

Part A - General Information

Charity Name

Skelmersdale Resilience Society

Charity Type/Structure

Other

If 'Other' please specify

Community Benefit Society (formation as part of project)

Project Name (if same as Charity Name, please leave this blank)

Skelmersdale Resilience Fund

Lead Contact

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Website

<https://medium.com/@Bickerrecord/towards-a-post-covid-meadean-economy-804ad074558a>

Social media handles (Twitter, Facebook, LinkedIn, Instagram etc):

None yet

Part B - Project Proposal

Project Mission: A snapshot of the project's intention (50 words max)

We will register a Community Benefit Society in our town (Skelmersdale) with the Financial Conduct Authority and issue withdrawable shares as a way to deliver high street sustainability beyond the pandemic recession, demonstrating benefits of shifting local economies away from reliance on shareholdings under company law and towards society law.

Situation (250 words)

The fact that we are now entering a very deep recession because of the pandemic is now well-established. Further, there is general recognition that one of the hardest hit sectors of the economy will be retail and hospitality, especially in high street areas, because of ongoing restrictions for social distancing reasons but also because the pandemic has consolidated a general trend away from the high street and towards online shopping.

High streets, then, are at the sharp end. The decline, already well underway in many towns, will be circular, as loss of shops and hospitality venues translates into loss of footfall, and this results in further loss of shops and venues, and town centre blight. The real victims of this decline, though, are the hospitality and retail workers, already low paid, and now cast out of work at time when jobs are few and far between, and out of a high street community in which many will have felt deeply ingrained.

Complication (250 words)

The underlying problem with high street decline of this 'circular' type, in which one business leaving leads to others losing business, is that by the very nature of business ownership militates against a holistic approach. With exceptions, shops and venue are owned by companies with transferable shares operated under company law, as of course are their landlords. As a result, high streets cannot operate at a collective level.

While at a local system level it would make sense for a struggling music venue, say, to be supported collectively so that custom for all venues premises is retained for the longer term, the imperative for firms (local or part of a wider chain) to look after the value of their own shares in the short term means that this simply cannot happen. Landlords cannot 'afford' to offer reduced terms in the short term, even though this means they lose rent in the longer term through vacancies, and there is simply no mechanism for businesses operating on the high street to support each other through the bad times. Customers may be able to make marginal differences through local purchasing initiatives, but in a recession these will indeed be marginal differences.

The only ones who stand to gain are the firms whose share value actually increases because their business

is asset stripping – buying out shares of other firms (including landlords) at rock bottom prices and selling off constituent parts for profit (or retaining these assets for when they are of sale value again).

Solution (250 words)

Transferable shares operating under company law do not succeed as a way to manage a local economy during 'bad times'.

There are two alternatives.

- 1) A state-run, planned economy. This is not currently feasible, even were it desirable (though temporary state holdings protecting assets may play a role).
- 2) The alternative planned here: shift local economies from underpinning by company shares, to being based on non-transferable shares under society law.

This pilot, to be run in the deprived town of Skelmerdale (NW England, has these steps:

- 1) Establishment of a Community Benefit Society with powers to issue withdrawable shares, through which a town centre/high street resilience fund is built. The fund will be built from share purchases by local people and, in support, local institutions on the basis of a shares prospectus with reasonable return when the recession recedes;
- 2) An offer to firms struggling to survive to funds them through crisis in return for partial ownership by the society (either direct investment by the society or via separate FCA-registered debt equity, depending on rulings on this technical area);
- 3) Alongside this, a 'buy back' provision for owners, should they wish to re- take private ownership after survival period, at a premium to ensure sustained growth of Society funds;
- 4) Work with firms both in the scheme and in the wider area to build common commitment to high-level employment and environment practices, and to broader shifts in high street use, from retail towards culture;
- 5) Active dissemination of findings.

Part C - Wider Support

How would the Stephen Lloyd Award network of partners' support be beneficial to your project? (250 words max)

Frankly, while a £2,000 award would be welcome, our main motivation for application is to gain some initial credibility through being a Stephen Ward grantee, and to be in a position to liaise with a number of the partners, both in relation to any pro-bono services that might be made available and for broader networking purposes.

As a group of people from Skelmersdale, largely unconnected to the worlds of legal and financial innovation, we are proud of what we think we have to offer, and have the commitment, know-how and local reputations to drive forward the project within Skelmersdale, but we are well aware that without really active networking support and advice, any attempts at dissemination beyond Skelmersdale are likely to fall flat, as well, and that we may miss some 'tricks' when it comes to the innovation we're trying to deliver (especially when it comes to relations with the Financial Conduct Authority, with whom the new Community Benefit will need to be registered and, depending on any narrowness of view who may look askance at our objectives and proposed mode of business.

That is to say, we will be looking for all the help we can get from legal and financial expert partners on the list you have provided.

Part D - Financial Justification

In general terms, please explain how the funding would be used to carry out your project. (50 words max)

In, the unlikely event of a £20,000 award, we would use the money for initial legal costs and to employ a first project manager to speed up delivery. In the more likely event of a £2,000 award, we would focus on essential legal costs as well as basic website design & hosting.

Part E - Supporting Information

Team: We would like to learn a little more about the individual or team invested into the project. What

are your individual credentials? Is there a story behind how you or your team all came together to support the project? (75 words max)

The project lead is treasurer to two national non-profit organizations, and has an enduring interest in non-profit financial innovation, having established and raised funds for a large number of projects and organizations over 20 years. Paul has teamed up with members of the local WN8 CIC, whose members work to encourage local purchasing in this (Skelmersdale) postcode, All members have worked in community projects and businesses in Skelmersdale for many years, and have a wide range of contacts as well as reputations for integrity and good will.

YouTube Video

None yet

Additional References: You are welcome to provide a list of up to 5 links with relevant supporting material as further reference.

A short essay with an overview of some of the economic theory underpinnings to the project and a more detailed outline of the project steps is available. It is written from the perspective of local government, as an attempt to persuade councillors to give initial backing (still pending):

<https://medium.com/@Bickerrecord/towards-a-post-covid-meadean-economy-804ad074558a>