpaid for their role (except for their expenses while carrying out their trustee duties). The principal of ‘volunteering’ is a key tenant of charity and without it many charities would not be able to function.

However, the principle of volunteering is also rooted in Victorian notions of charity, where the wealthy ‘benefactors’ who often had the luxury of money and time would volunteer their services for the benefit of poor ‘beneficiaries’. While volunteering is fundamentally rooted

in a spirit of generosity and public service, it also simultaneously creates a power dynamic between a ‘giver’ and a ‘receiver’. The result has been that the vast majority of trustees in the charity sector in the UK derive not from historically marginalised communities, or the communities that charities are set up to ‘benefit’ – but instead from wealthy and predominantly white communities.

We know that giving up your time for free isn’t an option for lots of people, no matter how much they want to – particularly those from communities that have been historically marginalised and disenfranchised. The result is that many trustee boards lack diversity, not just in race/ethnicity but in people’s experience and backgrounds. Charity leadership can often feel disconnected and far removed from the communities that the charity seeks to serve⁷.

“Trustees have the last word in the decisions of organisations, but that’s part of a bigger problem as the communities don’t make the decisions. I understand that some people have no knowledge of charity structures, but you need to have a commitment to learn this. People don’t do that – people talk about what the corporation is and how that applies here, but it doesn’t – that’s one of the challenges.”

⁷ A 2020 report by ACEVO (<https://www.acevo.org.uk/2020/03/trustee-racial-diversity/>) noted that 62% of the top charities by income have all-white boards; 34 out of 100 UK major charities have all-white senior leadership (both voluntary and professional) and 92% of trustees are white, older, and above-average income and education (Charity Commission 2017)

It is possible to apply to the Charity Commission for trustees to be paid members of the board, but it's not a straightforward process and requires justification for why it is in the best interests of the charity, why it is not possible to work with a volunteer instead of a paid individual, evidence for why the payment is a reasonable one and how conflicts of interest will be managed. Even so, it is exceedingly rare for the entire board of a charity to be paid and this is usually restricted to a minority of trustees.⁸

“I come from an East-End background, my family and friends are all at the same financial level – so trying to have a conversation about unpaid directors for my company has been a difficult conversation. That has given us barriers to apply for bigger grant funding.”

Fundraising

Many charities rely on grant funding (that is, funding from grants, donations and foundations) for at least some, if not all, of their work. Virtually all grant funders are able to fund charities, as charities give funders the benefit of knowing their funds will be used exclusively for the public benefit. In many cases, funders themselves benefit

from tax breaks when they grant funds to a charity.

Fundraising from the public is another key activity for most charities. The public's willingness to give their hard-earned money to a charity is really what sets them apart from other companies. People generally feel more comfortable giving to a charity because they understand that their money will be used for a specific purpose where there is a benefit to someone or something in need of support, and therefore charities often find it much easier than other types of organisations to raise money through donations from the public.

⁸ A number of significant changes to the Charities Act 2011 are in the process of coming into force on the date of this publication, pursuant to the implementation of the Charities Act 2022. Some of these changes pertain to the payment of trustees. For example, it is expected that the Charity Commission will be able to authorise a charity to remunerate trustees who have already carried out work for their charity where it would be inequitable for the trustee not to be remunerated. The Charity Commission's new powers are discretionary and so it remains to be seen how the Commission will exercise them in practice.



Regulatory environment

The Charity Commission is regulatory body in the UK that regulates all charities. It is responsible for registering charities and ensuring that they comply with the law and fundraise in a way that is compliant and safe.

The Charity Commission is an independent regulator, exempt from ministerial control. It has wide ranging powers once a charity is registered and it can legally intervene in the activities of a charity and its trustees.

“Our impression of the Charity Commission initially prevented us from even registering as a charity. I felt like if I made a mistake, I’d be accountable and accused. Black people already have a bad reputation and this is not something I wanted to be involved in [by registering a - charity]. I read about the way that Kids Company was turned into a villain. And we saw the recent case of Sistah Space and what happened with them. It really puts us off from doing this work as a charity. If we come under attack, do we have the energy to cope with it? It is scary.”

The level of intervention is dependent on the perceived wrongdoing of the charity by the Charity Commission, but really anything from asking the trustees to provide emails and

evidence of decisions that were taken, to a launching an investigation and removing the trustees from office is possible.

The regulatory burden of being a charity weighed heavily on the minds of many community leaders we spoke to, in particular those working in spaces that are seen as ‘hot political topics’ like migration or part of ‘culture wars’ issues including racism, colonialism and LGBTQIA+ rights.

“We’re set up as a charity in E&W in a way that feels outdated. We went through a public attack... and all hell broke loose on social media. We and our funders were trolled and threatened. We had to submit a Serious Incident Report to the Charity Commission, which took loads of staff time and energy. There’s a sense that we’re under attack and there’s more coming.”

The additional regulation that charities experience can be burdensome and in many cases it can feel (and be) hostile. However, its purpose is to give the public comfort and to provide a level of trust in a sector which is reliant on the generosity of public giving. Whether the regulatory burden is something that grassroots organisations want to be subject to is absolutely a question to be asked when deciding whether charity registration is right for your organisation.

“When we talk about charities we feel it’s too much pressure to be a charity – you have to get accounts people, people who spend time looking for grants, etc. So we made an easy community association working at the grassroots level. The issue for us is because our work is voluntary, we’re not making money from what we’re doing. We’re not looking for grants or money – for charities we feel their main goal is looking for money. For us it’s not that, we deliver Quechua [language] lessons. If you start looking to become a charity it becomes more difficult and we haven’t got time I have to be honest.”

Charitable incorporated organisations (CIOs)

If you decide that setting up a charity is right for you, many community organisations opt to set up a CIO. The CIO is generally a simple and straightforward option for community organisations.

Introduced in 2013, the CIO is a relatively recent legal form that is regulated directly by the Charity Commission.

Key advantages of CIOs:

- ▶ **Registration and income threshold:** CIOs don't need to demonstrate a particular income threshold for registration, which is often critical for community organisations who don't have any income when starting out.
- ▶ **Single regulatory authority:** Unlike charitable CLGs, which are regulated by Companies House and by the Charity Commission, CIOs are subject to a singular regulatory entity – the Charity Commission.
- ▶ **Dual tiers:** CIOs have both trustees and members, with the possibility of a unified structure referred to as a 'foundation CIO' or a broader membership structure termed an 'association CIO'. The Charity Commission provides model constitutions for both.
- ▶ **Flexibility in decision-making:** CIO constitutions allow for consensus-based decision-making, offering more flexibility than charitable companies.
- ▶ **Registers:** CIOs must maintain a public register of charity trustees.

Key disadvantages of CIOs

- ▶ **Lengthy establishment process:** CIOs experience a prolonged registration period – anywhere from one to six months - leaving them legally indistinct until completion.
- ▶ **Unproven legal structure:** As a relatively new entity, CIOs don't have the recognition and the established legal framework that apply to companies. Public and financial

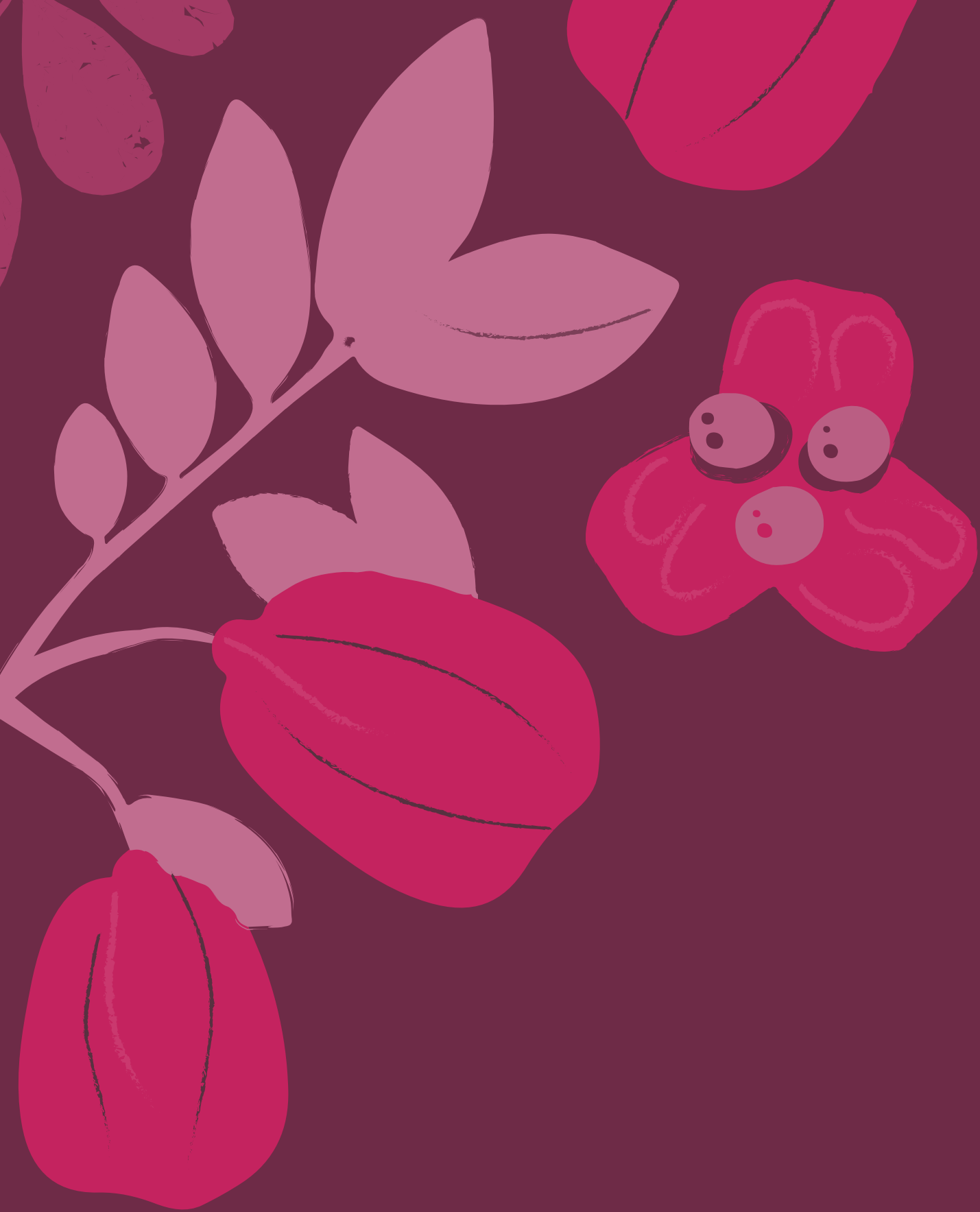


institutions may be less familiar with CIOs compared with other legal structures.

- ▶ **Regulatory stringency:** CIOs can face tighter regulatory constraints such as strict filing timelines, impacting flexibility compared with unincorporated charities.
- ▶ **Limited members' rights:** Members possess fewer rights compared with

company structures, with fewer options for decision-making flexibility.

- ▶ **Financing challenges:** There can sometimes be problems with CIOs taking out loans or buying property because (unlike with companies) CIOs don't have a public Register of Charges and this may deter some lenders.



SEVEN

*Registered
societies
– community
benefit societies
(CBS) and
co-operative
societies*

Legal forms such as company limited by guarantee and a community interest company are fairly common and well understood legal forms in the non-profit world.

However, unbeknown to most, there is another legal form which has its origins in the North of England, the Victorian era and the rise in worker rights, trade unions and mutual support following the industrial revolution. In 1852 the 'industrial and provident society' (IPS – also now known as a 'registered society'), was created by an act of parliament. The purpose was to create a new type of legal form which gave its members the benefit of limited liability, but was rooted in community and democratic ownership, rather than financial return and shareholder ownership.

Its emergence was a resistance to the exploitative nature of capitalism and the rise of ownership and profiteering by a few at the expense of the many. Through the common pooling of resources by the individuals who established them, registered societies championed sharing of resources and decision making instead of profit. The people who were reliant on the outputs of the organisation were also instrumental in its success. Any profit that was made by the societies was reinvested back into the society and surplus (the money left over) was distributed amongst the members, meaning everyone had a stake in the organisation.

IPSs – registered societies – come in two forms: a 'community benefit society' and a 'co-operative society'. They are similar in their principles but have different core focuses.

Community benefit societies (CBS or BenCom)

A CBS is an organisation with a business or trade which is conducted entirely for the benefit of the community. CBSs are a great legal form for community and non-profit organisations, as they must exist entirely for the benefit of the community. This means that all of the activities of the CBS are required to benefit the community and not the owners of the organisation (although the owners can also benefit if they are part of the community).

CBSs are unique in the fact that the legal owners of the organisation are known as members but, unlike a company limited by guarantee (which also has members), each member holds at least one share in the CBS. The shareholding represents the members' ownership and voting rights in the company. However, unlike a company limited by shares (which also has a shareholding), the members (who hold shares) of a CBS cannot make a

profit or take dividends out of the CBS. This is because the CBS has an asset lock, which means all of the assets of the organisation must be used for the benefit of the community.

The CBS is also an inherently democratic structure, in that every member only holds one vote when decisions are made, regardless of how many shares they hold in the organisation. This differs from a usual shareholding structure, where the more shares you have, the greater your voting power.

“The power dynamics in the governance of the organisation are really important for us. We also want to craft the right identity for ourselves and use the words and terms that are true to us for our work. There is a linguistic resistance about how we do our work and we want that to be reflected in our documents. Finding a way to get to legal compliance within an emancipatory framework is really important.”

So why do CBSs have shares in the first place – given all of these restrictions on shareholding? CBSs have historically been used as a mechanism for raising funds for community projects. Each member’s shareholding provides a mechanism for making a financial investment into the CBS for a community purpose. It’s different from making a loan and is known legally as an ‘equity investment’. It’s generally easier to invest through a CBS,

as a CBS does not have to comply with the same restrictions when issuing shares (e.g. requirements around financial promotions and raising investment from the public) as other companies that have shares. This was an intentional element of the CBS and has meant many community projects, such as wind-farms, pubs and sports clubs, have been able to raise money from their community and thrive.

Many organisations don’t use a CBS to raise money or seek investments for the community. Instead, they use a CBS because its legal structure offers a democratic governance model and community purpose which can be really attractive and beneficial for organisations that don’t feel like they fit the more traditional non-profit models, such as a company limited by guarantee, a community interest company or a charity.

CBSs are often used where there is a wider membership body that wants to be actively engaged in the work of the organisation. The CBS model encourages member participation in the ownership and control of the organisation and members can be directly involved in direction and outcomes of the organisation.

We’ve summarised some of the key features of CBSs over the page.

Setting up a CBS

In order to incorporate a CBS, the most straightforward option in our experience is usually to work with Co-operatives UK, a co-operative member-led organisation which

Feature	Benefit to community organisations
Registered by the Financial Conduct Authority (FCA)	The Financial Conduct Authority (FCA) is the registering body of a CBS. However they are not a regulator, and only have limited powers to intervene in the activities of a CBS.
No primary regulator	CBSs do not have a regulator, unlike CICs (CIC Regulator) and charities (Charity Commission).
Can be charitable	Charitable community benefit societies are exempt charities, which means they aren't listed on the Charity Commission register and don't face the same kind of regulation as most other charities by the Charity Commission. Charity law still applies to them, as well as the Charity Commissions guidance. However, for example, CBSs do not need to make Serious Incident Reports to the Charity Commission.
Listed on the Mutuels Register	A slightly more discreet register simply because it is less well-known. Only three members need to have their details listed on the register (rather than all of the directors), which can help provide a greater sense of safety to vulnerable members.
Must be set up entirely for the benefit of the community	CBSs are inherently not-for-profit and hold community benefit at their core.
Directors can be paid	Important for ensuring community members can be paid for their work and contributions.
Tax benefits if you are a charitable CBS	A charitable CBS can apply to HMRC for tax exemptions.
All members have one vote	All members have one vote, regardless of the size of their shareholding. This creates an inherently democratic governance structure.
Political activity	A non-charitable CBS can carry out political activity, as long as this is in furtherance of its community purpose.

provides resources and support to co-operatives and registered societies across the UK.

Co-operatives UK is a sponsoring body, which means they have a pre-approved set of 'model rules' (which is the governing document for a CBS), which can be used for the registration. They also provide support and guidance when registering.

There are other sponsoring bodies who have model rules that can be used – you can see the list of sponsoring bodies here.

When registering a CBS, the FCA (the registering body) charges a fee for each change that is made to the model rules. The maximum fee charged for changes to the model rules is £950.

A CBS can also be directly registered with the FCA using their online or paper forms – www.fca.org.uk/firms/mutual-societies-forms. However if you're not using model rules, the maximum fee of £950 will be charged for registration.

Co-operative societies

A co-operative society is another form of registered society. It is very similar to the community benefit society, as they come from the same family. However, the key difference is that a co-operative society is set up for the benefit of its members.

There isn't a set definition of a co-operative society, but it is loosely defined as an autonomous association of persons united voluntarily to meet their common economic,

social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

It does not include a society that carries on, or intends to carry on, business with the object of making profits mainly for the payment of interest, dividends or bonuses on money invested or deposited with, or lent to, the society or any other person. That is to say, a co-operative society can't be set up with the primary intention of making profits (unlike a company limited by shares).

You can find a lot more detailed information on setting up a co-operative society through the Co-ops UK website, accessible at: www.uk.coop/start-new-co-op.

“As a worker co-op, we're trying to harken back to the history of co-operative movement in Africa, to what the co-op looks like as anti-colonial practice. African Americans have a long history of co-ops post-slavery and emancipation and had to pool their resources together to finance buying people's freedoms. I was reading about people pooling their resources to pay for legal resources. By being a co-operative, we're trying to look at what a solidarity economic system looks like under capitalism. We care about what communities can do for themselves and utilise those skills to produce value... The model is based in community involvement and building trust.”



CONCLUSION

We hope that this toolkit will help you to feel more equipped to understand or navigate setting up a non-profit organisation in the UK, in particular as an organisation engaging with issues of social and/or racial justice.

If you have any questions about what's been covered in the toolkit or setting up non-profit organisation more generally, please let us know by contacting us using our online form.

We would also love to hear your feedback on the toolkit, including how it might be improved.

www.sistren.co.uk



ANNEXES

Annexe 1: Table comparing legal forms

This table compares and contrasts the legal forms we've discussed in this Toolkit. It's intended to be an indicative overview, so

doesn't cover every circumstance or exception possible, but instead is intended to help you consider some key factors when you're making your decision.

Legal forms that can be charitable are highlighted in yellow.

“When we were scoping to set up [organisation name redacted], there weren't enough tables online that outlined the possible the structures and what each of them means. When we finally found one, seeing the breakdown and comparison was really helpful. Having this information in accessible formats is really important.”

	1. Unincorporated association	2. Company limited by guarantee (CLG)	3. Community benefit society (CBS)	4. Charitable incorporated organisation (CIO)	5. CLG community interest company (CIC CLG)	6. Company limited by shares (CLS)	7. CLS community interest company (CIC CLS)	8. Cooperative society
Set-up related issues								
Ease of set-up process⁹	N/A – no formal process for setting up	Easy (3 days – 3 weeks)	Medium (2-3 weeks – some legal advice or guidance recommended)	Medium (3–6 months)	Easy (3 days–3 weeks)	Easy–medium depending on complexity and documentation required (2 weeks–2 months)	Easy–medium depending on complexity and documents required (2 weeks–2 months)	Medium – some advice or guidance recommended
Incorporated/ separate legal identity?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Limited liability for members?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Limited liability for directors/ committee?	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constitutional document	Known as the Constitution, rules or other another name eg Governing Document	Articles of association	Rules	Constitution	Articles of association	Articles of association	Articles of association	Rules
Directors/ trustees?	Neither. Could have 'Management Committee Members' or a 'Leadership Committee'.	Directors (called Trustees if it's a charitable CLG. Minimum 3 trustees required for registration as a charitable CLG).	Directors	Trustees (minimum 3 trustees required for registration as a CIO)	Directors	Directors	Directors	Directors
Payment of directors/trustees possible?	Generally, no	Yes (If it's a charitable CLG, no or very limited payments to directors/ trustees)	Yes (unless it's a charitable CBS, in which case no or limited payments to directors/ trustees)	No or very limited payments to directors/ trustees	Yes, subject to some restrictions and approvals (e.g. managing conflicts of interest)	Yes	Yes, subject to some restrictions and approvals (e.g. managing conflicts of interest)	Yes

⁹ Timescales are very broadly indicative and are not intended to be precise. They also assume a degree of knowledge and access, which community organisations often don't have. A DIY process could take much longer (e.g. one community organiser we spoke to took roughly 9 months to set up her community interest company. Another took over a year to set up her CIO). Hopefully some of the tools in this toolkit will help simplify and speed-up DIY processes.

	1. Unincorporated association	2. Company limited by guarantee (CLG)	3. Community benefit society (CBS)	4. Charitable incorporated organisation (CIO)	5. CLG community interest company (CIC CLG)	6. Company limited by shares (CLS)	7. CLS community interest company (CIC CLS)	8. Cooperative society
Core constitutional requirements					Core constitutional requirements			
Objects/Purposes	Any	Any (But charitable CLGs must have exclusively charitable objects)	Must be for the benefit of the community	Must have exclusively charitable objects	Community interest purpose	Any	Community interest purpose	Must follow co-operative principles
Include an asset lock?	No – but can if you want it to	No – but can if you want it to (but charitable companies limited by guarantee must contain an asset lock)	Yes	Yes	Yes	No – but can if you want it to	Yes	Yes - can
Regulation-related issues					Regulation-related issues			
Charitable?	Can be	Can be	Can be	Yes	No	Usually not	No	No
Regulator?	Generally, no – unless required to register with the Charity Commission	Companies House. Also Charity Commission if it's a charitable CLG	FCA	Charity Commission	CIC Regulator and Companies House	Articles of Companies House	CIC Regulator and Companies House	FCA
Registration with regulator?	No (unless purpose is exclusively charitable and income is over £5,000)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Costs and fees-related issues					Costs and fees-related issues			
Initial registration fees?¹⁰	N/A	Yes – £40	Yes – can go from £40 up to £950 depending on complexity	No	Yes – £27 (for online registration)	Yes – £40	Yes – £27 (for online registration)	Yes – can go from £40 up to £950 depending on complexity
Recurring or ongoing fees?¹¹	N/A	Yes (Note: for a charitable CLG, you need to prove that you have a minimum of £5k in annual income in order to register as a charitable CLG. This is often not possible for community organisations.)	No	No (Note: No minimum annual income threshold required, unlike a charitable CLG, which often makes CIOs a preferable option for community organisations.)	Yes	Yes	Yes	No

¹⁰ Fees for incorporation / initial registration change from time to time, so always check for updated fee schedules. Note that fees for entities regulated by Companies House are changing on 1 May 2024. Please check the following link for updated information: <www.gov.uk/government/publications/companies-house-fees/companies-house-fees>

¹¹ Fees change and are updated from time to time – please check the relevant regulator page for updated fees.

	1. Unincorporated association	2. Company limited by guarantee (CLG)	3. Community benefit society (CBS)	4. Charitable incorporated organisation (CIO)	5. CLG community interest company (CIC CLG)	6. Company limited by shares (CLS)	7. CLS community interest company (CIC CLS)	8. Cooperative society
Funding, finances and taxation-related issues					Funding, finances and taxation-related issues			
Can apply for grants from funders?	Yes – though some funders will only fund incorporated entities	Yes – though some funders may have special requirements (e.g. restricted funding) or prefer to or will only fund charities (or in some cases CIC CLGs)	Yes – though some funders may have special requirements (e.g. restricted funding) or prefer to or will only fund charities (or in some cases CIC CLGs)	Yes	Yes – though some funders may have special requirements (e.g. restricted funding) or will prefer to or will only fund charities	Yes, but less likely – although there is no legal obstacle to funders funding CLSs, many funders will not fund CLSs or prefer to or will only fund charities (or in some cases CIC CLGs). Funding is likely to be restricted, if provided	Yes, but less likely – although there is no legal obstacle to funders funding a CIC CLS, many funders will not fund a CIC CLS or prefer to or will only fund charities or a CIC CLGs	Yes, but less likely – although there is no legal obstacle to funders funding a Co-operative, many funders would prefer to fund only charities or CIC CLGs
Usual types of funding/finance available	Grants possible but often difficult Loans possible but less usual	Grants Loans	Grants Loans Equity	Grants Loans but can be more difficult	Grants Loans	Grants less likely Loans Equity	Grants less likely Loans Equity	Grants less likely Loans Equity
Corporation Tax relief	Some tax reliefs available depending on the activity	No specific tax relief (unless it's a charitable CLG, in which case the tax reliefs applicable to CIOs also apply)	No specific tax relief (unless it's a charitable CBS, in which case the tax reliefs applicable to CIOs also apply)	Yes - no corporation tax payable on grant income or on profits generated from charitable trading Gift Aid available Other reliefs less commonly applicable for community orgs incl. inheritance tax relief, stamp duty land tax relief, of business rates reliefs.	No specific tax relief	No specific tax relief	No specific tax relief	No specific tax relief

	1. Unincorporated association	2. Company limited by guarantee (CLG)	3. Community benefit society (CBS)	4. Charitable incorporated organisation (CIO)	5. CLG community interest company (CIC CLG)	6. Company limited by shares (CLS)	7. CLS community interest company (CIC CLS)	8. Cooperative society
Membership and stakeholder involvement in decision-making					Membership and stakeholder involvement in decision-making			
Membership voting	In accordance with the constitution	Usually one member, one vote	Usually one member, one vote	Usually one member, one vote	Same as a CLG	As per the constitutional document – usually one share one vote, so people with more shares have more votes	Same as a CLS	One member, one vote
Stakeholder involvement?	Different ways to make this possible can be built into all legal forms				Different ways to make this possible can be built into all legal forms			
Conversion to a charity					Conversion to a charity			
Can convert to a charity?	Yes – can register with the Charity Commission where income is above £5,000 and activities are exclusively charitable (or choose to incorporate as a CIO or charitable CLG)	Yes – can apply for registration as a charity if it adopts exclusively charitable objects	Yes – can be a charitable CBS	Is already a charity	Yes – following an amendment of its governing documents, can apply to register as a charity	Generally no (subject to some extremely limited exceptions)	Generally no	Generally no

Annexe 2: Helpful resources

General resources:

- ▶ www.resourcecentre.org.uk/information/legal-structures-for-community-and-voluntary-groups/
- ▶ www.uk.coop/sites/default/files/2020-10/simply-legal-final-september-2017.pdf

Legal forms

- ▶ www.ncvo.org.uk/help-and-guidance/setting-up/choosing-your-legal-structure/

Incorporation

- ▶ www.gov.uk/government/publications/incorporation-and-names/incorporation-and-names
- ▶ www.gov.uk/guidance/applying-to-protect-your-personal-information-on-the-companies-house-register#what-protection-is-available

Unincorporated associations:

- ▶ www.gov.uk/unincorporated-associations
- ▶ communitysouthwark.org/unincorporated-associations/

Fiscal hosting

- ▶ thesocialchangeagency.org/blog/what-is-fiscal-hosting/
- ▶ docs.opencollective.com/help/fiscal-hosts/fiscal-hosts#why-are-there-different-fiscal-hosts
- ▶ prismthegiftfund.co.uk/faqs/

Community interest companies

- ▶ www.socialenterprise.org.uk/all-about-social-enterprise/

Charities:

- ▶ www.gov.uk/government/publications/what-makes-a-charity-cc4
- ▶ www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3
- ▶ charitysowhite.org/blog/why-racial-and-gender-representation-matters-in-charity-boards
- ▶ publications.parliament.uk/pa/cm5803/cmselect/cmintdev/150/report.html

Registered societies:

- ▶ Co-ops as a Tool for Racial Justice: www.youtube.com/watch?v=GG2ewIaMDXQ
- ▶ Co-ops & the Movement for Racial Justice: www.youtube.com/watch?v=PIkuYAZtTMA
- ▶ Black Women Star in Cooperative Economy with Jessica Gordon Nembhard, Ph.D.: www.youtube.com/watch?v=WQm3UeIrW-M
- ▶ www.uk.coop/resources/community-shares-handbook/2-society-legislation/21-bona-fide-co-operative-societies/211-cs
- ▶ communityenergyengland.org/files/document/442/1601371597_community_benefit_societies_guide.pdf

Annexe 3: How to DIY registering a community interest company (CIC CLG)

Registering a CIC online¹¹

1. Check that the name you want to use is available through the online company name availability checker and doesn't contain any sensitive words.

- a. If your chosen name is considered the 'same' or similar to an existing company name, you will need to choose a different company name.
- b. If your chosen name contains words that are considered to be sensitive words (like 'foundation' or 'government' as examples), you will need to seek prior approval to use that word in your organisation's name. The sensitive words guidance usually provides information on how you'll need to seek prior approval, though this process can sometimes be difficult or take a long time and it's possible that approval may not be granted. Some community organisations therefore find it simpler to avoid using sensitive words in their name altogether.

2. Prepare your Articles of association (or 'constitution').

- a. To do this, you can simply download the 'model constitution' provided by the Office of the Regulator of Community Interest Companies.

- b. Most small community organisations that we've come across use the CIC model constitution: company limited by guarantee with a small membership - articles of association. However, you'll need to think about the size of your membership to decide whether you want to use the 'small membership' or 'large membership' articles. You can read more about the model constitutions here.
- c. Complete the sections of the Articles of Association that are marked in square brackets '[like this]'.

3. Prepare a Form CIC36.

- a. This is the application to incorporate a CIC and sets out your organisation's community purpose, its activities and how they will benefit the community.
- b. You can see an example completed form here.
- c. Carefully read and then sign the declaration on the form. You'll need to sign the declaration in actual pen ('wet ink') rather than using an electric or online signature.
- d. (Note: the CIC36 form was updated recently – please ensure you're using the latest version).

¹¹ You can also register a CIC by post: www.gov.uk/government/publications/community-interest-companies-business-activities/cic-business-activitiesforms-and-step-by-step-guidelines#form-a-community-interest-company-cic-by-post

4. Register your CIC through Companies House [here](#).

- a. You'll need to create a Government Gateway account with a user ID and password for your new CIC.
- b. You'll also need to answer a series of questions online, including the details of each director of the CIC and a registered office address for the CIC before uploading the Articles of Association and CIC36 Form that you've prepared.

5. Pay the filing fee of £27 – payable by card or PayPal.

6. Look out for your 'Certificate of Incorporation' by email (approx. 1-2 weeks).

- a. In some cases, the CIC Regulator may come back with questions or clarifications on your application, or may reject your application if you haven't completed it correctly.

Useful resources

1. Set up a social enterprise: www.gov.uk/set-up-a-social-enterprise
2. Form a CIC Online – step by step guidance: www.gov.uk/government/publications/community-interest-companies-business-activities/cic-business-activities-forms-and-step-by-step-guidelines
3. Online CIC incorporations: www.youtube.com/watch?v=5n-gn9PlogY&t=12s
4. All about social enterprises: www.socialenterprise.org.uk/all-about-social-enterprise/
5. Start your social enterprise guide: www.socialenterprise.org.uk/app/uploads/2022/07/Start-your-social-enterprise-guide-1.pdf

Annexe 4: How to DIY registering a charitable incorporated organisation (CIO)

Registering a CIO

1. Understand whether your activities and purpose are charitable and check you meet the public benefit requirement.
2. Identify your trustees (a minimum of three) and decide what type of membership body you want – trustees only or a wide membership.
3. Prepare your constitution.
4. Prepare your charitable objects.
5. Check that the name you want to use is available through the Name availability checker (CH) and also through the register of charities from the Charity Commission. Check that none of the words used in your charity's name are sensitive words.
6. Review the relevant guidance and answer the detailed questions asked by the charity application form. Complete trustee declaration forms. You'll need to sign the declaration in actual pen ('wet ink') rather than using an electric or online signature.
7. Submit your application along with any supporting documents that the charity

application form has asked for. Carefully save the application number you are given after submitting your application.

8. Wait to hear back from the Charity Commission. This can take anywhere from a month, to six months. Answer follow-up questions from the Charity Commission (if any).
9. Register with HMRC.

Useful resources

NCVO – Help and guidance, from setting up to governance and funding: www.ncvo.org.uk/help-and-guidance/setting-up/#/

Charity Commission Guidance: www.gov.uk/government/collections/list-of-charity-commission-cc-guidance-publications

Five-minute guides for charity trustees: www.gov.uk/government/collections/5-minute-guides-for-charity-trustees

Charity Commission Guidance: www.gov.uk/government/collections/list-of-charity-commission-cc-guidance-publications

Five-minute guides for charity trustees: www.gov.uk/government/collections/5-minute-guides-for-charity-trustees

Annexe 5: List of Organisations Participating in Sistren's Research Project

The contents of this toolkit were inspired by our conversations with community organisation who participated in our research project and has been written to address some of the needs identified by community collaborators.

Organisation	Website	Work
Abdul Mageed Educational Trust	amet.online/about/	Abdul Mageed Educational Trust works to improve the quality of life in Arabic-speaking communities. Its mission is three-fold: education, connection, and empowerment. They do this by offering a multitude of services, tailored specifically to the needs of hard-to-reach communities.
Account3	account3.org.uk	Account3 is a community training and development co-operative whose primary business is working with ethnically diverse and marginalised local women to find solutions to issues which adversely impact their lives.
**Afro*Disiac Live Radio CIC	afro-disiac.co.uk	Afro*Disiac Live Radio CIC is a not-for-profit community interest business based in Bournemouth, with a sincere wish to provide diverse cultural enrichment to their community in Bournemouth and beyond.
Anti Racist Cumbria	antiracistcumbria.org	Anti Racist Cumbria aims to tackle and end racism through action and education to create a forward-thinking and actively anti-racist Cumbria; free from prejudice and systemic inequalities.

Baobab Women's Project	baobabwomensproject.net	Baobab Women's Project advocates for refugee and migrant women in the West Midlands.
Black Farmer's Market	bfmarket.co.uk/about	Important for ensuring community members can be paid for their work and contributions.
Deaf Ethnic Women's Association, DEWA	dewa.org.uk	The DEWA offers support to Deaf women with different ethnic backgrounds to increase rights awareness and empower their own decision making.
Dipped in Creativity	dicecic.org	Dipped in Creativity is a social enterprise, working primarily with 14 to 30-year-olds in East London to increase mental health awareness and community well-being. They use creativity in skill-based workshops, social events and programmes to build on skills and connect young people to employment opportunities.
**Dominicanos en acción Londres	dominicanosenaccion.com	Dominicans in Action encourage integration and participation of the Dominican community in the UK by developing free events, book club meetups and yearly charitable causes.
**Edinburgh Young Carers	youngcarers.org.uk	Edinburgh Young Carers is one of the most well-established and largest organisations in Scotland dedicated to working with and supporting young carers.
Ella Roberta Family Foundation	ellaroberta.org	Ella Roberta Family Foundation campaigns to improve air quality for everyone, everywhere. They believe in a world where everyone can breathe air that is free from toxic pollution, regardless of where they live, their economic status or their ethnic background.

<p>*Experts by Experience Employment Initiative</p>	<p>ebeemployment.org.uk</p>	<p>Experts by Experience Employment Initiative has a vision of a migration and asylum sector that is led by experts by experience of the asylum and immigration system. Their mission is to create representation of people with lived experience of asylum/migration at all levels of organisations and across different roles and departments.</p>
<p>Hackney Caribbean Elderly Organisation</p>	<p>hceo.org.uk</p>	<p>HCEO is a community organisation that promotes the interests of elders, primarily but not exclusively of Caribbean descent. HCEO's vision is to work together to build stronger, closer and inclusive communities where every day is to be eagerly anticipated by the older person.</p>
<p>Highgate Black Women's Wellness Group</p>	<p>tinyurl.com/bdkeh6b4</p>	<p>Highgate Black Women's Wellness Group is a safe space for Black women to meet three times a month around different topics which are dedicated to their wellbeing.</p>
<p>+Latin American House</p>	<p>casalatina.org.uk</p>	<p>Latin American House serves as a community centre for both Latin Americans in London and for the local people of Kilburn. Latin America House aims to be a source of support and information for the Latin American population throughout the UK.</p>
<p>Make Your Mark – Barking & Dagenham</p>	<p>makeyourmarkbd.org.uk</p>	<p>Make your Mark B&D formed to provide innovative solutions and encourage collaboration and co-design in order to dismantle racism and develop growth within children and young people in Barking & Dagenham.</p>
<p>Migrant Action</p>	<p>migrantaction.org.uk</p>	<p>Migrant Action is an advocacy and rights-based organisation supporting migrants to feel welcome, access their rights and justice, and to effectively integrate in the UK.</p>

Multitudes Co-op	multitudes.coop/ about	Multitudes Co-op is a design and technology co-operative that researches, designs and builds digital and material infrastructure for present movements and liberatory futures.
Naglaa's World	naglaasworld.com	Naglaa's World offers interpreting and translation services tailored to London's Arabic and Amharic-speaking communities.
**Nijjor Manush and the Nejma Collective	nejmacollective. wordpress.com	The Nejma Collective is a UK-based collective of Muslim volunteers who work in solidarity with people in prisons by sharing resources (financial grants and books) and mutual support.
Project Tallawah	projecttallawah.org/ sharing	Project Tallawah is an emerging Black Feminist re-sourcing and community initiative based in the UK.
RETAS Leeds	retasleeds.org.uk	RETAS delivers comprehensive services and education to assist refugees, asylum seekers and vulnerable migrants to feel welcomed and fully supported to integrate into society.
Revoke	migrantaction.org.uk	Revoke is a grassroots organisation advocating for the rights and welfare of displaced young people, and those in the care system, living without advocates, families, power, or a voice.
Rimanakuy Community Cultural Association	comuni- dadrimanakuy.org/ about-4	The Rimanakuy Community Cultural Association is a non-profit community group with a number of cultural aims including preservation of Latin American ancestral languages, supporting the literacy of native communities and providing international solidarity and aid to native community members in need.

Ten Years' Time	tenyearstime.com	Ten Years' Time helps ambitious donors and foundations to repair harm and rebalance power by resourcing racial and economic justice with care and confidence.
The Introvert Space CIC (formerly Black Introvert Week UK)	blackintrovertweek.uk	Black Introvert Week runs in the last week of October every year. The campaign focuses on empowering organisations and educational institutions to think in greater depth about the personality diversity and intersectionality of Black employees and students through panel discussions, thought leadership and social campaigns.
Frames	N/A	Frames provides advocacy services for children and their families in Southeast and Southwest London.

* Organisations that informed our research through our conversation with them, without engaging in formal interviews.

+ The individual we interviewed does not work for Latin American House on the date of this publication.

** Organisations that contributed through their participation in a survey questionnaire (not an interview).

About the Authors

Keya Advani

Keya is the Co-Founder of Sistren Legal Collective. She is also the Director of Programmes and Policy at the Global Alliance of Impact Lawyers (GAIL), a community of legal leaders who are using their careers to have a positive impact on people and the planet, and to accelerate a just transition. Keya has a BA in Comparative Literature from Hamilton College (USA), an LLB from the University of Cambridge (UK) and a Post Graduate Diploma in Human Rights Law from the National Law School (India). She was born and raised in India and started her career at the intersection of law, feminism and human rights. She came to the UK to study law and qualified as a lawyer at a Magic Circle law firm in London, before moving on to work as part of the Impact Economy practice at a leading charity law firm. Keya has worked and seconded with a range of organisations, including in India, Jamaica, the United States and the UK. She's worked on a range of issues, from violence against women to social housing, using a variety of legal strategies from legal advocacy to public interest litigation. She is committed to using the law as a tool to create positive change and is interested in collaborative, transnational ways to address global, systemic problems

Samara Lawrence

Samara is the Co-Founder of Sistren Legal Collective. She is a non-profit lawyer with a passion for supporting organisations which advocate for social and racial justice. She is also Deputy General Counsel at Oxfam, supporting the organisation globally on its legal, campaigning and regulatory matters. Samara has a BA in Politics from SOAS, University of London and following her conversion to law, she trained and qualified at a magic circle law firm in London. Samara then followed her passion for the non-profit sector and worked at a leading charity law firm for four years, where she supported a wide range of non-profit organisations, including charities, social enterprises and community benefit societies. She worked closely with Black Lives Matter UK, the Baobab Foundation, Mission 44 on their set up and legal structuring. Samara has worked across the non-profit sector and is committed to finding new ways to support community organisations gain access to the law as a tool for social justice.



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