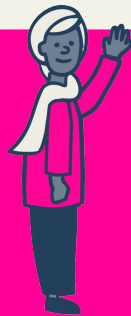




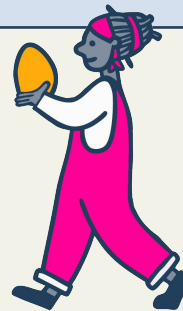
MAKING SENSE OF THE SYSTEM: GOVERNANCE



To become more
effective and
sustainable



To minimise
frustration and
confusion



To remain
accountable and
transparent

MAKING DECISIONS TOGETHER





SETTING UP FOR SUCCESS

It's good to have in place:

Decisions on how to
make decisions

Knowledge on how to
run useful meetings

A way to record action
points and carry out
tasks across the group

A way to store
information and resources
online that can be
accessed by who needs to

A way to encourage
people to stay in your
group

A plan in place for how
to deal with group
conflict

DECIDING HOW TO MAKE DECISIONS



It's like building the ladder before we climb.

Early in your journey, it's important to make sure everyone is clear on how decisions are made.

There are different ways to come to an agreement, and it's important to match each approach to the situation appropriately.

For more information and a matrix to use with your group, see our [Top tips for making decisions](#)



SPONTANEOUS AGREEMENT

I'll input my decision



CONSENT

I'll proceed if nobody objects



CONSENSUS

I'll proceed if everyone agrees



MAJORITY VOTING

I'll listen to, input, vote, then I'll proceed on the vote



DELEGATE

I'll defer to someone else

SUPPORTIVE STRUCTURES

Governance isn't just about choosing a legal structure.

It's about creating **effective, accountable** and **inclusive** ways of working. Policies shouldn't be prescriptive or restrictive - they should be living tools that guide your group, clarify roles and support decision making.

They should strengthen your work and bolster your impact by making sure everyone is safe and considered.



HEALTH AND SAFETY

Clarifies the steps your group takes to ensure volunteers, participants and group members safety and wellbeing.

SAFEGUARDING

Makes clear who to contact in the case of a safety or wellbeing concern, and gives your team a clear framework on how to handle issues.

DBS CHECK

Ensures the safety of any children or 'vulnerable adults' who might be coming into contact with your group's activities.

GROUP AGREEMENT

Makes things like how you communicate, make decisions, and manage conflict.
See also: governing document, constitution



SUPPORTIVE STRUCTURES

Here are a few policies we recommend having as a community group, no matter your legal structure.



BUILDING TOGETHER

It can be hard to bring everyone on the journey, especially when governance is not an especially 'sexy' word. Here are some suggestions for how to help policies feel relevant and participatory.



LEAD WITH IMPACT

Show how policies and governance directly support your mission. Use examples like “this policy helps us run safer events” or “this process makes it easier for everyone to have their ideas heard”.



INTERACTIVITY

Workshops, brainstorming and co-creation sessions are more engaging. Where possible, bring everyone together physically, or explore online collaboration tools.



STORYTELLING

Instead of abstract rules or dense blocks of jargon-filled text, use real-life examples to ground the conversation. “How would we have designed this program if we used this new tool instead?”



MAKE IT MAKE SENSE

There's little point to creating these tools if not everyone can understand how to use them. Use clear, simple language instead of legal-speak where you can.



COLLECTIVE TOOLS

Emphasise that policies are tools for the whole group, not top-down rules to follow. Make clear how feedback is reworked into your policies, to illustrate shared ownership.



KEEP IT LIGHT

Time is precious, but where you can try to break policies, and conversations about policies, into digestible amounts. Sometimes that might mean 4 short tools instead of one long manual, and that's OK.

LEGAL STRUCTURES



CONSTITUTED VS UNCONSTITUTED

UNCONSTITUTED

A group of people working together informally, like on a neighbourhood event or hyperlocal activities, without written rules or a formal governing document.

They may have shared values or a clear purpose, and often make decisions collectively or by consensus, but these arrangements aren't written down.

This flexibility allows them to act quickly, but it can also make expectations or responsibilities less clear to others, like funders. Some groups sit somewhere between this and being constituted.

They may have agreed ways of working or informal norms that provide structure, even if nothing is written down.



In short: whether your group has written rules

CONSTITUTED

A group that has written down its purpose, membership, how they work together and how it makes decisions, for example in a constitution, set of rules, or simple agreement.

This helps make unspoken rules, assumptions and expectations clear. It also provides continuity as members change, and helps the group stay accountable to its community and funders.

Some groups operate partly in this way, with shared understanding and consistent decision-making, even if not everything is formally documented.

INCORPORATED VS UNINCORPORATED



In short: whether your group is a separate legal entity

UNINCORPORATED

Unincorporated groups are made up of individuals that have come together for a shared purpose.

These groups are often referred to in law as unincorporated associations. It can be constituted (with written rules) or unconstituted (informal).

Many incorporated organisations will have began their life as an unincorporated group, and many groups will never incorporate.

INCORPORATED

Incorporation is the process of legally registering a group. There are different legal forms of incorporation and different documents needed to register.

When a group incorporates, it becomes a separate legal entity to the people who run it.

WHAT IS A LEGAL STRUCTURE?



CORPORATE BODIES

Incorporation is the legal process of setting up an organisation. In doing so, you create something separate from you, a 'corporate body' with its own 'legal personality'.

Not all organisations are incorporated.



LEGAL LIMITS

Legally registering as an organisation also involves regulation. These rules can be protective, but many are rooted in colonial and capitalist histories, and can curb radical action. After all, *"the revolution will not be incorporated"*.



FIT FOR PURPOSE

In finding the right fit for your group, you might consider:



RELATIONSHIP WITH MONEY

The legal structure your group takes can determine the type of funding your organisation can access, and how you might want to use it.



DECISION MAKING AND OWNERSHIP

While you can always determine your own ways of working, legal structures can shape how power is shared.



TYPE OF ACTIVITY

Some activities, like giving out grants, campaigning, or trading for a profit, may be regulated or only possible with a certain legal structure.



VERSION OF GROWTH

Your group's social mission, purpose, and long term goals might make one legal structure make more sense than another.



RISK AND REGULATIONS

The responsibilities, rights and obligations of group members can vary depending on the legal structure of your group.



SET UP AND ADMINISTRATION

Working as a group always requires some form of admin, which can affect your time and capacity.

UNINCORPORATED GROUP

GREAT FOR

- Simple and quick to set up, easy to dissolve
- Access small grants, donations, crowdfunding
- Flexible and community-led, with minimal regulation



A collective of individuals who voluntarily come together to pursue charitable activities in support of a social or environmental cause.

While informal in structure, it can still deliver meaningful impact through shared purpose and collaboration.



CONSIDER

- Constitution or governing document encouraged, suits different ways of working
- May not be able to receive larger grants on their own
- Risk sits with members of the group

FISCALLY HOSTED UNINCORPORATED GROUP



Fiscal hosting is where a legally registered organisation, like SCN, holds money on behalf of a community group, social movement or project that doesn't have the capacity or desire to register as a formal legal entity.

GREAT FOR

- Applying for grants by 'borrowing' the fiscal host's legal status
- Testing out an idea, project or way of working
- Focusing on your mission, lessening admin
- Getting financial, administrative and project support

CONSIDER

- Added layer of complexity when explaining to your community
- Complements many different ways of working and group structures
- Different fiscal hosts work with groups in different ways. Fiscal hosting with SCN allows groups to do things like sign contracts and jointly employ people



COMPANY LIMITED BY SHARES (CLS)

GREAT FOR

- For-profit, socially purposed work
- Generating different types of income, including contracts and traded income
- Some social and environmental businesses, some social enterprises and some co-operatives



A registered, incorporated organisation, most commonly used by for-profit organisations. Some companies may embed a 'social purpose' to their business activities.

A CLS issues shares (publicly or privately) to shareholders who invest, own and profit from the organization's activities.



CONSIDER

- Requires annual filings and compliance with Companies House
- More complex governance needs, like tailored articles and careful member/director roles
- Unlikely to receive grant funding, especially from other charities
- Legal mechanisms can make it possible to limit personal profit and protect the social mission of a CLS

COMPANY LIMITED BY GUARANTEE (CLG)

GREAT FOR

- Generating different types of income, including some grants, contracts and traded income
- Campaigning activities, which are less restricted than a charity
- Limited liability, including provisions to protect assets for community benefit, and limit members' personal risk



A registered, incorporated organisation.

A CLG operates without shareholders, and any profits generated are reinvested into the company to further its mission rather than being distributed for personal gain.



CONSIDER

- Requires annual filings and compliance with Companies House
- May have more complex governance needs, like tailored articles and careful member/director roles
- Can apply to exclude 'Limited' from its registered name to signal their charitable aims

CLG + CHARITABLE STATUS



A registered, incorporated organisation that has charitable objectives. A charitable CLG can trade, but there is a threshold, and the profits must be put back into the charity.

GREAT FOR

- Groups interested in becoming a charity
- Owning assets, entering contracts, and employing staff
- Limited liability, trustees' personal financial risk is limited to their guarantee, usually £1

CONSIDER

- Dual regulation by both Companies House and the Charity Commission
- More complex governance needs, like tailored articles of association and careful structuring to meet both charitable and company law
- Must have £5,000 available as a CLG to apply to the Charity Commission



CHARITABLE INCORPORATED ORGANISATION (CIO)



An organisation that has been legally registered with the Charity Commission.

Not all charities are CIOs, but all CIOs are charitable.

GREAT FOR

- Only registered with the Charity Commission, reducing admin burden
- Activities like owning property, employing staff, and entering contracts
- Limited liability, trustees and members are protected from personal financial risk



CONSIDER

- Registering with the Charity Commission can take longer than Companies House
- Regulation can feel burdensome and counterintuitive, can perpetuate an unequal power dynamic
- Limited flexibility to convert to other legal forms

COMMUNITY INTEREST COMPANY

GREAT FOR

- Balancing income flexibility with a clear social mission, like a social enterprise
- Generating income through trading activity, reinvesting profits
- Limited liability, protecting members from personal financial risk



Community Interest Companies exist to benefit the community rather than make a private profit. They generally take an entrepreneurial approach to making social change that also financially sustains them.

Many social enterprises will take this form, though not all social enterprises are CICs.



CONSIDER

- Requires annual filings and compliance with CIC Regulator and Companies House
- 'Asset lock' restrictions limit how assets, like money, staff time, buildings, can be distributed both during and after the project has ended
- Can apply to convert to a CIO

COMMUNITY BENEFIT SOCIETY (CBS)

GREAT FOR

- Accessing different kinds of funds, including grants, social investment, community ownership
- Rooted in community and democratic ownership
- Can be charitable, without being regulated by the Charity Commission



An organisation that is member-owned and exists to serve the wider community.

Each member holds one vote when making decisions, making it an inherently democratic type of legal structure.



CONSIDER

- Registration with the Financial Conduct Authority, and Mutuals Register
- Complex set up, with guidance from Co-operatives UK

CO-OPERATIVE SOCIETIES



Similar to a CBS, except that they are set up for the benefit of its members rather than the wider community, though the benefit can't primarily be to make a profit. It also democratically controlled.

GREAT FOR

- Projects that want to be funded, stewarded and owned by its members
- Rooted in community and democratic ownership
- Focus on member benefit and mutuality



CONSIDER

- Registration with the Financial Conduct Authority, and Mutuels Register
- Complex set up, with guidance from Co-operatives UK
- Grant funding tends to be less common

EXTRA RESOURCES

EXPLORE



- [Looking after each other](#)
- [The Shape of Safety](#)
- [Sistren Legal Collective Community Toolkit](#)
- [Good Finance jargon buster](#)
- [Corporate Bodies podcast](#)

DRAFT



- [Health and safety template](#)
- [Safeguarding guidance](#)
- [Example safeguarding policy](#)
- [RadHR policy library](#)
- [Writing a constitution](#)

DISCUSS



- [Decision making matrix](#)
- [Loomio Online Collaboration Tool](#)
- [Policy adaptation workshop](#)
- [Policy group feedback workshop](#)
- [Living Systems approach](#)
- [Sistren Legal Collective Community Legal Toolkits](#)
- [Good Finance Tool Box](#)



We'd like to give a big thank you and shout out to Sistren Legal Collective who provide amazing information and resources. We have used some of their free tools to help us compile these slides for you. View the toolkits here:

<https://sistren.co.uk/toolkits/>

