The Community Shares Programme: one year on

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CO-OPERATIVES UK

DEVELOPMENT TRUSTS ASSOCIATION
transforming communities for good

one year on

Introduction

Community Shares

The Community Shares Programme is a two-year action-research project funded by the Office of the Third Sector and the Department for Communities and Local Government working in partnership with the Development Trusts Association and Co-operativesUK. The purpose of this programme is to investigate how members of the public can invest in enterprises serving a community purpose. Launched in January 2009, the Programme has contributed to the rapid growth of interest and activity in community investment.

In the first half of the last decade there were, on average, four new community share schemes each year. But in the second half of the decade, the number of community share schemes started to increase, culminating in a sevenfold increase in 2009, when 28 enterprises launched community share offers. In addition to this, at least another 50 community groups are known to be exploring the option of community investment. From farming, football and pubs, to community retail stores and renewable energy, community investment is proving to be an excellent way of financing enterprises that serve a community purpose.

This enthusiasm for community investment brings with it new responsibilities. Most members of the public have little or no direct experience of buying shares, or what to expect from an investment offer. Educating the public about their rights as investors and the risks associated with equity investment is paramount. Potential investors need to know what risks they are taking, how they can get their money back, and what social and financial returns they can reasonably expect. They need to know their rights as shareholders, and how their involvement in an enterprise can improve its fortunes.

It is reasonable for the public to expect protection from unscrupulous promoters, or even over-enthusiastic but poorly informed community activists. Investing is not the same as giving, regardless of how good the cause or well-intentioned the promoters. At the same time, heavy-handed regulation could be an unnecessary burden on community-owned enterprises.

The aim of the Community Shares Programme is to learn from the practical experiences of ten community organisations that are planning to make a community share offer. This evidence will be used by government to shape its community regeneration policies, and provide more effective guidance, regulation and support for community investment.

Defining community investment

The Community Shares Programme defines community investment as:

"The sale, or offer for sale, of more than £10,000 of shares or bonds to communities of at least twenty people, to finance ventures serving a community purpose."

This definition helps to distinguish community investment from initiatives where a small group of friends club together to buy a shared asset. The minimum number of member-investors was set at 20 because above this number it becomes difficult to function as a group, and it becomes necessary to have an elected board of directors. The minimum combined investment was set at £10,000 because there are many community organisations that have legal formats where £1 shares are used for membership purposes only, and not as a vehicle for community investment. The definition focuses exclusively on enterprises serving a community purpose, and excludes agricultural co-operatives, workers' co-operatives and employee-owned firms. Credit unions have not been included because they are subject to a separate and distinct regulatory regime.

From farming, football and pubs, to community retail stores and renewable energy, community investment is proving to be an excellent way of financing enterprises that serve a community purpose

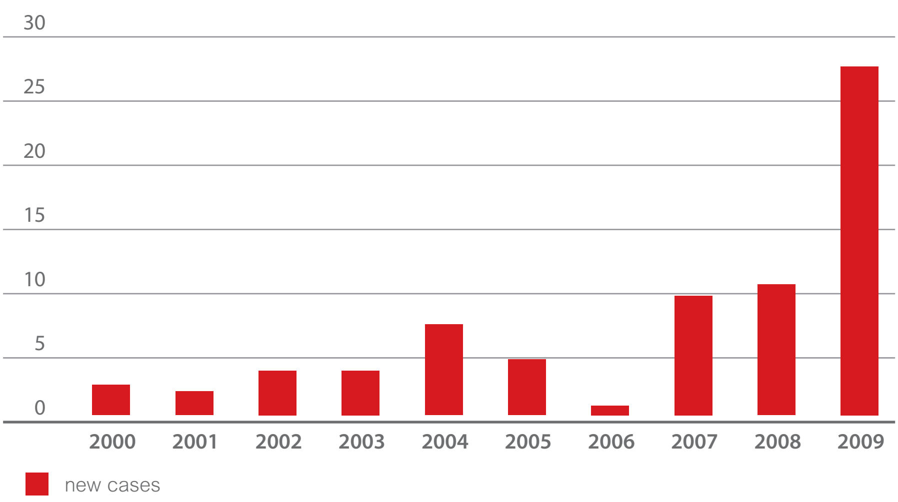
Growth in numbers

Community investment is not a new phenomenon. In the nineteenth century many consumer co-operatives societies were created by communities who invested share capital to finance these enterprises. But gradually, during the twentieth century, the practice of community investment became less common, as consumer co-operatives built up their financial reserves, and fewer new societies were formed. From the 1960s onwards, consumer co-operatives started to merge in order to achieve economies of scale and compete with rapidly growing private sector retailers such Tesco and Sainsbury's. The number of UK societies has steadily fallen from over 1,300 in 1914 to around 20 societies today.

Meanwhile, from the mid-1980s onwards, there was a slow but steady revival of interest in community investment, prompted by the pioneering efforts of fair trade organisations such as Traidcraft and Shared Interest. Both these organisations made share offers to their supporters – or "communities of interest" – that raised millions of pounds. Gradually, over the next twenty years, the number of enterprises financed through community share offers increased at the rate of three or four new enterprises a year, so that by 2006 there were approximately 80 such enterprises.

Up to 2006, most of these new enterprises were either public limited companies (plcs) or Industrial and Provident Societies (IPSs), in roughly equal measure. But from 2006 onwards, most new community-financed enterprises have been registered as IPSs, with only a handful of Community Interest Companies (CICs), and no plcs. At the same time, there has been an acceleration in the number of community share offers, with 50 new enterprises financing themselves this way, including 28 in the last year alone. All but five of these 50 are IPSs.

Growth in community share offers



IPSs and community investment

In 2002, a government review of the not-for-profit sector, *Private Action, Public Benefit*, described IPS legislation as "a useful, but underused and outdated, legal form". The same review recommended the creation of new corporate forms including CICs and Charitable Incorporated Organisations (CIOs). What it did not anticipate was the growth of interest in community investment and the unique attributes of IPS legislation that make it so suitable for community investment. These attributes are:

Withdrawable share capital: This type of share capital, unique to IPSs, can be withdrawn by investors from the IPS, subject to its terms and conditions of withdrawal. This means that investors can get their money back, and do not have to find a buyer to "transfer" their shares to, thus addressing the problem of liquidity for equity investments in private enterprises. (see box to the right)

Shareholder democracy: Individual members of an IPS have only one vote regardless how much money they have invested. This democratic principle of one-member-one-vote contrasts with the one-share-one-vote practice of companies that allow majority shareholders to dictate terms.

Upper limit on shareholdings: Individuals are currently not allowed to have more than £20,000 of share capital in an IPS. This helps to reduce dependency on individual shareholders, and reinforces the need to build community membership.

Flexible upper limit on financial returns: IPSs can pay interest on share capital up to a level sufficient to attract and retain the investment. This flexible cap respects the not-for-profit motives of members, at the same time as recognising that they should be rewarded for investing and risking their money.

These attributes underline the community nature of IPSs and help to explain why IPSs issuing withdrawable share capital are exempt from regulation under the Financial Services and Markets Act 2000. Without this exemption, IPSs would need to employ an FSA authorised adviser, which could be prohibitively expensive for enterprises raising relatively small amounts of capital. However, this exemption also places a duty on IPSs to act responsibly and protect the financial interests of their members.

Liquidity of share capital

Liquidity is the term used to describe the ability to convert shares into cash.

Companies normally issue "transferable" share capital, which means that shares can be bought and sold between third parties. Most private companies are owned by a handful of shareholders, often with a majority shareholder, who will dictate how shares in the company are transferred. When shareholders want to cash in their investment they will usually find someone willing to buy the whole business, a process often referred to as a "trade sale". Liquidity can be a major problem for smaller companies with 20 or more shareholders.

Larger companies may consider listing on a stock market, where shareholders can buy and sell shares in the company. Stock market listings are only feasible for large companies – there are fewer than 3,000 British and overseas companies listed on the London Stock Exchange, one of the largest stock exchanges in the world. Even junior stock markets usually only cater for enterprises with capitalisation in excess of £5m to £10m, and some junior markets are criticised for being too illiquid. Transferable shares are also subject to speculation and rapid changes of ownership which may have negative consequences for the enterprise.

Withdrawable shares provide an agreed "exit route" for the investor: the ability to sell shares back to the IPS. But this will still be dependent on the performance of the IPS. Many IPSs limit the total value of shares that may be withdrawn in any one year to a fixed percentage, typically 10%. Some new IPSs prohibit withdrawals in the first few years of operation. So while investors have the comfort of an agreed exit mechanism, they need to take a medium-term view of their investments in IPSs. The withdrawable share mechanism also effectively protects IPSs from speculators.

The Community Shares Programme

During 2009, the Community Shares Programme recruited ten organisations to participate in its action-research. These organisations were all planning a community share offer, but varied in terms of the nature of their trading activity, the size of investment required and the type of community they served. The organisations are:

Ashington Minors
This is an established childcare nursery in a former mining town in north-east England. It plans to engage the local community and strengthen its business model through a community share offer.

Brixton Green
This organisation is planning a £60m redevelopment of council-owned land in the centre of Brixton, a multi-cultural inner-city area of London. It wants to see the site developed for a mix of residential and community uses to high environmental standards.

Cybermoor
A community organisation in rural Cumbria which provides wireless broadband access to the local community. Cybermoor is planning to raise an additional £100,000 in capital to provide next generation internet access.

FC United of Manchester
A community-owned football club set up by Manchester United fans after the purchase of the club by the Glazer family. FC United wants to raise up to £2m towards the cost of building its first home and ground.

Hastings Pier and White Rock Trust
This development trust's objective is to secure the community-ownership of an abandoned and derelict Victorian pier, restoring it as a local attraction and source of employment for people living in Hastings, which contains some of the 10% most deprived wards in England.

Hurst Green Community Shop and Centre
A community-led project in rural Sussex to buy and convert a former church into a grocery store and drop-in centre for young and old.

Oxford Cycle Workshop Training
This new organisation provides training in cycle safety and maintenance, together with a range of community activities and events aimed at encouraging local people to use cycles. It already has over 200 members and is planning a community share offer to finance further growth.

Sheffield Renewables
This group plans to develop a number of renewable energy schemes in and around Sheffield, financed through a series of community share offers.

Slaithwaite Co-operative
This organisation created a community owned greengrocery following the closure of the previous business on the site. Trading as the Green Valley Grocer, the co-operative is actively working with local food producers in and around this Pennine town.

Tutbury Eco Power Project
This project plans to raise £300,000 to pay for the installation of a 15kw hydro-electric power plant on the River Dove, near Tutbury, on the Staffordshire-Derbyshire border.

Ten early lessons

01 From fundraising to investment

The surge of interest in community investment marks a significant shift in how communities address their needs, and in the growing belief that the business model can be used for a social and community purpose. Historically, communities have turned to charitable models to address community needs but, increasingly, communities are beginning to realise that some needs are better addressed by a business model.

This is exemplified by the shift from community fundraising to community investment in cases such as **Hurst Green Community Shop and Centre**. In the past, efforts to save the last retail store in a village, has usually relied on local gifts, donations and fundraising events. Hurst Green is planning a community share offer, which it hopes will raise far more money than it could using charitable methods. Having invested in the shop, local members are more likely to use the shop as customers and support the shop as volunteer workers, thus strengthening the sustainability of the enterprise.

Ashington Minors presents a more challenging example, in a community where affordable childcare is important for families on low incomes. Inviting parents, grand-parents, neighbours and friends to invest in the nursery puts a responsibility on Ashington Minors to be a successful and profitable enterprise. Its members will understand the importance of achieving high occupancy rates, and making sure that the nursery is the first choice for local parents.

02 Community buy-outs, business failure and succession

When the local community in Slaithwaite learnt they were about to lose their greengrocery, they realised they had to move fast. The owner wanted out, and while there was interest from other parties, there was no guarantee that they would continue to operate the business as a greengrocery. Any prolonged period of closure would have resulted in a permanent loss of trade to supermarkets. **Slaithwaite Co-operative** was formed and financed in the space of six weeks. The £15,000 needed to buy the fixtures and fittings and refurbish the premises was raised from 121 people who responded to a community share offer promoted through a web and email campaign. The business model was immediately strengthened by letting out part of the premises to another co-operative, The Handmade Bakery, which also brought additional trade to the shop. Nine months on, the business is profitable and exceeding all expectations.

In the last twelve months there have been many more examples. Busy Bee Toyshop in Manchester, Dunbar Community Bakery, the Star Inn in Salford, and Hudswell Community Pub in North Yorkshire are all the result of community buy-outs financed by community shares. The community buy-out of local businesses is an important application of community investment, especially where the business provides a local service that faces closure because the owner is retiring and there is no successor.

03 Community building strategies

Community investment only works where there is a strong and cohesive community backing the enterprise. This means devising strategies to reach out to the community and engage them in the enterprise. **Oxford Cycle Workshop Training** has placed membership at the heart of its business model. It charges members an annual subscription fee in return for which members receive a number of benefits, including free access to the cycle repair workshop one evening per week. In its first year of operations it had attracted more than 220 members, a figure it aims to more than double in 2010. Currently, members are only required to invest £1 in share capital, but, now that it has a solid membership platform, Oxford Cycle Workshop Training is planning to ask members to invest

significantly more in order to finance its future development plans.

Hastings Pier and White Rock Trust realised that it had to build community support if it was to persuade the local council to compulsorily purchase the pier, the only way of acquiring the structure from its owners, a defunct off-shore company. It launched a Facebook campaign called the Battle for Hastings Pier, which has over 3,700 followers. The scale of this support enabled it to persuade all the main political parties in Hastings to back its call for a compulsory purchase order. The Trust now has over 1,000 registered supporters and more than 120 members.

Brixton Green faces a similar community-building task if it is to achieve its ambitions for a £60m mixed-use development in the centre of Brixton. It recognises that only a small proportion of this capital can be raised through a community share offer, but believes that community ownership and investment will be the key to unlocking public support for their plans. It has set itself the target of recruiting 7,500 members and raising an initial £150,000 of share capital in 2010.

04 The long-term liquidity of community investment

The liquidity of withdrawable share capital is one of the main attractions of the IPS format as a vehicle for community investment. In order to maintain liquidity, an IPS must plan how it will find the cash to meet future requests for withdrawal. There are two main options.

One option is for withdrawals to be replaced by a new investment of share capital from existing or new members. This option works best in IPSs where a relationship is already established with individuals as customers, who are then invited to become members and investors, as is the case with The Phone Co-op.

The other option is to provide for withdrawals through some form of depreciation fund, reserves, or borrowing. This is appropriate where the members' principal role is that of investor, and the enterprise is not planning new investment offers. A good example of this is provided by Westmill Wind Farm. It has a depreciation fund, and its rules state that members may redeem up to 5% of the total equity each year after the first five years, on a first-come, first-served basis, at the discretion of the board.

05 Different types of share offer

The rapid growth in the number of organisations making community share offers has provided evidence of the variable standard of these offer documents, and the need for guidance in this area. Co-operatives[UK] already has a *Code of Best Practice on Withdrawable Share Capital* for its members, setting out what prospective members must be told about the risks associated with investment; the terms and conditions of investment; details about interest on share capital; the advertising and promotion of the investment offer; and procedures for complaints, monitoring and compliance.

The Community Shares Programme is drawing up new guidance on offer documents, based on the experiences and requirements of the ten participating organisations. It has become clear that it would be beneficial to categorise different types of offer, so that a new code can reflect the diversity of situations in which IPSs may be offering withdrawable share capital. The Programme has identified four main types of offer. (see box overleaf)

FC United of Manchester has been working on plans to build its own stadium for several years... So far, the development fund has raised over £200,000

Oxford Cycle Workshop Training currently has a "membership offer" which is not intended to raise investment capital. Instead, prospective members are asked for £9, of which £1 is share capital and £8 the annual subscription fee.

In December 2009, **Sheffield Renewables** launched a "pioneer offer" targeted at core volunteers and stakeholders, which raised £12,000 compared with a target of £10,000. The offer was completed in only four weeks and has provided much needed working capital to cover the costs of developing their investment proposals.

Cybermoor is planning a community share offer to raise £25,000 towards the cost of establishing a network connection for its recently installed fibre optic cable between Alston and Nenthead. This will be a "time-bound offer" and will be launched later this year.

FC United of Manchester has been working on plans to build its own stadium for several years. In 2006 it launched a development fund to raise donations from supporters. The club has over 1,100 season ticket holders and regularly attracts more than 2,200 fans to its "home" games at Bury Football Club's ground. But the rent for this ground is draining FC United of revenue, so developing its own stadium is of paramount importance. So far, the development fund has raised over £200,000 and FC United of Manchester has set itself the target of raising a total of £500,000. It needs this money to cover the high-risk development costs associated with any major building project, which is why it has sought this money in the form of donations rather than share capital. Plans are now advancing for a "time-bound" community share offer to raise a further £2m towards the cost of building its first home and ground.

Four types of share offer

Membership offer

The purpose of this type of offer is to promote membership, rather than community investment. New members should only be required to invest a nominal amount, restricted to between £1 and £25. In some cases, a membership offer will be attached to an annual subscription fee that covers the costs associated with member services. The offer document will be relatively brief, compared with the next three categories of community share offer.

Pioneer offer

This type of offer is appropriate for raising the high-risk development capital needed to get the enterprise investment-ready. It is important that "pioneer members" understand that their investment will be spent on immediate development costs, and is a high-risk investment. This type of offer document should set a target amount to be raised, together with details of how the money will be spent in getting the enterprise investment-ready. Typically, the share offer would have a fairly low level of minimum investment, say between £10 and £50, and may also set a maximum level below the statutory ceiling of £20,000.

Time-bound offer

This is an offer made by an investment-ready enterprise where the money will be invested in tangible assets. A target amount and timescale should be set, along with contingency plans if these targets are not met, including the possibility that, if insufficient funds are raised, the investment proposal will not go ahead and the money will be returned to investors. Such offer documents should provide details about the nature of the offer, and the terms and conditions applying to the investment. A business plan should also be available. The minimum level of investment may be fairly high, between £100 and £500, and could be accompanied by provisions for subscribers to invest in instalments.

Open offer

This will normally be restricted to established IPSs with at least one year's trading history. The document should set out the investment principles of the enterprise, a summary of its recent financial performance, and its social and financial returns. The annual report and accounts of the IPS should be made available.

Many investors in community shares will be motivated not only by the financial returns on offer, but also by the potential social impact of their investment

06 Enabling people on low incomes to invest in community shares

One of the original aims of the Community Shares Programme was to explore ways of incentivising people on low incomes to invest in community shares. There were concerns that some offers were only affordable for people on above average incomes, limiting the appeal and scope of community shares as a community empowerment tool.

For instance, **Tutbury Eco Power Project** is located in a village community where there are 263 properties classed as social housing. Trent and Dove Housing Association has been actively involved in supporting the Project and promoting it to its tenants, along with other residents in the village. The Project is being advised by Water Power Enterprises, and in late 2010, aims to launch a "time-bound" community share offer to raise £100,000 towards the £300,000 development costs. Water Power Enterprises has already successfully supported two other communities to develop hydro-electric schemes financed through community share offers. The minimum investment in these schemes was set at £250, or £500 if the investor wanted to qualify for Enterprise Investment Scheme tax relief (see 7, below). For some residents of Tutbury the £250 minimum level of investment may be more than they can afford but the steering group is looking at ways that could enable the purchase of shares to be open to all those who wish to be involved.

The Community Shares Programme has proposed to make community shares more affordable by underwriting the offer of "subscription shares". This is where members pay a regular monthly subscription of £10 or £20, building up their account to the value of a full share over a period of one or two years. Intermediate finance would be provided through the Community Shares Programme to cover the cashflow gap created by this scheme. A limited amount of funding is available to support a small number of time-bound offers during 2010.

07 Enterprise Investment Scheme tax relief

According to HMRC, the Enterprise Investment Scheme (EIS) is designed "to help smaller higher-risk trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies". Investors can reduce their liability for income tax by 20% of the amount invested. The minimum size of investment is £500. Only certain types of trading activity qualify for this scheme, and there are other restrictions.

A small number of community share offers have qualified for EIS in recent years. But in 2009 HMRC questioned whether IPSs offering withdrawable share capital were eligible. The Community Shares Programme worked with HMRC to address its concerns, which primarily focused on the terms and conditions of withdrawable share capital. Agreement has now been reached on how these terms and conditions should be expressed in IPS rules in order for investors to qualify for EIS tax relief. The underlying issue is that members should not be able to withdraw their capital within the first three years of investment and, beyond that period, the rules should preclude any automatic right to withdrawal.

08 Protecting community investors

Promoting community investment places new responsibilities on the third sector to protect community investors from poor or misleading offers. The public needs to understand the risks and rewards of community investment, and know what to look for in a community shares offer document. To this end, the Community Shares Programme is producing *An Investor's Guide to Community Shares in Industrial and Provident Societies* which will be an independent and objective source of information, to accompany community share offers made by individual IPSs. The guide will include an offer document checklist to help potential investors assess offers.

Another way the public will be protected is by establishing a searchable database of community-financed IPSs on the Community Shares website, with details of their membership, share capital, financial returns, turnover and profitability. This will enable the public to compare the performance of different IPSs. There are also plans to launch an electronic newsletter on the Community Shares website which will be aimed both at practitioners and the public, alerting them to developments in community investment and community share offers.

09 Reporting on impacts: financial and social return

All IPSs are required to produce annual accounts for their members and to make an annual return to the FSA, which is available for inspection by the public in return for a fee. The Community Shares Programme will be inviting IPSs to make their annual returns freely available on its website, along with copies of their annual reports.

Many investors in community shares will be motivated not only by the financial returns on offer, but also by the potential social impact of their investment. The Community Shares Programme is also working with The SROI (Social Return on Investment) Network to identify the best way for enterprises to inform the public about their social aims and performance.

10 Future growth and regulation

There are a growing number of opportunities to promote community investment in enterprises serving a community purpose. The past twelve months have shown that community shares are relevant to many different areas of community activity where a business model is appropriate, including local retailers, food production, utilities and renewable energy, housing and regeneration, sports, leisure and pubs.

Any plan to increase the amount of investment capital raised from the public should balance the needs of emerging community enterprises with adequate protection for local investors. In July 2009, HM Treasury published a white paper, Reforming Financial Markets. It included questions about the continued exemption of IPSs from regulation, and concerns about the protection of the public when investing in IPSs, in the light of the collapse of the Presbyterian Mutual Society in November 2008.

The Community Shares Programme has demonstrated the scope for government to work with the third sector to improve standards of practice and voluntary regulation. The programme has brought together an expert group of third sector organisations engaged in promoting community investment to their members and clients. This group has demonstrated the benefits of establishing a third sector partnership body capable of promoting and maintaining standards of practice in community investment. It has acknowledged the need to develop and disseminate good practice, and train a new generation of community shares advisers. Over the next twelve months the Community Shares Programme will endeavour to ensure these aspirations are met, and that community investment becomes the norm for community enterprises.

Next steps

The Community Shares Programme continues until the end of March 2011. During this time the programme will:

- Run a series of training seminars for business advisers who provide support to organisations contemplating a community shares offer (March 2010)
- Continue to learn from the experiences of the ten participating organisations through quarterly Learning Exchange workshops and other forms of engagement (ongoing)
- Launch a quarterly e-newsletter on the Community Shares website, aimed at practitioners, policymakers and the general public (www.communityshares.org.uk) (April 2010)
- Publish *An Investors' Guide to Community Shares*, aimed at the general public (July 2010)
- Publish guidance for practitioners on *IPS Governance and Community Share Offers* (July 2010)
- Publish the results of a national survey of community investors, identifying the demographic profile of community investors, and what motivates them to invest in community shares (July 2010)
- Hold a national policy seminar, to launch new guidance on community shares, and discuss how community investment can contribute to national policy developments (15 July 2010)
- Establish a searchable database of organisations that have completed successful community share offers on the programme website (Autumn 2010)
- Publish a community shares practitioner handbook, based on the lessons and experiences of the programme (March 2011).

Further information

Further information on this programme is available at www.communityshares.org.uk

This programme is part of a £1.3m Social Enterprise Action Research initiative enabling departments across government to explore the role social enterprise can play in helping them meet their policy objectives - from tackling climate change to managing the nation's health. The programme is funded by the Office of the Third Sector, in the Cabinet Office. For more information go to: http://www.cabinetoffice.gov.uk/third_sector.aspx.

Office of the Third Sector's Social Enterprise Action Research Fund

The Government recognises the importance of developing a strong evidence base on key issues facing enterprises undertaking community share issues. The "Community Shares" action research project was suggested by Communities and Local Government to build a robust evidence base on how community share and bond issues can increase community empowerment, grow social enterprises and stimulate funding from non-governmental sources. The work is funded by the Office of the Third Sector's Social Enterprise Action Research Fund, is being led by the Department for Communities and Local Government, and is being delivered by the Development Trusts Association in partnership with Co-operativesUK and the Social Return on Investment Network. www.cabinetoffice.gov.uk/thirdsector

Development Trusts Association

The Development Trusts Association (DTA) is the leading network of community enterprise practitioners, and is aiming for a successful development trust in every community. The DTA helps people set up development trusts and helps development trusts to learn from each other and to work effectively. The DTA also influences government and others at national and local level, to build support and investment for the movement.

Development trusts are community organisations using self-help, enterprise, and asset ownership, to find local solutions and transform their community for good. There are now over 460 development trusts in DTA membership, in both urban and rural areas. While many are still small, others are operating at scale: the combined turnover is £275m and development trusts have over £565m of assets in community ownership. For more information on the DTA visit www.dta.org.uk.

Co-operatives^UK

Co-operatives^UK is the national membership organisation for co-operatives of all kinds. As the apex body of the UK co-operative movement it has a diverse and growing membership of over 500 co-operative and mutual enterprises in all sectors of the economy, federations (which in turn have their own membership base) that represent distinct co-operative sectors, and organisations that specialise in the start up and development of new co-operative and mutual enterprises. 1 in 5 of the UK population is a member of a co-operative. It provides information and support on a wide variety of topics relating to the operation duties of IPSs, including those of secretaries and directors. It has a number of model rules for bodies wishing to register as IPSs, including community investment models. For more information on Co-operatives^UK visit www.cooperatives-uk.coop

Social Return on Investment

Social Return on Investment (SROI) is a framework for measuring and accounting for a broader concept of value; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits. SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. To find out more, please visit www.thesroinetwork.org

The Community Shares Programme is a two-year action-research initiative funded by the Office of the Third Sector and the Department for Communities and Local Government working in partnership with the Development Trusts Association and Co-operatives[UK].

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