Using the Standard Mark to strengthen a community share offer

What is the Standard Mark?

The Standard Mark is an invaluable tool for Community Benefit Societies and multi-stakeholder Co-operative Societies that are raising community share capital. It builds trust and credibility with investors by ensuring transparency, good governance, and regulatory compliance.

Standard Mark awarded share offers must be consistent with the principles and guidance issued by the Community Shares Unit in the Community Shares Handbook and Finance Guide.

"The Standard Mark process is key for Directors on society Boards to confidently launch a share offer and develop a sustainable community-owned

“Undertaking the Standard Mark assessment lent credibility and reassurance to our share offer document and gave confidence to investors in the robustness of our plans and projections - this was invaluable.”

“The Standard Mark pushes societies to develop better share offers and better business plans etc. through making sure that they have thought about key areas and included key information.”

“The process of going through the shares Standard Mark helps the Society to refine their story and understand their risks and risk management practices. It also encourages them to continue engaging and sharing the evolvement of that journey with their members.”

“The SM is used to encourage the [society] to better understand themselves, their future and their offer... It sets a journey of best practice from the beginning.”

“Working with Co-operatives UK has also been hugely beneficial for us, from the attention to detail in the prospectus and the Standard Mark, to understanding the right approach to our community share offer. This has helped us beat our £300,000 share offer target and (hopefully) set us up for success!”

Community Shares

Community Shares STANDARD

Why should societies aim for the Standard Mark?

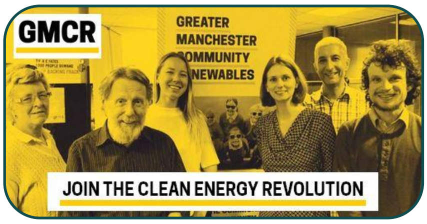
The Standard Mark framework supports societies to develop high-quality share offers that embed good governance, promote sustainable growth, and deliver their community mission.

The Standard Mark award demonstrates high quality to community investors, institutional investors, grant funders, and loan providers, to secure the funding required to enable the project to go ahead.

Who else has have been awarded the Standard Mark?

View Standard Mark awarded share offers: www.uk.coop/share-offers

Music Venue Properties raised **£2,674,009** community shares capital



Greater Manchester Community Renewables raised **£870,482** community shares capital

Nudge Community Builders raised **£500,875** community shares capital

Grimsby Community Energy raised **£694,221** community shares capital

Why use the Standard Mark?

Benefits for investors

Clear Communication of Purpose and Values: The Standard Mark ensures a society clearly demonstrates its commitment to community and social impact objectives. This shows potential investors that their investment will support the community, not private gain.

Confidence: The Standard Mark is a powerful tool for societies raising community share capital by giving potential investors the confidence to invest.

Trust: The Standard Mark demonstrates that the society adheres to important ethical and regulatory standards. Remember, many investors will be neighbours in your community!

Protecting investors: The Standard Mark signals that the society meets specific regulatory and governance standards. Potential investors need reassurance that the society adheres to legal requirements and responsibly handles investors' money.

Clear communication of risk: The Standard Mark ensures the society is clear to potential investors about the risks and rewards related to investing in the share offer.

Benefits for the society

Focus on long-term success: The Standard Mark examines a society's Board composition; future success depends on a strong Board and robust governance. This can increase the confidence of a newly established society's Board to launch a share offer.

Regulatory Compliance: The Standard Mark checks that the society meets legal requirements for issuing community shares by ensuring the society is registered and it follows established rules for managing share capital.

Attracts Investors: The Standard Mark shows that the society is transparent and accountable, which is appealing to people looking for ethically responsible investments that prioritise the community.

Attracts other financial support: The process of developing business plans and share offer documents to Standard Mark quality produces robust plans - this can unlock large investments from institutional investors and secure capital from lenders.

The process for a share offer to be awarded the Standard Mark

The Standard Mark is awarded to a share offer by a Licensed Community Shares Practitioner who is accredited by the Community Shares Unit.

A society can independently contract a community shares practitioner to assess and award the Standard Mark: see the Practitioners Directory.

The assessment typically takes three days. This is an external assessment against the framework, and the Standard Mark must be awarded before the logo can be used on a Share Offer Document.

It is useful to look through the assessment framework before engaging the practitioner, to ensure you have all fields covered. Use the framework as a business development document to help structure paperwork and check for any gaps.

Community shares standards are overseen by Co-operatives UK.

How to fund the Standard Mark?

In England funding is available through the Reach Fund; grants up to £15K to become investment ready, this can include the costs of a community shares practitioner to support you on the development as well as the assessment cost for the Standard Mark. Co-operatives UK is an access point for the Reach Fund. Email communityshares@uk.coop for more information. You may also get support through the Business Support for Co-ops programme.

In Scotland you can contact Democratic Finance Scotland.

In Wales you can contact Cwmpas.

Societies can get started by reading the framework...

Societies considering the Standard Mark for a share offer can refer to: Standard Mark for Societies | Co-operatives UK to find resources and support on the Standard Mark, including the assessment framework.

Any other questions?

Email communityshares@uk.coop