

# Community Shares

by Dave Boyle

DAVE BOYLE is the founder of The Community Shares Company who have helped over 25 groups undertake successful share offers, helping them raise more than £5M in total, including The Community Channel, Hastings Pier Charity, New Internationalist Magazine and The Bevy Pub in Brighton.

As a teenager I used to cringe to see pictures of me as an infant wearing flares. I couldn't understand how on earth *anyone* could have seen them as anything other than cringingly old-fashioned; yet six years later thanks to Madchester, I was wearing them again.

So it is with Community Shares, which began life as 'withdrawable share capital' in the 1900s, propelling the co-operative movement to the dominance of the UK retail sector that seems as weird as I used to think I looked in my brown bell bottoms. It fell out of favour in the co-operative movement for much of the post-war decline but it has undergone a renaissance in the last decade, with over £125m invested.

Much of that has been driven – until recently – by community energy that saw a means to raise capital from supporters without the need for expensive compliance as is required with 'normal' share offerings to the public. Now it is also the way in which communities are raising the capital to buy local pubs, regenerate piers, and create new businesses to serve their needs.

Community Shares are part of a wider trend towards 'disintermediation' in finance, with enterprises able to source the capital they need from more than just banks. It's working well in this new environment, not least because it pre-dates the era of the intermediaries. The historically unprecedented era of low interest rates since has meant that with saving rates being so low, ethically minded enterprises can get investors a better return than leaving money in their bank.

It works so well for enterprises, too, because of the strange nature of withdrawable share capital. Shares can't be sold, so the investors can't pass them onto a greater fool seeking speculative gain. The 700 people who invested in the Bevy Pub in Brighton invested first and foremost because they wanted to see an estate of 18,000 people get the pub it needed, and every day that pub exists, their community is the richer.

The investors can get a small return, or get their money back over time, but only if the Bevy is doing well enough to be able to afford either of those things. And who can help it do well? Those investors, who can invest their time, energy and custom in the business.

It's a patient form of capital suited to our time, where those who have the desire and means use their money to benefit the communities and causes that matter to them much more than to mainstream finance. Social investment by and for the rest of us.

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## Resources

### **Community shares handbook**

*Community shares unit*

### **What are community shares? An animated guide**

*Community shares unit*

### **Community shares webinar: Everything you need to know**

*crowdfunder.co.uk*



## Support Organisations

### **The community shares company**

*communityshares.co.uk*

### **The community shares unit**

*communityshares.co.uk*

### **Co-operative and mutual solutions**

*cms.coop*