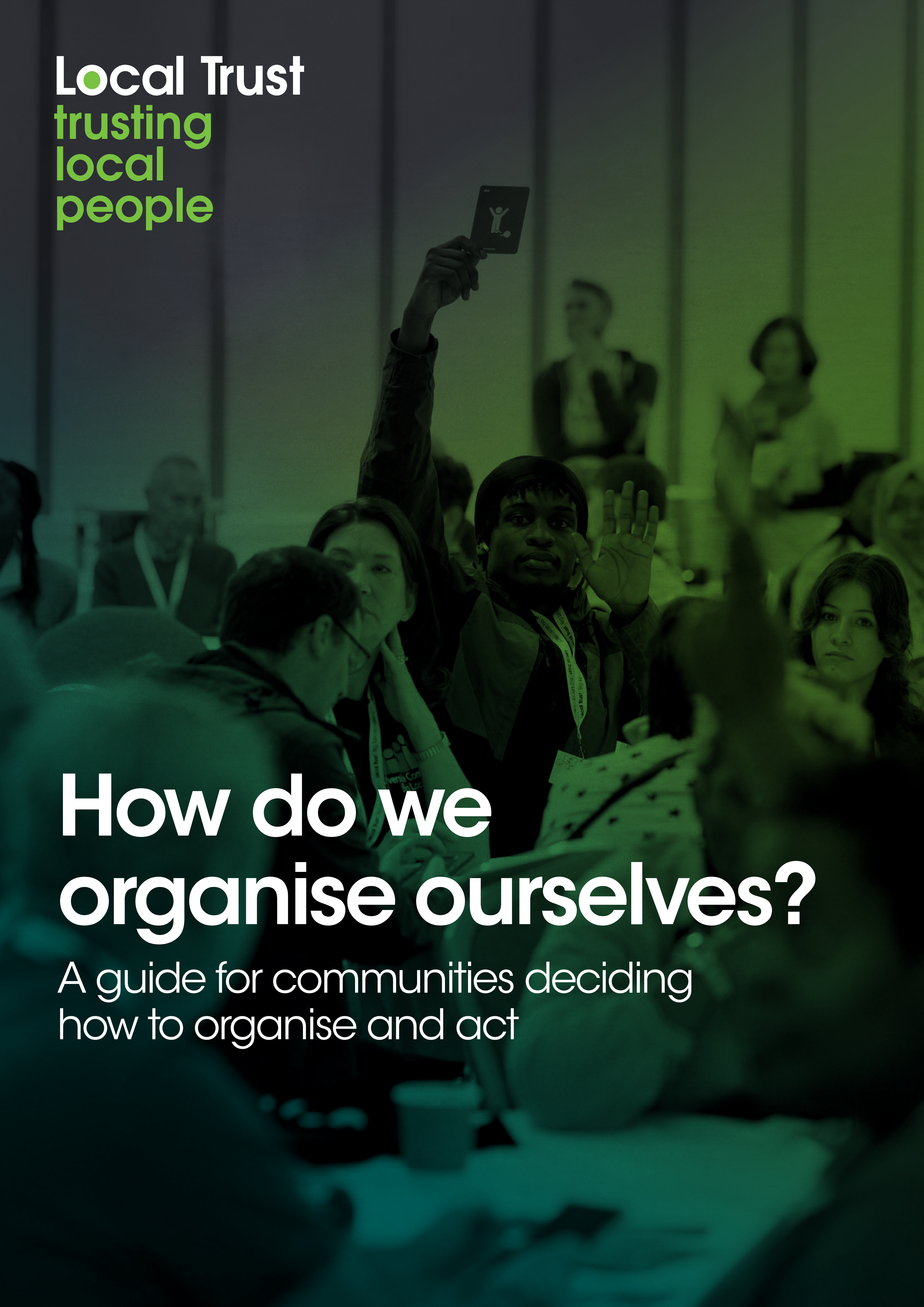

Local Trust

trusting local people

How do we organise ourselves?

A guide for communities deciding how to organise and act

Report authors
Ben Hughes and Marilyn Taylor

Front cover: Big Local Connects final celebration event 2023.
Photo: Local Trust/Richard Richards

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1. Introduction

> The partnership didn't feel itself accountable to anybody… we had a few [members] that were really committed, but they didn't hold the power within the partnership.'

> My big push was: I need to be accountable to you as a community, and not just randomly be doing stuff with nobody asking us any questions… it was primarily around how do we build accountability that I felt we didn't have.'

These quotes, taken from interviews that informed this guide, show why governance matters. The arrangements a group chooses need to help it do what it set out to do, while allowing people to see how decisions are made, how money is handled and where influence sits. Those taking action also need to remain accountable to the wider community.

Governance is fundamentally about how people organise themselves to make something happen. For communities wanting to act, governance raises practical questions about involvement, decision-making, resources and risk. Some groups will be starting from scratch; others may already have arrangements in place. Some may be part of a wider programme and are using or adapting a model suggested by that programme, but still need to ask whether those arrangements are suited to what they are trying to do.

This guide is designed to support groups at different points in that journey. Drawing on community-based interviews, case studies and wider practice, it starts from the questions that repeatedly emerged as central to community governance:

- What are we trying to achieve?
- How do we plan to do it?
- Who needs to be involved?
- What resources do we need?

How to use this guide

This guide is intended for use by communities, including local groups, residents, community hubs, informal networks and emerging organisations that want to organise and act. It can be used at the start of a process, when a group is deciding how to work together, or later when existing arrangements need to be reviewed.

It is not a legal manual or a step-by-step route to change. It uses these questions and case study examples as a framework for groups to use as they move from early conversations into more organised forms of action. Groups can use the questions flexibly and return to them as their circumstances change. Funders, local authorities and infrastructure bodies may also find it useful. They have an important role in supporting community action; understanding the stages groups go through can help them offer funding and support at the right point, without pushing communities too quickly into structures that may not be appropriate.

2. The governance journey

Community groups, partnerships and organisations often move back and forth between different stages as their circumstances change. In this sense, governance is best understood as a journey, rather than a one-off choice about legal form.

Groups often begin by clarifying purpose and relationships. They then need ways of making decisions and keeping track of what has been agreed. As activity grows, questions about roles, money, planning and support become more pressing. A more formal structure may become necessary when responsibility or risk increases, for example when a group receives funding, employs staff, takes on a contract or manages an asset.

The case studies show why there is no single right structure. Governance worked better in one case when responsibility moved closer to a trusted local accountable body. In another, incorporation protected the independence of a group after relationships and confidence had already been established. One group found that taking on an asset required a stronger legal model because the risk had changed. For another, where the purpose was influence and coordination rather than higher risk delivery, staying informal was the right choice.

Risk and conflict run through the whole journey. Groups need to think carefully about where responsibility sits and how disagreement will be handled. They also need to ask whether existing arrangements are strong enough for the work being taken on. Governance should be reviewed when something significant changes. This might be funding coming to an end or a sudden change in staffing. Sometimes it is as basic as something not feeling right, such as a partnership becoming unclear or unbalanced.

This guide is framed around questions that groups are likely to encounter as their purpose, relationships and responsibilities develop. It is not a checklist of 'good' governance and does not assume that formal systems or structures are right for every group. The aim is to help groups organise themselves in ways that fit their purpose and ambitions. It is organised into four main sections: getting started; taking on more responsibility; reviewing change; and dealing with issues that recur throughout the journey. Each uses practical questions and numbered case studies to show how similar issues have arisen in practice. The governance model and resources tables in the appendix provide reference points for comparing legal structures, understanding risk and finding more detailed support.

The following questions can prompt open discussion and should not be limited to the people already involved. Wider participation can help identify priorities and test whether emerging arrangements have community support.

3.1

3.1.1

3. Getting started

When this matters: at the start, or when a group is resetting or losing clarity.

3.1.1 What do we want to do?

Start with the purpose, not the structure. Be clear about what you want to do, how you think you will do it and who it is for. Lack of clarity can mean governance becomes focused on roles and meetings rather than the reason people came together. A shared sense of purpose helps keep decisions on track and makes it easier for others to understand and engage with the work.

Possible actions:

- Discuss, define and agree purpose
- Agree who the work is for and what change is expected
- Write this down in simple language and share it
- Check that the purpose reflects priorities across the community

Windmill Hill partnership outside their community centre at the opening celebration. Photo: Local Trust/Danyelle Rolla

3.1.2

Case study 1

Choosing to stay informal

Unincorporated Association

This group had come together to identify local priorities, convene residents and organisations, and press for action on issues that residents felt were not being addressed by the council, particularly mental health, loneliness and isolation. Although it formed a partnership, it decided not to become a formal organisation. The group saw its role as bringing people together, agreeing priorities and pushing for change, rather than delivering services itself.

Initially it struggled with the 'usual suspects' dominating discussion and pushing through personal preferences. Over time, this was recognised as a challenge for the wider community and the group became more focused. Instead of trying to cover everything, it narrowed down to a few key issues that mattered most to residents, and clarified the roles and responsibilities of group members, including through a committee structure that meant people could be held to account.

Staying informal helped the group stay rooted in the community; this was felt to be really important to its ongoing independence as it avoided the contracts or funding streams that might compromise this; it also meant they felt able to challenge other organisations without worrying about 'biting the hand that feeds'. Accountability came through openness and regular communication along with the actions it oversaw. The group followed the mantra of actions speaking louder than words.

There were trade-offs though. It had to turn down funding because it lacked the required structure, and it struggled to be taken seriously by some within the council. While frustrating, this actually reaffirmed the choice. The group did not want to become a service provider; its strength was in its capacity to influence, using community voices to shape local policy.

Governance point: informal governance can be effective where the aim is influence rather than delivery, but only if accountability is made visible through priorities, behaviour and follow-through.

3.1.2 What matters most to us?

Discuss and agree the values that will shape how you work together. These might include openness, independence, transparency, trust or inclusion, but they matter only if they influence practice. They can then provide a useful reference point when decisions involve trade-offs, disagreement or questions about behaviour.

Possible actions:

- Agree a short set of working values
- Test decisions against these values
- Refer to values when differences arise

3.1.3

3.1.3 How will we make decisions?

Look at how and where decisions are made, not just what governance documents suggest should happen. Decisions may emerge through meetings, informal conversations, staff discussions or exchanges between a small number of individuals. If this is unclear, confidence can fall even when the formal structure appears sound. Be explicit about which decisions are open to wider involvement and how people can influence them. This makes it easier to contribute and reduces the risk of informal power overtaking the agreed process.

Possible actions:

- Map where decisions are happening
- Make decision routes and opportunities to participate visible
- Record and communicate decisions clearly

Case study 2

When trust starts to break down

Resident partnership and Charitable Incorporated Organisation

This example of an early-stage community group shows how things can unravel when governance is confused from the start. The group had been created to give local people more say over neighbourhood priorities and how council resources were allocated. Yet the basic structure, and the roles within it, were neither shared nor understood. While the broad intention was positive, there was no shared vision or plan to give it shape. This meant there was no common understanding of how decisions should (or were being) made, and by whom.

Group members held different assumptions about authority, and responsibility was pulled between the group itself, the external accountable body and the idea of creating another structure as a solution. The introduction of a CIO was intended to bring clarity, but instead added to confusion rooted in a lack of trust and connection. The group struggled to develop or communicate internally, never mind across the wider area.

Over time, this created growing tension. Decisions seemed to happen outside meetings and financial information was opaque. As community members began to question who was responsible, any trust that had existed quickly drained away.

Staff were caught in the middle. They were expected to respond to residents, trustees and external partners, often without clear guidance. The situation became increasingly difficult to manage. While the 'problem' was often cited as being the governance model, in reality it was the more basic governance challenge of a lack of trust, confidence and transparency. Without a shared understanding of purpose, roles and where authority sat, no structure could resolve the problem.

Governance point: no legal model can compensate for weak trust, unclear authority and poor financial transparency.

3.1.4 Who needs to be involved?

Groups may begin with a few people responding to an opportunity or concern, or with a wider meeting, assembly or online group that delegates action. In practice, a smaller group is often needed to make decisions and get things moving. What matters is how that group remains accountable to the wider community and creates opportunities for others to become involved as the work develops. Some issues should be open to anyone who wants to take part, while others may require particular experience or wider representation. Open participation also means reaching beyond those who are already confident or well connected, and showing how wider contributions have influenced the final decision. See Case study 1.

Possible actions:

- Match participation to the decision
- Create clear, open routes to take part
- Reach beyond usual participants
- Use different forms of engagement
- Explain how community input has been used

3.1.5 How should we structure discussions?

Use enough structure to keep conversations useful without making them overly formal or difficult to join. Meetings need a clear question, someone to guide the discussion and a record of what has been agreed. Even where more work is needed, people should leave knowing what happens next.

Informal conversation still matters, especially for building trust and allowing people to test ideas before they are fully formed. Different approaches may be needed to involve people who are unlikely to attend formal meetings. Informal discussion should still feed into agreed processes, so people can see how ideas become decisions.

Possible actions:

- Ensure there are accessible ways for different people to have their say
- Make sure informal discussion connects back to agreed decisions
- Use agendas and action points
- Facilitate and chair discussions

Case study 3

Finding support from someone people can trust

Community Interest Company and Charitable Incorporated Organisation

This community partnership was formed to bring people together across the area, develop community activities, involve young people and put on local events. It had energy and local involvement but little structure or knowledge of governance systems, so a larger organisation stepped in as the accountable body. The formal requirements were covered and the money was properly managed. In practice, however, the arrangement felt distant: decisions took time, communication was formal and community members felt little connection to where power and authority were held.

The shift came when the group started asking basic questions: who do people here already trust, and how can that be reflected in the way we organise ourselves? The answer was not another external accountable body, but a local school. It was part of everyday life for parents and young people. Although not an obvious voluntary sector choice, when the school took on the role things quickly shifted. People understood where responsibility sat. Conversations became easier and decisions felt more relevant.

Later, the group chose to set up both a CIO and a CIC, reflecting how their work and responsibilities had grown. Part of the work was clearly charitable, focused on young people, community development and neighbourhood participation. Other activity involved creative work, production and income generation. Splitting these into two structures made sense because it matched what they were actually doing. The key point is that the structures followed the relationships, not the other way around.

Governance point: governance works best when formal responsibility sits close enough to the community for people to recognise, trust and influence it.

3.1.6

3.1.6 What needs deciding first?

Separate immediate decisions from longer-term governance questions. Early decisions often focus on practical issues like who holds money, who signs agreements, who communicates externally and what needs to happen first. More complex questions about legal form, assets or independence need more time and confidence. Separating these questions helps the group move forward without rushing the decisions that carry more risk.

Possible actions:

- Agree who holds money and signs agreements
- Clarify communication processes
- Separate urgent decisions from longer-term ones

3.1.7 Who will do what?

As activity grows, unclear roles often leave responsibility with whoever is most available or confident, which can quickly create imbalance and fatigue. Roles do not need to be overly formal, but people should be able to see who is responsible for what and understand how those responsibilities fit together.

Possible actions:

- Define roles clearly and tell people
- Make responsibilities visible
- Review regularly

Case study 4

Working across different places and neighbourhoods

Community Benefit Society and unincorporated consortium

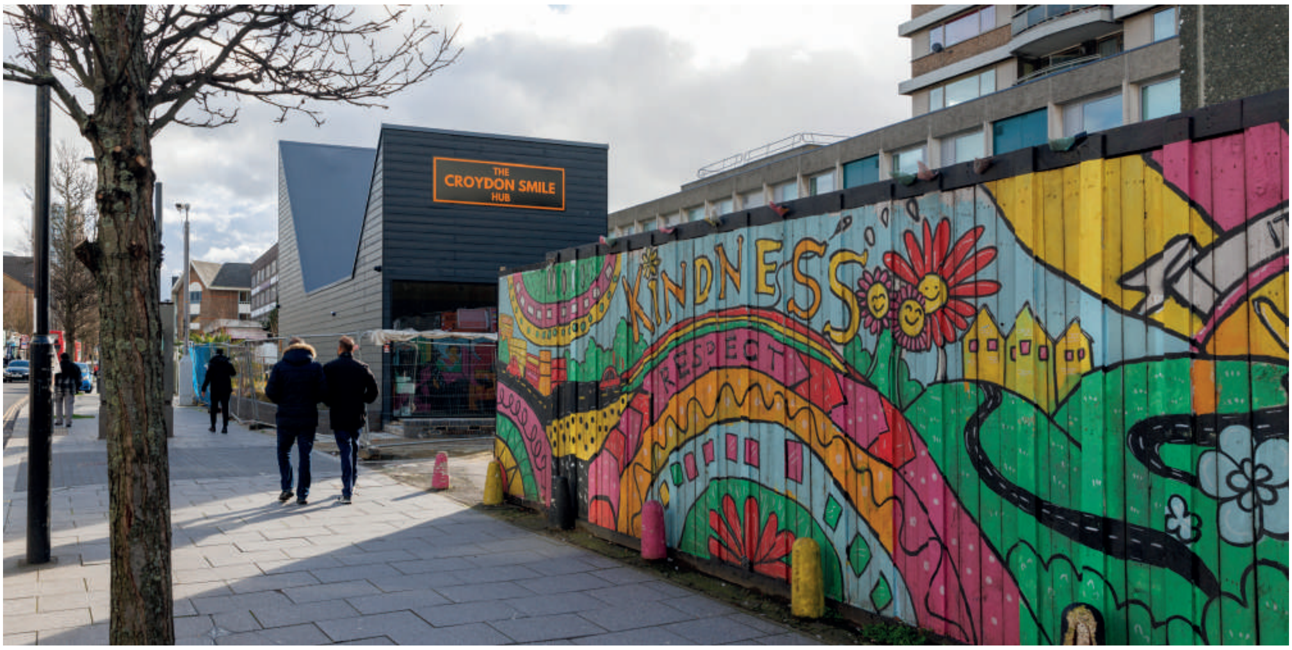
This community partnership covered a wide area made up of several distinct neighbourhoods. Its purpose was to connect local centres and groups across three local estates that had a history of working in separate silos, and to create a shared alliance for increased funding, stronger services and better relationships with the council. Each neighbourhood had its own group, way of doing things and distinct community. Trying to bring everything under a single organisation would have risked losing that diversity.

The group decided on a different path: an unincorporated alliance. Facilitated by a large, borough-wide service provider, it took on a coordinating role, acting as a point of contact for funders and public bodies. It connected the different local groups while encouraging them to retain their organisational and community identities. With the coordinating organisation's support, they drafted a loose consortium agreement that allowed individual members to collaborate without giving up control. Roles and expectations were clarified within what remained a light-touch, unincorporated structure.

This arrangement reflected the reality on the ground, allowing different places to remain distinct while working together when it mattered. Its success depended on open communication and clear roles.

Governance point: in complex places, distributed governance can work better than one neat structure, provided people understand the roles, communication routes and lines of accountability.

3.1.7



Broad Green Big Local. Photo: Local Trust/Claudia Leisinger

3.1.8
3.1.9

3.1.8 What plans do we need?

Use planning to connect aspiration with practical action. At this stage, the group may have a broad set of ideas but needs to focus on what matters most. A good plan should be simple to use, reflect wider community priorities and leave room for people to become involved in delivery or feedback. It should show what is being done, who is responsible, what it might cost and what needs to happen when. Planning can help a group move beyond reacting to situations or crises and create a greater sense of direction and control. See Case study 2.

Possible actions:

- Create a practical plan
- Define aim and priorities
- Link to the resources and skills available
- Check the plan with the people it is intended to benefit

3.1.9 When are plans needed?

Planning becomes particularly important when pressure is mounting. Decisions about staffing, funding, assets, partnership involvement or independence take time to understand and often carry new risks. Starting early gives people room to explore options and build confidence before choices have to be made.

Possible actions:

- Start planning early
- Test ideas through small projects
- Build understanding over time

Case study 5

Setting up a structure early to preserve independence

Community Interest Company

This partnership grew out of hands-on community organising. Its purpose was to help local people act on key issues affecting everyday life in the neighbourhood: housing, jobs, education, safety and a lack of confidence that anyone would listen. People were knocking on doors, dealing with repairs and evictions, supporting neighbours, and trying to build power in a place where many felt overlooked. Initially, a partner organisation provided formal governance support, giving the group breathing space to build relationships and start local campaigns without the worry and distraction of organisational and compliance responsibilities.

But it quickly became clear that relying on someone else came with limits. Funding had to go through another organisation. Decisions could be slow and were easily influenced by external agendas removed from neighbourhood priorities. There was also a growing sense that, if the group wanted to be taken seriously, it needed to stand on its own.

Becoming a CIC was a practical step because it allowed the group to hold its own bank account, apply for funding directly and employ people. It also brought responsibility for staffing, compliance and, where relevant, asset management. Directors had to understand their roles, while policies and workable governance systems had to be put in place.

What made the difference was timing. This was all done with the support of the accountable-body partner organisation. This meant they could ask questions and build confidence before becoming fully independent. The incorporated structure did not change what they set out to do, but it did give them the independence to carry it forward on their own terms.

Governance point: incorporation can protect independence, but only where it is introduced early enough for people to understand and grow into the responsibilities it demands.

3.1.10 Who do we need to work with?

3.1.10

Identify the organisations and partners your work depends on. Some may be invited into the group or onto a board or management committee; others might be part of a more formal partnership with shared responsibility for decisions and activities. This might include local organisations, schools, councils, funders or specialist partners. The aim is to understand which relationships are necessary, what role each partner will play and where accountability sits. Being proactive about partnerships can increase influence and bring in support where the group lacks capacity or expertise. See Case study 4.

Possible actions:

- Map key partnerships
- Identify gaps in skills or reach
- Identify, prioritise and build purposeful partnerships

3.1.11 What support do we need?

Most groups need support as they develop, but the form and timing will vary. It may be practical or developmental; for some groups, a host or accountable body might hold funds, employ staff or carry formal responsibilities while the group develops. The test is whether support builds the group's own knowledge and confidence rather than creating dependence on external expertise. Advice is most useful before uncertainty has become a problem. See Table 2, Appendix.

Possible actions:

- Bring in enabling support
- Consider whether a host or accountable body is needed
- Use facilitation or mediation
- Focus on building group capability

Case study 6

Taking on a building

Community Benefit Society

In the early stages, this partnership was focused on visible, practical things. Its purpose was to improve the estate through small grants, local events, play spaces and shared projects. People could see the results, and that helped build trust. An external organisation handled the formal side, which worked well enough while the scale was manageable.

The opportunity to take on a building changed the nature of the partnership's role. It was no longer deciding only what event to put on or how to spend small amounts of money; it now had to deal with leases, maintenance, staffing, insurance and income, while developing a viable business model for a large community asset. Responsibility and risk increased dramatically.

The partnership realised that its existing setup was insufficient for this. It needed something that could protect the individuals involved while retaining the strong community connections at the centre of the original idea. It formed a Community Benefit Society as a model that enabled the group to take on the building collectively, with a clear legal structure and limited liability, while retaining the idea of community membership.

There was concern that the building could become the focus of everything, pulling attention away from the wider community work. Keeping that balance became an ongoing task. The building was a resource, not the purpose. The governance structure helped manage the risk, but it was the group's commitment to its founding principles that kept the original aims at the centre of the board's work.

Governance point: asset-based governance needs enough formality to manage risk, but enough community discipline to stop the asset becoming the whole purpose.

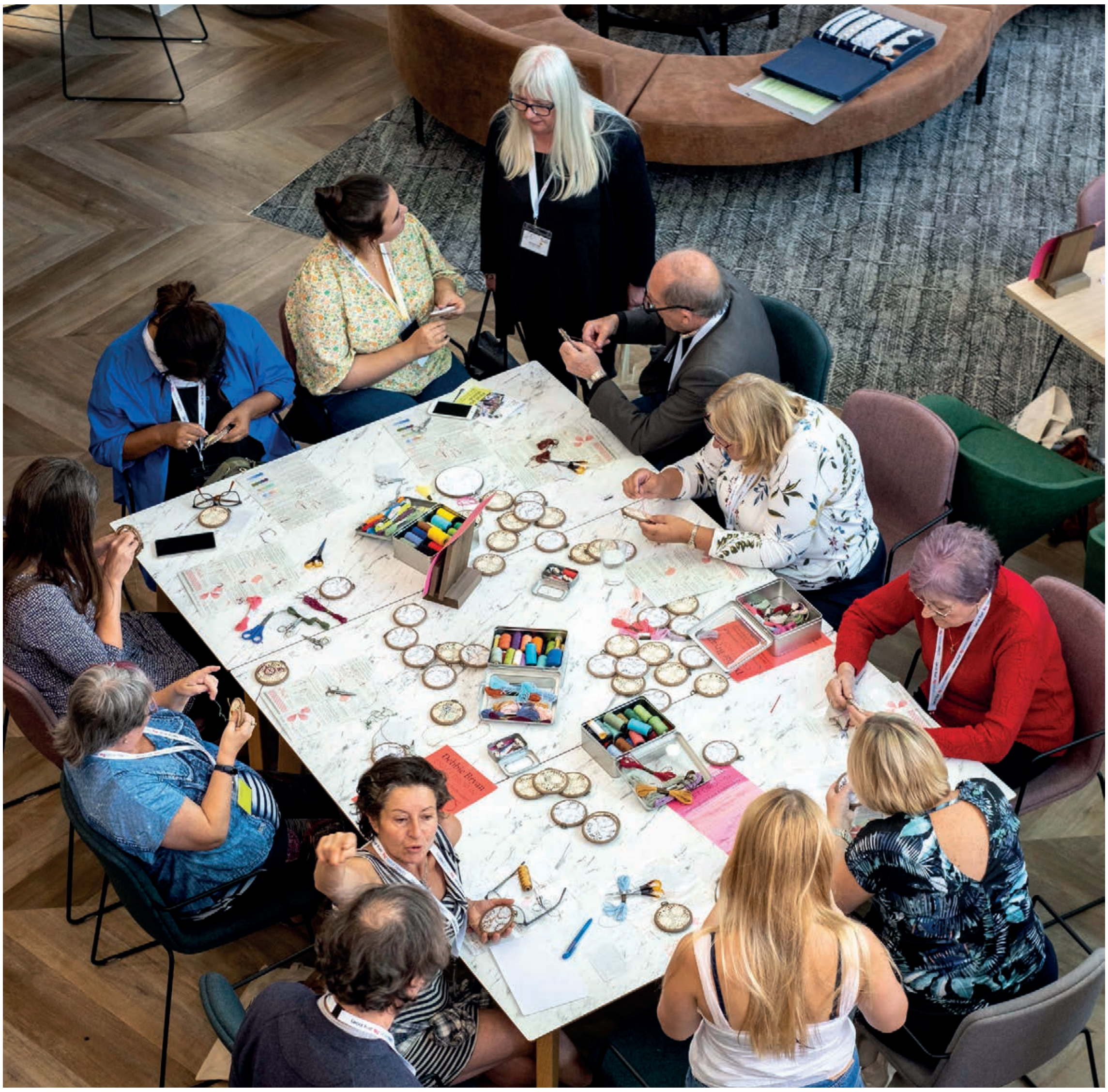
3.1.12 Are we ready to take on more responsibility?

As activity grows, take time to consider whether the change in responsibility or risk requires a more formal model. This may be necessary for groups planning to hold assets, employ staff, manage significant funds or enter contracts, but not for those focused on coordination or early-stage organising.

Possible actions:

- Compare governance options
- Test against real needs and risk
- Avoid premature formalisation

Section 3.2 looks at the choices that arise when scale, responsibility or risk increases. The aim is to think through how to make authority and accountability clear without creating unnecessary complexity or losing connection with the wider community. See Table 1, Appendix; Case Study 1.



Overhead shot of delegates participating in the heritage drop-in at Big Local Connects 2022.
Photo: Local Trust/Richard Richards

3.2 Taking on more responsibility

When this matters: when responsibility, scale or complexity increases.

For some groups, the first step may be to work with an accountable body or host organisation such as a community hub, local anchor organisation or CVS. This can be useful where a group has energy and ideas but is not ready to hold money, employ staff or enter formal agreements. A host can provide bank accounts, financial management and support with reporting, insurance or employment, giving the group time to develop its own systems and confidence before taking on more direct responsibility. Community members should still shape priorities and understand how decisions are being made. See Table 1, Appendix.

3.2.1 Are our current arrangements still enough?

A legal structure may be needed when the group is about to employ staff, manage a building, hold larger sums of money or take on other responsibilities that could expose individuals to risk. It may not be needed where the group's main role is to influence, campaign, convene partners or test ideas at a small scale.

The key questions are what the group is taking on, who might be exposed if things go wrong and whether there is enough capacity to manage any new structure. A more formal model may provide protection and clarify responsibility, but can also create additional work that draws energy away from community activity. See Table 1, Appendix; Case Studies 2, 5 and 4.

Possible actions:

- Assess current and emerging risks
- Test whether current arrangements remain sufficient
- Only formalise when the group is ready and able to manage the work

3.2.2 Do we need more formality?

A more formal structure may bring credibility and clearer accountability, but reporting and compliance can also change how the group works and who feels able to participate. The group therefore needs to consider whether formalising strengthens its purpose or creates distance from the people it involves and represents. See Table 1, Appendix; Case Study 1.

Possible actions:

- Map both benefits and constraints
- Consider implications for participation
- Protect open, participatory routes into decision-making as structures formalise
- Weigh trade-offs before making decisions

3.2.3 How do we maintain wider participation as we grow?

As structures become more formal, participation can become increasingly focused on the board or management committee. Open meetings, assemblies, online groups, task groups and informal conversations can keep more people involved without requiring everyone to take on a formal role. These routes still need a clear relationship with the main decision-making group, including whether participants are advising, recommending or making decisions.

Possible actions:

- Maintain open and accessible routes into the work
- Consider using assemblies and working groups or task groups
- Clarify how wider involvement connects to formal decisions
- Use participation to develop future leadership and share responsibility

3.2.3

3.2.4 What will it cost?

The costs of governance can go well beyond initial set-up and are often underestimated. This includes reporting, insurance, policy development and the time needed to support meetings and decisions. There are also less visible costs, such as maintaining participation and shared understanding. A structure that appears straightforward can become demanding in practice if there is not enough capacity to sustain it. See Appendices 1 and 2.

3.2.4

Possible actions:

- Estimate ongoing as well as initial costs
- Plan for governance workload and capacity
- Check that arrangements are sustainable over time

3.2.5

3.2.5 How can we limit personal liability?

As responsibility increases, people should not be exposed to unnecessary personal risk. They need to understand what they are taking on and what protections are in place. That protection may come through the structure itself, through insurance, through clear agreements or through a host organisation. These arrangements should be put in place before people are asked to carry risk they do not fully understand. See Table 1, Appendix; Case study 6.

Possible actions:

- Use appropriate legal or hosting arrangements
- Put insurance and agreements in place
- Stage responsibility gradually

3.2.6 How do we protect partnerships?

Partnerships are often essential to action (see 3.1.10), but they need to be managed with care. Clear roles and expectations help prevent misunderstanding and reduce the risk of partnerships drifting or becoming a source of tension. A strong partnership can provide access to skills and influence while helping the group retain local control. It should also include a way to address disagreement before relationships begin to break down. See Case study 4.

Possible actions:

- Agree roles and expectations early
- Use simple, proportionate agreements
- Create routes for resolving disagreement

3.2.7 How do we reduce risks?

Risk is easier to manage when decisions, responsibilities and information are visible across the group. Records should allow others to understand what has been agreed, rather than leaving knowledge with a small number of people. Sharing responsibility in this way makes the work less fragile. See Case study 2.

Possible actions:

- Keep finances transparent and accessible
- Record decisions clearly and consistently
- Share leadership and information across the group

Artwork depicting the local history of North Brixton and Stockwell. Photo: Local Trust/Zute Lightfoot

3.2.6

3.2.7

3.3
3.3.1
3.3.2

3.3 Time for review

When this matters: when there is a change in purpose, circumstances or personnel

Review should involve more than the board or core group. It creates an opportunity to hear from partners, the wider community and those affected by the work.

3.3.1 Have we achieved our purpose?

Review allows a group to check whether its work is still needed and whether its governance remains fit for purpose. Needs and priorities change over time, so arrangements that worked at the start may no longer be appropriate. Looking at impact and relevance helps the group decide what should happen next. Involving the wider community can also test whether the group's own view reflects broader experience, and can encourage wider participation. See Case studies 3 and 5.

Possible actions:
- Review impact, levels of participation and community experiences
- Test alignment with purpose
- Decide whether to continue, adapt or stop

3.3.2 What happens when funding finishes?

The end of funding often brings governance questions into sharper focus because the group has to decide what should continue and what needs to change. Without preparation, those choices can be rushed, relationships can become strained and mistakes can occur. Thinking ahead gives the group more control over what happens next and helps ensure a positive legacy. See Section 3.3.5 'How do we wind down?'; Case study 2.

Possible actions:
- Decide what continues and what stops
- Explore alternative income early
- Protect key relationships during transition

3.3.3 What if an asset becomes a burden?

Assets can provide stability and long-term control, but they also bring ongoing responsibility. Over time, a building or other asset may become costly to maintain or no longer align with the group's purpose. This can place pressure on capacity and shift attention away from core priorities. The group should review whether the asset still supports the work and, if it does not, give itself space to consider the available options. See Case study 6.

Possible actions:

- Test whether the asset still supports the purpose
- Assess capacity, cost and risk
- Identify and consider exit or transfer options

3.3.4 What if a key person leaves?

Many groups rely on a small number of committed individuals, particularly in the early stages. If one of them leaves unexpectedly, relationships, knowledge and access to key systems can disappear with them. Planning for succession is therefore part of governance: basic records should be maintained, access shared and other people given opportunities to learn how the work is carried out.

Possible actions:

- Share access to key information and systems
- Document processes and relationships
- Develop a shared, inclusive leadership approach

3.3.5 How do we wind down?

Changing direction, handing work on or deciding to finish should be approached with the same care as starting. Money, assets, staff, records and relationships all need to be dealt with properly. Without planning, closure can become rushed and damaging, undermining trust and leaving responsibilities unresolved. A well-managed wind down allows the group to close with confidence, leave a positive legacy and retain useful learning. People who have participated in or relied upon the work should be involved or consulted early enough to influence transition plans.

Possible actions:

- Plan closure or transition early
- Manage responsibilities and assets properly
- Communicate clearly with those affected
- Capture learning where it is useful

4. Common issues

Several issues recur throughout the governance journey and become more pressing as responsibility grows or relationships change. Section 5 looks at accountability, sustainability, leadership, conflict and the balance between informal and formal ways of working. These are considered in turn below, along with possible actions for each.

4.1 Accountability – to whom and how

Accountability runs through every part of the governance journey. A group needs to know who it answers to, who it listens to and who has a legitimate interest in its decisions. In practice, this is what it means to take others into account and to be held to account.

For most groups, this will include the wider community. It may also include funders, partners, members, staff, volunteers, regulators and anyone affected by legal or contractual responsibilities. Some aspects of accountability will be set out in governing documents or funding agreements; equally important though, is making sure people are kept informed and have real opportunities to ask questions or challenge decisions. Accountability becomes strained when people do not understand how decisions are made, where money is kept or who speaks for the group. An established governance form or legal structure cannot solve this on its own; people need clear routes for raising concerns and understanding how decisions can be influenced.

The case studies show that accountability is strongest when there are clear lines of responsibility and good levels of trust. This could mean clarifying roles within an informal arrangement or giving responsibility to a local institution or organisation that people already know and trust. In both cases, communication matters. Open meetings, community conversations and clear records can all help people see what is happening.

Accountability also extends beyond formal systems. Not everyone will come to a board meeting or consultation; some people will contribute through a working group, local event or direct involvement in a particular activity. These different routes need to be recognised when thinking about how accountability works.

Possible actions:

- Agree who the group is accountable to
- Make decisions, finances and roles visible
- Create different ways for people to ask questions and influence decisions

4.1.1 …it's not just about the board or management committee

Boards and committees are only one part of a group's governance. Much of the useful work happens around them, through working groups, task groups, open meetings and informal conversations with people who may never want a board role. These spaces widen participation and bring in local knowledge without making every meeting too large or formal. A task group might focus on a building or a specific project, while a theme group could bring residents, partners and staff together around a shared issue.

However, these arrangements need to link clearly back to the board or main decision-making group. People should know whether a working group is advising, recommending or deciding, and how information moves between groups. Without this clarity, wider structures can create another layer of confusion. Used well, these arrangements can build confidence and provide a route into more formal systems for people who may want to take on greater responsibility.

Possible actions:

- Use working, task or theme groups to widen involvement
- Clarify the purpose and decision-making powers of any working group
- Use wider involvement as a feeder for future governance and leadership roles

4.2 Sustainability

Sustainability means having enough capacity to carry the work forward, while recognising when it should change or stop. A strong idea, a committed core and even a formal structure will not be enough if knowledge sits with one or two people or roles remain unclear.

Sustainability becomes more demanding as responsibility grows. While taking on an asset, staff, contracts or long-term funding can strengthen a group, it can also change the work. A building may provide stability and visibility but can also absorb time, money and attention. The risk is that the asset becomes the work, rather than a resource for the wider community purpose.

Strong governance therefore includes space to discuss shared responsibility and how knowledge is held across the group. It also means thinking about how new people can be brought in. Many groups rely on a small number of committed people, especially at the start; that may be workable for a time, but it remains a risk that needs to be recognised.

Possible actions:

- Share knowledge and access to key information
- Bring new people into practical roles early
- Review whether the work, structure and resources are still fit for purpose

4.3 Who leads and how?

Leadership in community governance is about where influence sits and how priorities are set, not simply who chairs meetings or holds a formal title. It often grows informally around people with time, confidence or local knowledge. This can work well, but becomes risky when leadership remains concentrated for too long.

Effective governance makes leadership visible without making it rigid. Leadership may come from residents, staff, volunteers, partner organisations or an accountable body, or from a mix of these. Different people may lead in different situations, particularly where leadership is dispersed. What matters is that people understand the authority each role carries and how it can be questioned.

A small number of committed people can drive a group for a long time. It can also lead to fatigue, imbalance or informal control if it is not reviewed. Where councillors, professionals, funders or larger organisations are involved, groups need to be clear about whose interests these people are there for.

The case studies show leadership taking different forms. People may organise informally around a local priority, an accountable body may carry risk and responsibility, or an alliance may allow organisations to work together without losing their identity. The relevant test is whether the arrangement fits the purpose and whether people understand how it works.

Possible actions:

- Make leadership roles and authority visible
- Share responsibility before people burn out
- Check that external support is not taking over community decision-making

Upskilling session, Broad Green Big Local. Photo: Local Trust/Claudia Leisinger

4.4 Conflict

Disagreement is a normal part of community work, especially where people feel strongly about a place, a resource or the issue that brought them together. The question is whether it can be handled openly and fairly and can be managed through an agreed decision-making process.

Conflict becomes damaging when people hold different assumptions about who is in charge, especially where roles are unclear, financial information is difficult to access or real decisions happen outside meetings. Authority may then be divided between the group, an accountable body, staff teams or a newly created structure. Staff and volunteers can be left responding to competing expectations, and trust can quickly evaporate.

Conflicts of interest also need to be recognised and managed. People in community work often hold several roles – resident, trustee, staff member, councillor, contractor, volunteer, funder or partner – and this is not in itself problematic. The issue is whether an interest is declared before it affects a decision, particularly where money, paid work, contracts, assets or public statements are involved. A register of interests is useful, but people must also know when to declare an interest in a meeting, how the decision will be recorded and when they should step back.

This protects the group as well as the individual and helps avoid the suspicion that decisions are being shaped by private interests or by one organisation's agenda.

Groups should also be alert to future pressure points, such as the end of funding, changes to staff roles, partnership difficulties or legal changes. Informal relationships remain valuable, but need to sit alongside agreed processes. Where disagreement becomes difficult, independent facilitation or mediation may help.

Possible actions:

- Identify likely pressure points early
- Agree how concerns, complaints and conflicts of interest will be handled
- Use facilitation or mediation before trust breaks down

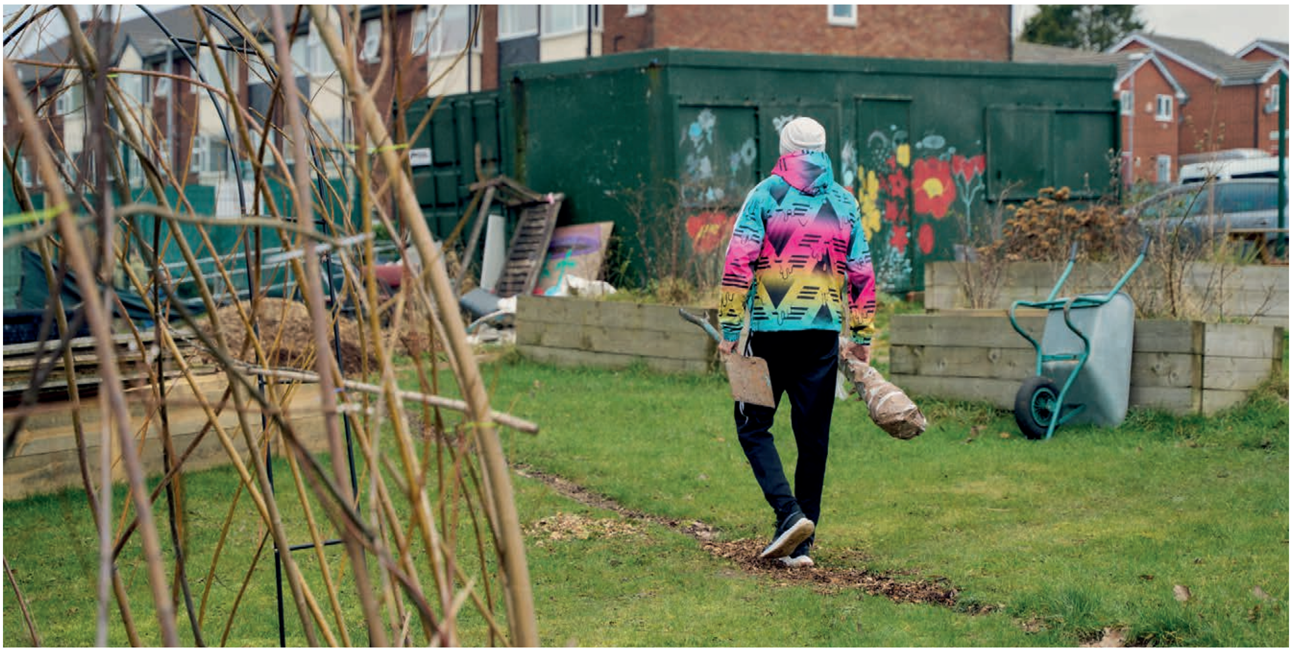


Photo: Local Trust/Orrin Saint Pierre

4.5 Informality and formality

Community work often begins informally, with people testing ideas and building enough trust to act together before they form a committee or write a plan. That process may feed into later forms of governance, but informality can also remain appropriate where the purpose is to influence decisions or coordinate activity. A group that is not holding assets, employing staff or taking on contracts may find that becoming a formal organisation works against its core purpose.

Formal arrangements should still allow for ordinary discussion. People often need time outside meetings to speak openly and get to know each other. Open meetings, local gatherings and conversations in people's own settings can help board members or committee members test out ideas and understand how people feel about an issue.

The reverse is also true. Informal discussion needs to connect back to agreed processes when decisions are being made. The risk is not informality itself, but informality becoming a way of hiding where influence sits. Trust can break down quickly if people cannot see who has authority, especially where the group is dealing with money, staff, assets or public commitments. The task is to keep the trust and flexibility that informality can bring, while making sure lines of authority and responsibility are clearly understood.

Possible actions:

- Use informal spaces to build trust and test ideas
- Keep formal decisions visible and properly recorded
- Make sure informal influence does not replace agreed decision-making

5. Key points to remember

There is no single right way for a community group to organise itself. Governance needs to fit the place and the work being planned; a formal structure may be essential in one context and unhelpful in another.

The practical test is whether the arrangements help people act together, keep responsibility clear and make risk manageable, while staying connected to the community purpose that brought the group together.

Timing matters. Early on, groups usually need enough structure to hold money, communicate clearly and involve people. As responsibility grows, more formal arrangements may be needed, particularly where staff, buildings or contracts are involved. Governance also needs to be reviewed when circumstances change. Formalising too soon can distance a group from the community. Leaving it too late can expose people to risk or create damaging confusion.

Trust is part of governance. Legal models, policies and constitutions will not work if the relationships underneath them are weak or people cannot see how decisions are being made. Local legitimacy depends on both connection and openness.

The questions, case studies and summary tables at the end of the guide should be used in that spirit. They are not a route map and they do not recommend one model over another. They are practical reference points, to help groups compare options and recognise when more specialist support is needed. This is particularly important when a group is thinking about incorporation, employment, community ownership, finance, liability or winding down.

Community governance needs to grow from the connections that make collective action possible. It should keep responsibility clear without losing trust or sight of what the community is trying to do. That depends on continuing opportunities for people to participate, influence decisions and question how power is being used.

6. Appendices

Table 1: Governance model options

The table below is a starting point, not a recommendation to adopt any particular model. Most groups will not need to understand every option in detail at the outset. The important thing is to identify the responsibility being carried now, what may be taken on later, and what level of protection or administration is proportionate. A group testing ideas or running a time-limited campaign may only need light-touch arrangements. A group holding a building, employing staff or entering contracts will need something stronger.

Governance model	Best suited to	Risk management	What it provides	Typical financial costs
Informal group	Early-stage groups, campaigns, resident forums; local organising; testing ideas before formalisation	No separate legal identity or limited liability; individuals may be personally liable for debts and contractual obligations.	A light-touch way to organise; a simple constitution can clarify roles and decisions	No registration fee; other costs may arise.
Unincorporated association	Small community groups; clubs; resident associations; volunteer-led projects; low-risk activity	No separate legal identity; no limited liability. Unsuitable for higher-risk contracts, staff or assets.	Constitution model; committee guidance; trustee/member roles; highlights liability risk	No registration fee; other costs may arise. Insurance advisable.
Charitable trust	Grant-making bodies; asset protection; low-risk charitable activity	No separate legal identity; no limited liability. Assets are held on trust; trustees may contract personally.	Trustee duties; charitable objects; governance structure	Charity Commission registration is free; legal and professional costs vary.
Unincorporated registered charity	Small-medium charities with low operational risk; limited assets	No separate legal identity; no limited liability. Higher exposure for contracts, staff and assets.	Trustee responsibilities; reporting; governance standards	Charity Commission registration is free; accounting and administration costs vary.

Governance model	Best suited to	Risk management	What it provides	Typical financial costs
CIO (Charitable Incorporated Organisation)	Community anchors; medium-large charities; service delivery organisations; employing staff; managing buildings; grant and contract funding	Corporate body with limited liability. Can contract, employ staff and hold assets in its own name; registered with the Charity Commission, not Companies House.	CIO constitution; trustee/member structures; incorporation guidance; model documents	Charity Commission registration is free; accounting and independent examination or audit costs depend on income and circumstances.
Charitable company limited by guarantee	Larger charities; higher-risk operations with assets, staff, trading arms or public contracts	Corporate body with limited liability. Dual Charity Commission and Companies House compliance.	Articles of association; Charity Commission and Companies House filings; accounts and audit/ independent examination depending on size	Companies House filing fees apply; accounting and audit or independent examination costs depend on size and circumstances.
Company limited by guarantee (non-charitable)	Partnerships/ networks; consortia; trading activity not exclusively charitable	Corporate body with limited liability. Flexible, but no charitable tax reliefs or Charity Commission regulation.	Articles of association; directors' duties; Companies House filings	Companies House filing fees and accountancy costs apply.
CIC (Community Interest Company)	Social enterprises; trading-based community ventures; cafés; workspaces; mixed earned-income models	Corporate body with limited liability and asset lock. Companies House filing and CIC reporting apply.	CIC constitutions; asset lock; trading guidance; annual reporting	Companies House and CIC filing fees apply; accountancy costs vary.
Community Benefit Society (CBS)	Community ownership; larger asset holding organisations; community shares; pubs; housing; community hubs; renewable energy providers	Corporate body with limited liability. FCA registration and mutuals-law compliance apply.	Model rules; community share offers; democratic governance; FCA registration	FCA registration and support costs vary. Community share offers often require professional support.

Governance model	Best suited to	Risk management	What it provides	Typical financial costs
Co-operative society	Worker co-ops; community co-ops; multi-stakeholder membership; democratic trading organisations	Corporate body with limited liability. Democratic control; FCA registration and mutuals-law compliance apply.	Model rules; governance guidance; membership structures	Similar FCA registration and support costs to a CBS.
Community Land Trust (CLT)	Affordable housing; land stewardship; community development; long-term asset retention	Not a single legal structure. Delivered through a chosen corporate or charitable form; high property and funding risk.	Asset transfer; governance; leases; community-led housing; stewardship models	Often substantial legal and surveyor costs, depending on whether land, housing or major development is involved.
Parent and nested structures	Large charities/ social enterprises with varied risk: trading activity, property management, complex contracts or community development	Multiple entities separate risk and liabilities. Useful for trading, contracts and asset protection.	Trading subsidiaries; tax; governance separation; risk containment	Multiple filing/ accountancy/ legal costs. Usually worthwhile only at scale.
Community shares model	Community-owned pubs, shops, energy schemes, sports clubs and cultural assets	Financing method, not a legal structure. Usually withdrawable, non-transferable shares issued by a society.	Share offer standards; democratic ownership; investor-member governance	Share offers often involve legal, financial and marketing costs of several thousand pounds.

Accuracy note: This is a high-level comparison for England and Wales. Legal, tax and regulatory requirements depend on the constitution, activities, income, assets and funding route. Specialist advice should be taken before incorporation or restructuring.

Table 2: Information, advice and resources

The websites below provide basic information for community groups thinking about how to organise themselves, choose a structure or get more specialist advice.

In most cases, the first step in getting advice should be a local provider. National guidance can be useful, but a local infrastructure organisation like a CVS or equivalent will often be better placed to understand what is proportionate for the size, stage and purpose of your group. It will also understand what makes sense in your locality. This is particularly important before taking on staff, leases, buildings, contracts, significant funding or legal responsibilities. Local authorities and funders should also recognise the responsibilities, risks and workload that come with those choices.

Area of support	Useful sources	Websites
Getting started and local support	Resource Centre; NCVO; local CVS, Voluntary Action, Community Action or VCSE infrastructure organisation. Use NAVCA's directory to find local support; in London, use the London Plus CVS Directory.	• resourcecentre.org.uk • ncvo.org.uk • navca.org.uk/find-a-navca-member • londonplus.org/london-cvs-network/london-cvs-directory
Choosing a legal structure	Resource Centre; NCVO; Charity Commission; CIC Regulator; Co-operatives UK. Useful for comparing informal groups, unincorporated associations, charities, CIOs, CICs, companies, co-operatives and community benefit societies.	• resourcecentre.org.uk/information/legal-structures-for-community-and-voluntary-groups • ncvo.org.uk/help-and-guidance/setting-up/choosing-your-legal-structure • gov.uk/government/organisations/charity-commission • gov.uk/government/organisations/office-of-the-regulator-of-community-interest-companies • uk.coop
Community ownership and assets	Locality; MyCommunity; Community Land Trust Network; Plunkett UK. Useful where groups are considering community asset transfer, buildings, land, community-led housing, community businesses or long-term stewardship.	• locality.org.uk • mycommunity.org.uk • communitylandtrusts.org.uk • plunkett.co.uk

Area of support	Useful sources	Websites
Community shares and co-operatives	Co-operatives UK; Community Shares Handbook; FCA Mutual Societies. Useful where groups are exploring co-operative ownership, community benefit societies, member investment or community share offers.	• uk.coop • uk.coop/resources/community-shares-handbook-cs • fca.org.uk/firms/mutual-societies
Legal, risk and employment advice	LawWorks; ACAS; Health and Safety Executive; specialist charity/social enterprise solicitors. Useful before taking on staff, contracts, leases, buildings, significant funding or other responsibilities that may create legal or personal risk.	• lawworks.org.uk • acas.org.uk • hse.gov.uk
Governance, leadership and conflict	Local CVS / infrastructure body; Association of Chairs; NCVO; ACEVO, particularly for chief executives and senior leaders; local mediation services. Useful where groups need help with board roles, unclear authority, difficult meetings, leadership tensions, conflict or breakdown of trust.	• associationofchairs.org.uk • ncvo.org.uk • acevo.org.uk
Advice outside England	SCVO and OSCR for Scotland; WCVA for Wales; NICVA for Northern Ireland. Useful because charity law, regulators and voluntary sector infrastructure differ across the UK.	• scvo.scot • oscr.org.uk • wcva.cymru • nicva.org

About Local Trust

Local Trust is a place-based funder supporting communities to transform and improve their lives and the places in which they live. We believe there is a need to put more power, resources, and decision-making into the hands of communities. We do this by trusting local people. Our aims are to demonstrate the value of long term, unconditional, resident-led funding, and to draw on the learning from our work delivering the Big Local programme to promote a wider transformation in the way policy makers, funders and others engage with communities and place.

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