

Nextdoor Nature

Types of Community Group (England and Wales)

An Unincorporated Association

If you're just a small group of volunteers, with no plans to employ staff or rent premises, this is the one for you.

It's the easiest group to set up. All you need is to write a "constitution" or "governing document". This is a list of rules for the group. It also says what your group's going to do, and how it's going to do it.

This kind of group:

- doesn't have to be a charity (although you can set up a charity if you want to). You will need to get official advice if you want to be a charity.
- isn't a separate legal structure. This means the group can't take on a contract or own property - but individual members can do.
- has members who vote on what the group should do.
- the group can become a different type of group or a charity later.

See our separate document about "Setting up a Community Group" for information about unincorporated associations.

Incorporated and Unincorporated

The difference between these two things is just whether your group has a separate "legal personality" of its own. An incorporated group can employ people, take on a contract or rent property. If there's any debt, that debt belongs to the group not the people running the group. This means an incorporated group is more regulated than an unincorporated one. You'll probably need help from accountants and solicitors.

Examples of incorporated groups:

- Community Interest Company (CIC)
- Company Limited by Guarantee
- Charitable Incorporated Organisation
- Community Benefit Society
- Cooperative Society



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On the other hand, an unincorporated group is just a group of individuals. If someone gets into debt on behalf of the group, then that person is liable for that debt. As most community groups are very small and don't handle a lot of money, the risk is actually low.

Examples of unincorporated groups:

- Unincorporated Association
- Charitable Trust

Are You Charitable?

A charity is defined in law in England and Wales as a group which has *only* charitable purposes. It's regulated by the High Court. You've got to prove you exist for the public benefit. If your income is more than £5,000 a year or you're a Charitable Incorporated Organisation, you must register with the Charity Commission. Look at the official guidance on the Government website here:

<https://www.gov.uk/government/publications/what-makes-a-charity-cc4/what-makes-a-charity-cc4>

Watch out! A "charity" is not a legal sort of group on its own. In fact, most charities are one of these:

- Unincorporated Association
- Charitable Trust
- Charitable Incorporated Organisation
- Company Limited by Guarantee
- Charitable Community Benefit Society

These groups can't be charities:

- Community Interest Company (CIC)
- Cooperative Society

Use the simple "Route Map" at the Resource Centre here to find out what your group's legal structure should be. <https://www.resourcecentre.org.uk/information/routemap/>

If this guide was too complicated, you can read it in a different way here:

<https://mycommunity.org.uk/choosing-the-right-organisational-structure-for-your-group>



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Type of group	Incorporated or unincorporated?	Charitable or not?	Do the members vote?	Is it regulated?	Other information
Unincorporated Association	Unincorporated	Can be charitable or not	No	No (unless it is also charitable)	The simplest type of community group.
Charitable Trust	Unincorporated	Charitable	No	Yes – register with Charity Commission if income over £5,000	Must write a trust deed. Run by a small group of people called trustees.
Charitable Incorporated Organisation (CIO)	Incorporated	Charitable	If an Association, members vote. If a Foundation, members do not vote.	Yes – register with Charity Commission whatever income.	Must use model constitution approved by Charity Commission. Registration takes up to 40 days. Simpler and cheaper than a Charitable Company.
Company Limited by Guarantee (Limited Company)	Incorporated	Can be charitable or not	Yes	Yes – registered and regulated by Companies House	Controlled by directors. No shareholders. Can be not-for-profit, which reinvests income into the group.
Charitable Company	Incorporated	Charitable	Yes	Yes – registered with Companies House AND Charity Commission	A CIO might be simpler.
Community Interest Company (CIC)	Incorporated	Not charitable, but still not-for-profit such as a social enterprise	Yes	Yes – registered with CIC Regulator, a department at Companies House	Assets and profits are committed to the community, but you can have paid directors

