



# CALDER VALLEY COMMUNITY LAND TRUST

QUALITY HOMES OWNED BY THE COMMUNITY

## Fielden Acre Community Share Offer: lessons learnt

Calder Valley Community Land Trust (CVCLT) raised £270,000 in a community share offer to purchase two Victorian houses and land abutting a community centre in Todmorden, West Yorkshire. The offer ran for three months from 31 October 2020 and closed two weeks early because we had reached our maximum target. This document summarises the things we did well and not so well!

### Preparation of a CSO takes time

We took around 15 months from taking the decision to purchase the property to closing the share offer. The Gantt chart below shows what happened over the twelve months before we launched the share offer.

### Preparation of a CSO takes money

We secured approximately £30,000 in revenue funds from REACH, Homes England and the Community Shares Booster fund to help us prepare for the share offer. This paid for:

- Appointment of a consultant with knowledge of Community Share Offers to draw up a business plan and assessment of this to gain the Community Share Offer Standard Mark
- Securing extra capital investment including a loan from our local community foundation, a grant from Homes England and Investment from the Community Shares Booster fund
- Appointment of communications consultants and costs of design and marketing materials
- Professional surveys of property condition, valuation and tree health and quantity surveyors
- Upfront fees for investment platform

	MONTH	1	2	3	4	5	6	7	8	9	10	11	12
Secure funding for business, legal & communications													
Appoint consultant and draw up business plan													
Surveys for condition, tree health, valuation													
Share mark assessment													
Negotiate CS booster, loan, Homes England grant													
Appoint communications team													
Develop marketing story/strategy/material, investor pledges													
Launch Share offer													

### Business planning is long term and serious for the whole organisation

We needed real confidence that we were able to service the interest on the community share offer investments and that the capital was safe. Default presented an existential risk for the CVCLT as an organisation and a huge reputational risk to the CSO sector as a whole. We took this responsibility very seriously, commissioning a qualified consultant to draw up the business plan and re-assuring ourselves that this was correct through having it assessed by a registered assessor to achieve the Community Shares Standard Mark. Although we were raising money for a specific project, the investments were made in the CVCLT as a whole so the business plan affected the entire organisation.

## Selection of the interest rate is a long term decision

We chose quite a low level of maximum interest (2%) because that made our business plan add up. We were looking for local people who wanted to support a local community effort rather than those who were aiming to make a significant profit on their investment. We had already done an informal “pilot” share offer with this level of interest and we wanted to be consistent over the long term. We gave investors the option to accept 1% or no interest and to add the interest to their existing investment rather than paying out. We also offered for investors to bequeath their investment to the CVCLT on their death if they so wished.

## Investment platforms, minimum and maximum investments

We chose to run our share offer through the online ethical investment platform, Ethex. This cost around £9,000 but gave us access to a wider group of ethical investors - about a quarter of the investment came from outside our local area in the end. There are other platforms, such as crowdfunder, but we weren't really aware of these when we started the offer.

We chose £250 as the minimum investment for any single investor. This was a compromise that reduced the administration burden but still allowed people with not much money to invest. Our maximum individual investment was £20,000, partly dictated by Sharemark rules but mainly to protect the CVCLT from becoming too dependent on any individual investor.

Our minimum target raise for the share offer was defined really by the minimum amount of money we needed to purchase the property. Our maximum (£270,000) was slightly finger in the air and had we known how successful the share offer would be, we would probably have selected a higher target.

## Communication is key to success

We selected Leeds Community Homes (LCH) from a substantial tender exercise, not least for their own experience of a successful community share offer. They work-shopped with us to develop our “story” and we built on this to develop key messages that ran through all our marketing. LCH helped us work out how we would access the key communities who we thought might invest.

We spent time securing informal “pledges” of investment from people before the share offer launched so we could get off to a good start. We also created several short term targets where we could celebrate “success” along the way because people like to be part of successful projects. Our trustees' local networks - choirs, local history societies, university of the third age - were key to getting the message out and creating a local buzz

Our campaign ran during the COVID crisis so was conducted almost entirely online. This meant social media, mainly twitter and facebook were key to promoting the share offer. We were lucky in having a local celebrity who did a video for us to promote the online launch attended by about 70 people. Our marketing consultants also made several short videos that we published at intervals through the campaign. Other materials included a logo, a short A5 flyer, a four sided booklet, the share offer document and business plan as well as a dedicated web page on our website and on Ethex.

However, some of our potential investors were not internet-savvy so traditional media such as printed newspapers were also important and we had a few hard copies of materials to send out.

## All hands to the mast

A community share offer is a lot of work. Even with all the paid support, every trustee on our board did something for the campaign. Flexibility, humour and plain hard work were key. Roles included:

- Project manager who tried to coordinate the campaign and was responsible for sign off
- Treasurer who aligned the project with the organisation level business plan and liaised with other funders
- Web savvy trustee who delivered a fancy web page for the campaign
- Secretary who drafted & distributed newsletters, raised grant and loan funding, liaised widely
- Spokesperson who was well briefed and available at short notice for interviews and events
- Trustees tapping all their networks, family and friends

Keeping the internal communication working between the CVCLT team members and the consultants was sometimes challenging but honesty and good will made the thing work.