

Workshop 2 – Paul Sander-Jackson (WRT)

Community Investment

- Community shares as a method for raising investment
- Report available though Cooperative Group on Industrial and Provident Society (IPS) legislation http://www.cooperatives-uk.coop/live/images/cme_resources/Public/In%20the%20Spotlight/ITS%20Sept/Community-Investment-guide.pdf
- The definition of latent community money – money that could be available to invest
- Shares dividend – some small return, others have a clearer flow of income therefore a higher rate of return
- Appeal of social or environmental dividend. People may be looking for less of a financial benefit
- Rental incomes of community buildings
- WRT would help to facilitate share holder schemes
- Previous schemes have been based on 1 member 1 vote with a maximum of £20,000 investment. IPS can have higher levels of investment
- One village shop raised match funding through community shares – this could be rolled out to other projects
- Cost to community project – registration fee and lawyer fee – approximately £1,500
- Charities can only offer binds – a separate body would need to be set up for shares, e.g. a trust fund
- Charitable companies were planned for launch, but an IPS would still be needed
- Allowed to pay a level of interest that was needed to raise money
- LAGs were not constituted – South Devon were to become community interest company to leave a legacy post RDPE
- Did there need to be a greater awareness of IPS amongst advisors
- Difficulties with statutory priorities from elsewhere?
- Project under LAGs to set up when RDPE ends? Eligibility and objectives
- Basic services do not fall under 'innovation' – many community buildings will not fall under this
- Most community groups would not look at loan based systems to obtain grants – financial commitment
- Justification of value for money
- Changes in finance support systems
- Bridging funding gaps
- Only route for community investment? Allows for communities to have ownership, but there were other options such as gifting
- Reserve account for people to withdraw investment if needed
- IPS can still apply for most other grants
- Issue of percentage paid to WRT beyond set up – depended on whether outside support was being used. The only cost could be the initial registration fee
- Filing fees also applicable
- Co-op UK was an option to keep costs down
- Method of financing that could become more significant
- Ecobuildings – Ecos case study
- 'economically deprived' areas, but there were still pockets of wealth – potential for small groups of shareholders with a larger financial input
- WRT role – guidance through process and disseminating information. They also have a range of contacts with ethical funders
- Subscription shares were also an option
- RPDE fund to make community and social enterprise fund more viable. A business plan was needed