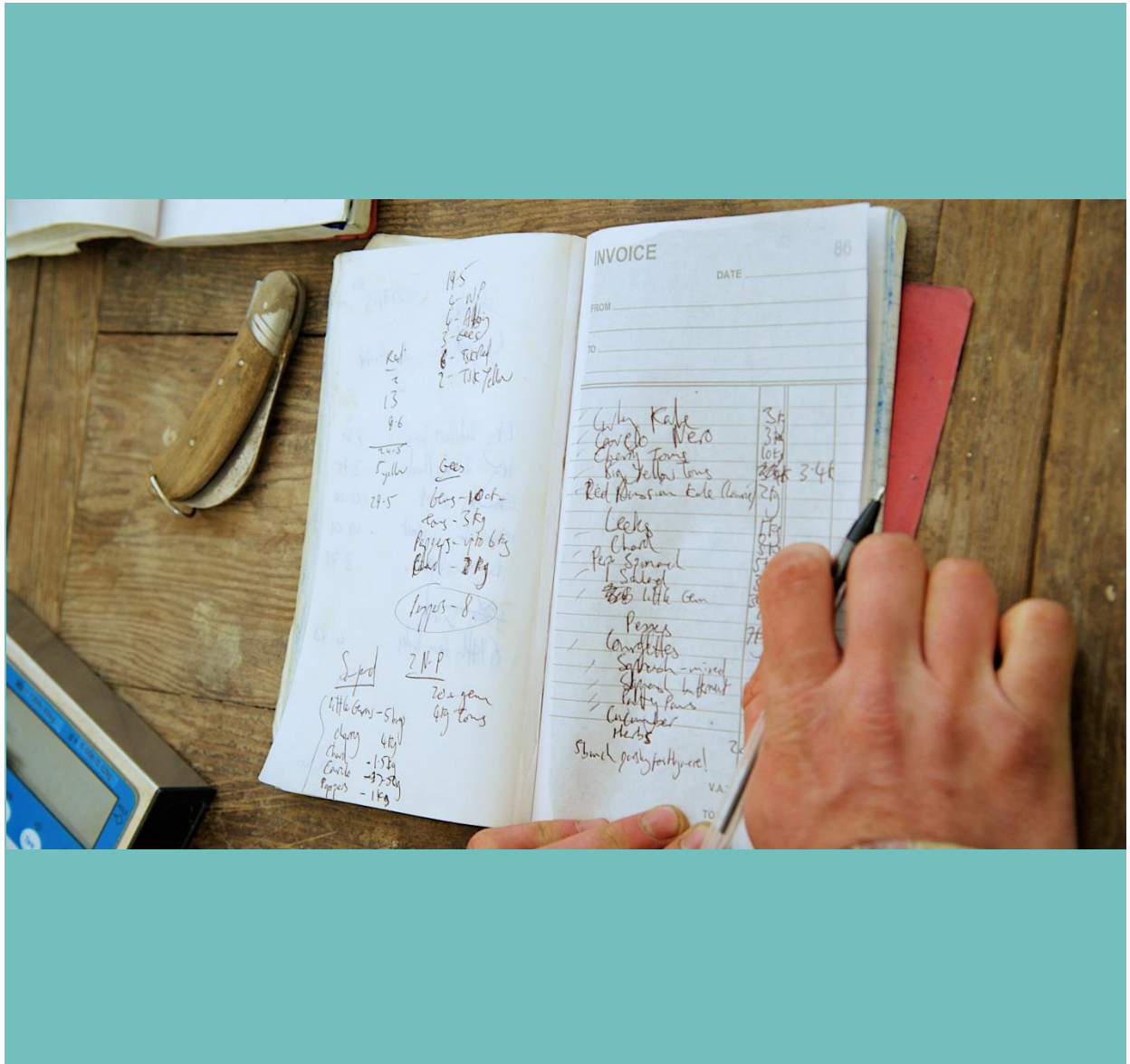


Community Shares



Community Shares Practitioner Training Manual 2021



Introduction

Co-operatives UK trains and licenses Community Shares Practitioners award the Community Shares Standard Mark on behalf of the Community Shares Unit (CSU). The Standard Mark is awarded to community share offers that meet national standards of good practice as set out in the Community Shares Handbook.

These Standards, associated guidance and practitioner training programme are overseen by the Co-operative and Community Capital Committee (CCCC), a member group of Co-operatives UK. There are three Community Shares Practitioners represented on the CCCC.

Why is this important?

The Financial Conduct Authority (FCA) does not approve or regulate community share offers that are currently exempt from Financial Promotions Regulations. This keeps costs low for community businesses and societies that are often volunteer-led and do not have access to significant development funding. However, withdrawable share capital is fully at risk, relying on the power of often hundreds or thousands of ordinary people investing. Recent research also shows that the majority of community shares investors earn the average UK income or less¹.

We want to ensure that the use of withdrawable share capital by societies remains unregulated for the benefit of societies wishing to raise capital in this way, while protecting the interests of community shares investors who are providing this mission aligned patient capital to the businesses that matter to them.

The CSU has worked closely with the FCA and other key partners to develop the Community Shares Standard Mark as a form of voluntary regulation. Training up community shares practitioners is a fundamental part of embedding these standards.

There is a well-established college of community shares practitioners in the UK who freely share knowledge and experience, supporting each other to grow and innovate in the community shares market in line with best practice.



¹ Understanding a Maturing Community Shares Market – www.uk.coop/comshares



Becoming a Community Shares Practitioner

Community Shares Practitioners are assessed and accredited at two levels.

Registered practitioners are deemed competent to provide community shares advice, guidance and mentoring to new and established community enterprises.

Licensed Assessors are additionally accredited to conduct Community Shares Standard Mark assessments on behalf of the CSU.

The demand for community shares practitioners is currently higher than ever and many societies and funders are very happy to invest in professional, practitioner advice on community share offers as the returns of a successful community share offer are significant. To read more about the success of the community shares market to date, read our latest publication [‘Understanding a Maturing Community Shares Market 2020’](#).

Practitioner Training Programme

Stage 1. Training workshops

All training workshops will be online for 2021. Historically, these workshops were delivered over the course of 1 full day in person. The content will be broken down into more digestible sessions for an online format and will include home study and interactive sessions.

The training workshops will cover the 4 key areas underpinning community share offers.

- **Community Engagement**

Community engagement is the foundation of all good community share offers. This workshop explains how community engagement can lead to a competitive advantage for societies, resulting in a more robust business model. It looks at the tools and techniques for defining a community and building support from potential members and stakeholders.

- **Governance**

This workshop examines the most appropriate organisational and legal forms for societies. It will address a variety of starting points, including start-ups, existing charities and community interest companies, and community buy-outs. It will introduce the different types of society, and the full range of model constitutions and governing documents available.

- **Business Planning**

This workshop explores the capital structure of societies, and how community shares are key part of a funding mix, alongside grants, debt and reserves. It explains how to meet the capital needs of a society with a credible funding plan, and how this can be used to prepare a community share offer. It will look at how to support societies to prepare financial forecasts and a business plan to back the share offer.

- **Share Offer Document**

This workshop will focus on offer documents and the Community Shares Standard Mark assessment process. It will explore the different types of share offer a society can make, and how to review a share offer using the Standard Mark assessment framework.



Who is this for?

The training programme is aimed at practitioners who already provide business and funding support in the social, community and voluntary sectors or who are involved in running co-operative or community enterprises themselves. It assumes a degree of prior knowledge in the above areas but not any in depth understanding of community shares specifically. We aim to attract a diversity of practitioners who can bring their own distinct experience and expertise to community shares.

The programme will be delivered to a cohort of successful applicants who will work through the content together and be able to network and learn from each other throughout the process. There will also be an introductory session prior to the formal workshops to allow the cohort to get to know each other and their backgrounds and experiences.

Costs

Workshops only - £1,000 + VAT

Registered Practitioner - £1,250 + VAT

Licensed Assessor – from £2,000 + VAT (experienced based, agreed with CSU)

Some bursaries are available on request to cover the costs of training.

Next steps...

Following the workshop programme, participants have the option of continuing their development to be accredited as either Registered or Licenced community shares practitioners. The requirements are as follows and details on the nature of the assessments below.

Stage 2. Registered Practitioner

A Registered Practitioner must demonstrate an understanding of community shares standards by completing:

- All the training programme workshops;
- One satisfactory Standard Mark Trainee Assessment (more detail below).

A Registered Practitioner is:

- Featured on the community shares practitioner directory as a registered practitioner and confident in advising community groups on share offers;
- has access to community shares practitioner peer support group with monthly online meet-ups;
- is unable to award the Community Shares Standard Mark on behalf of the CSU.

Stage 3. Licensed Assessor

A Registered Practitioner may decide to continue their accreditation to become a Fully Licensed Assessor of community share offers through the CSU's experience based accreditation process.

A Licensed Assessor must demonstrate a deep understanding of community shares standards by completing:



- All the training programme workshops;
- **One client case study assignment;**
- Three satisfactory **trainee assessments**, at least one of which as a **lead review**.

A Licensed Assessor:

- Is featured on the community shares practitioner directory as a licensed practitioner;
- Has access to community shares practitioner peer support group with monthly online meet-ups.
- Is able to award the Community Shares Standard Mark on behalf of the CSU.



Assessments and accreditation process

Trainee Assessments

A trainee assessment is a mock review of a society's share offer documentation using the [Standard Mark assessment framework](#). The assessment framework requires an in depth look at the share offer document, society rules, business plan and any associated financial tables to assess whether the documents are in line with best practice standards.

The assessment must satisfactorily identify areas where further action is required to achieve the community shares standard mark and what those actions might be.

The assessment is based on both an objective understanding of the law and best practice principles as well as a subjective assessment of the share offer itself and a proportionate approach to actions required depending on the scale and scope of the offer.

This Standard Mark assessment will be marked by the CSU and compared with an assessment by a licensed assessor to judge where the trainee has adequately addressed the potential areas of further action required.

The marked version and best practice version will be shared with the trainee and a follow up discussion will be arranged to discuss the assessment.

If the trainee practitioner is deemed to have satisfactorily completed the standard mark assessment, then they will be recommended to the CCCC to be accredited as a Registered Practitioner.



The assessment should take a trainee about 1 day to complete in total, depending on the complexity of the offer. We recommend taking your time with this assessment as the devil is often in the detail. The follow up call should take no longer than an hour maximum.

One satisfactory trainee assessment is all that is required to become a Registered Practitioner. To become a Fully Licensed Assessor, practitioners must build a portfolio of experience of working on successful Community Shares Standard Mark awards, this constitutes a client case study, a lead review and a further trainee assessment.

If you are already committed to becoming Fully Licensed, it's possible to do these assessments in any order as and when opportunities arise.

Client Case Study assessment

Licensed Assessors are only to award the Standard Mark to community share offers that they have had little to no role in developing. Fresh eyes and no background knowledge are very important for a Standard Mark award as the key is to assess the documentation from the perspective of a potential investor or someone who has little engagement with the society to date.

The Client Case Study assignment is one of the only occasions where practitioners can draw back the veil and work with the society as both a developer and an assessor.

The assessment involves doing an initial standard mark assessment of a society's share offer documentation simultaneously with the trainer from the CSU. These assessments are compared and actions required by the society are collectively agreed. The trainee then works with the society to make these necessary changes before bringing the documents back for the final assessment. The final assessment is again completed simultaneously, and if all required actions have been taken, the CSU will agree the final standard mark award.

A client case study is required to be written up once the share offer has closed on the practitioner's experience of working with the society, detailing the level of involvement and any challenges, successes and key learnings from the process.

Lead Review

A lead review involves working directly with a client to award the Standard Mark, but this time, maintaining the distance required and potentially working with a developer in addressing any actions required. The CSU trainer will supervise the award and agree the actions required and final award but will not do their own assessments simultaneously.

The Lead Review is often the last step in the accreditation process designed to most closely mimic the practitioner doing a Standard Mark assessment on their own once licensed.

Maintenance of accreditation

Once fully licensed, the CSU will periodically spot-check Standard Mark assessments to ensure that practitioner standards remain high. Practitioners are required to adopt ethical principles and sign a **Code of Practice for Practitioners**.

This Code of Practice ensures that all Standard Mark assessments are duly filed with the CSU and are available for training purposes and peer review by fellow licensed assessors.



Licensed Assessors are required to complete one peer review every 2 years and be peer reviewed every 2 years.

The CSU retains the right to remove the Standard Mark from offers that do not meet its standards, subject to a negotiated review of the offer. It also retains the right to remove the licence of practitioners who breach the following ethical principles and code of practice.