



Community Enterprise and Cooperatives

This information sheet provides guidance on:

- What community enterprises and cooperatives are
 - Whether you should consider starting one
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Community Enterprise

Community enterprise has a long tradition in the UK, predating the more recent concept of “social enterprise.”

- **Definition:** A community enterprise is run by and for a community. It trades for social purpose, reinvesting profits rather than distributing them to shareholders.
 - **Focus:** It is rooted in a particular neighbourhood or community of identity, providing benefits locally.
 - **Ownership:** Owned and managed by members of the community.
 - **Scope:** Some community enterprises expand into multiple projects, products, and services to meet social, economic, and environmental needs.
 - **Development trusts:** These are a type of community enterprise that often acquire and develop local land and buildings to tackle complex issues in a joined-up way.
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What are Cooperatives?

Cooperatives are businesses owned and run by their members — whether customers, employees, or residents. Members have an equal say and share in profits.

Key features:

- Flexible business model with different legal structures possible.
 - Owned and run by members who benefit from its services.
 - Operate across many sectors but share common principles.
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Cooperatives Share Their Profits

Disclaimer

This guide is for general information only and is not intended to be legally comprehensive. Always consult official guidance or professional advice where necessary.



- Aim to trade successfully as businesses.
 - Profits are shared among members rather than outside investors.
 - Working together often benefits members more than acting alone.
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Cooperatives Are Owned by People Like You

- Members are both owners and decision-makers.
 - Equal say in how the cooperative is run.
 - Members shape decisions while accessing needed products and services.
 - Millions of people in the UK are cooperative members, with numbers growing.
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Cooperatives Are a Success Worldwide

- Around 100 million people globally are employed by cooperatives.
 - Nearly 1 billion people are members worldwide.
 - The model combines self-help and mutual aid, making cooperatives an international force for good.
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Should Your Organisation Be a Cooperative?

Starting a cooperative involves similar planning to any business, but with two main differences:

1. **Inclusive planning:** The start-up process involves future members (customers, workers, tenants, or users) in a democratic, inclusive way.
 2. **Support networks:** Cooperatives benefit from strong support within the cooperative movement, which encourages cooperation among cooperatives.
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Further Information

- Guidance and resources are available from national cooperative organisations such as the **Charity Commission**, **Companies House**, and **Cooperative regulators**.

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- Reports and sector updates can be found through cooperative networks and research bodies.

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