

About Co-operative & Community Finance

Co-operative & Community Finance (C&CF) has been providing loan finance for co-operatives, employee owned businesses and social enterprises for nearly 40 years.

We raise money primarily by public share issue, and we lend it for social purpose and collective benefit. We also manage loan funds for several other organisations providing co-operative and community finance. Through ICOF, our parent company, we are authorised and regulated by the Financial Services Authority (FSA) in the conduct of investment business.



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CO-OPERATIVE & COMMUNITY FINANCE
the lender for social purpose

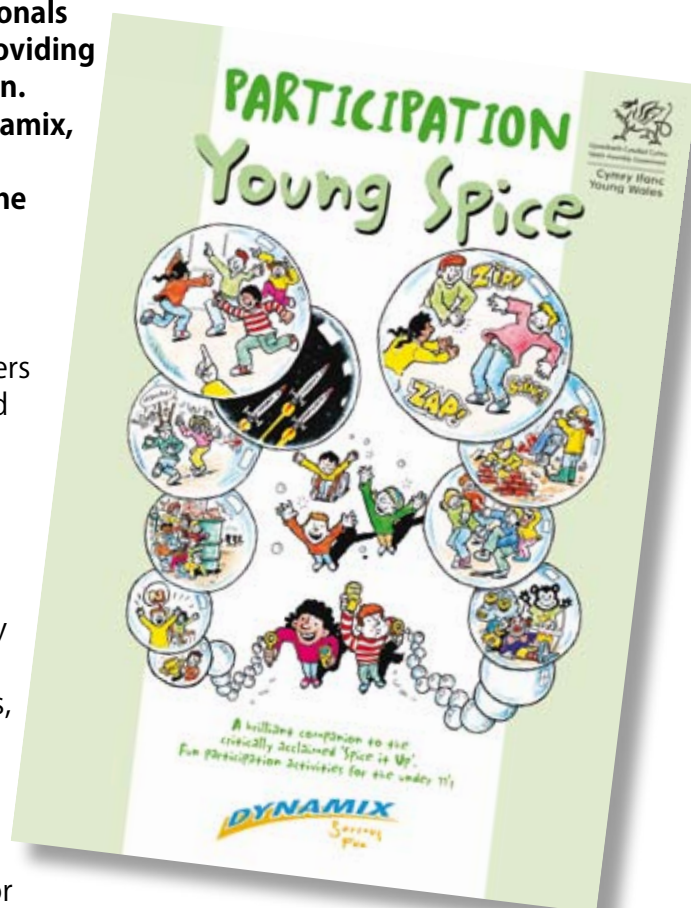
New book launched to engage children in decision making

A new book aimed at developing skills to participate with and positively affect under-11 year olds has been launched with the help of a loan from Co-operative & Community Finance. The book is geared toward professionals who are engaged with providing services for young children. The loan has assisted Dynamix, an award-winning Welsh co-operative, to finance the production.

Dynamix is a workers' co-operative that leads an experienced team of trainers to spread co-operative and ethical values. Dynamix focuses on education and play, and has contracts with the Welsh Assembly Government, Welsh Development Agency, Play Wales, Save the Children, numerous local authorities, and various co-operative societies. It maintains an online resource for educators, has an international reputation for training and has published many books and packs, and hundreds of training programmes. Dynamix has won both an environmental award and achieved Investors in People status.

Commissioned by the Welsh Assembly Government, the book is called *Participation – Young Spice*,

and will serve as a practical toolbox for engaging under-11 year olds in the decision making process. It contains exercises and activities, tools and skills training and is geared towards supporting adults



who contribute to child development, such as teachers, social workers and nurses.

"Working with very young people is about listening and sharing ideas, then recording and acting on them, ideally by involving the children in the process," said Ant Flanagan of Dynamix. "We firmly believe that

Engaging young people

there is no minimum age when a child can start to take part in decisions that affect their lives."

Dynamix's mission is to create a fairer society by developing people's skills for participation, co-operation, inclusion, play and enterprise. It achieves this by providing creative training, consultation, facilitation and publications that help people to explore serious issues in a fun way.

According to the book's introduction, the aim is to help children and young people have a "brilliant experience of participation, one that will get them saying 'more please.'"

"Dynamix is a business that really puts co-operative principles into practice"

The Co-operative & Community Finance loan has funded the printing costs and enabled 2,000 copies of the book to be produced. *Participation – Young*



Spice is currently available and sold through the Dynamix website.

This educational co-operative has released other successful books. *Participation – Spice it up!* was published in 2002 and sold over 10,000 copies. It was aimed at all children and young people.

"The success of *Spice it up!* prompted the production of our subsequent book, *Young Spice*, which upholds a similar theme, but more specifically targets younger children from 5 to 11 years of age," said Ant Flanagan.

Some of Dynamix's recent

projects have included an outdoor learning programme where Dynamix workers braved the elements with primary schools and youth groups to support them in exploring a community woodland. This was commissioned by local community council. Another recent project involved carrying out a health promotion intervention which helps young people stay smoke free during a term of peer support. It involves eight pupils and six schools each term across Wales.

Dynamix has been successfully trading since 1989. It is based in Wales but has carried out programmes across the UK and in Europe. It has 15 employees, most of whom are part time.

"We are pleased to help finance the production of this book," said Ian Taylor from Co-operative & Community Finance. "Dynamix is a business that really puts co-operative principles into practice and their new book will help to bring co-operative values to a new generation."

www.dynamix.ltd.uk



Community shops flourishing

We reported in our last newsletter in September 2010 that Co-operative & Community Finance and the Co-operative Loan Fund had together lent over £1m to community-owned shops. This positive trend has continued with another six loans being drawn down in the last four months.

In January the Plunkett Foundation published a new report containing an overview of the development of the community shop sector in the UK, and of the health and wealth of the sector today. The report shows conclusively that community ownership works and predicts that this growing sector will continue to flourish.

In 1991 there were 33 community-owned shops in the UK; at the beginning of 2011, there were 251. The Plunkett Foundation expects another 50 will open in the next two years.

Co-operative & Community Finance has played a key role in this success story by providing the loans as part of the Village CORE programme managed by the Plunkett Foundation. The programme provides communities seeking to run their own shops with specialist advice and expertise free of charge, and groups that manage to raise up to £20,000 of investment from their community can have it matched by a grant and a loan.

“We’ve not had a single loan default from a community-owned shop,” said Ian Rothwell of Co-operative & Community Finance. “The reason why is a combination of the good advice



Cutting the first sod for the new shop at Woodgreen, Hampshire

they receive from Plunkett and the due diligence appraisal we undertake. We get every group applying for a loan to look very hard at how the shop will stack up financially. We help them to be realistic.”

The report concludes that community-owned shops are a 'better form of business'

The six recent loans have been made to community-owned shops in Gawsworth in Cheshire, Ashwater in Devon, North Marston in Buckinghamshire, Peopleton in Worcestershire, Woodgreen in Hampshire and Trefeglwys in Powys.

Each one is different. In Gawsworth the community has taken over the existing shop from the previous owner with a minimum of business interruption. By contrast in

North Marston the community is preparing to open the first shop in the village for 25 years (in a temporary building in a car park).

The new shop in Ashwater is also located in a car park. It's a substantial modular building next to the new village hall and the only shop and Post Office for six miles.

The existing shop and Post Office in Peopleton has been completely refurbished and separated from the flat upstairs. The back room and garden are being developed as a cafe.

Unlike the others, Woodgreen community shop has been running for four years and it has outgrown its current premises. In May it will move to a new building constructed to the highest environmental standards and designed to blend in with the New Forest surroundings.

Cwm Trannon is a remarkable community facility serving the remote villages of Trefeglwys and Llawr-y-glyn. Last year



Cwm Trannon may be the only community-owned filling station in the UK.

the community co-operative bought and refurbished the local garage, which now includes a shop, Post Office, cafe, workshop and rooms available for community use. It also runs what is thought to be the only community-owned filling station in the UK.

The recent Plunkett Foundation report concludes that community-owned shops are

a 'better form of business' for a number of reasons. Most notable they appear to be far more resilient than private businesses with a 97% success rate, compared with a national UK business survival rate of 46.8%.

They are financially more robust than privately owned village shops that are closing at the rate of 400 each year.

The collective turnover for community shops in 2010 is estimated to be £33m, an average of £132,635 per shop (ranging between £7,000 and £900,000). Average net profits were recorded to be £3,654 per shop or £1m collectively.

Community-owned shops provide the services that local people want: 98% of them sell local produce; 58% host Post Offices and 40% have cafes.

All community shops adopt robust structures promoting genuine community ownership and democratic control. They have an average of seven directors and 133 members.

On average 22% of net profits are reallocated to community projects. Community shops typically employ 1.9 members of staff and create 30 volunteer placements. 90% of shops use volunteers regularly, in 2010 using 1m hours.

Community shares fund proposal shortlisted

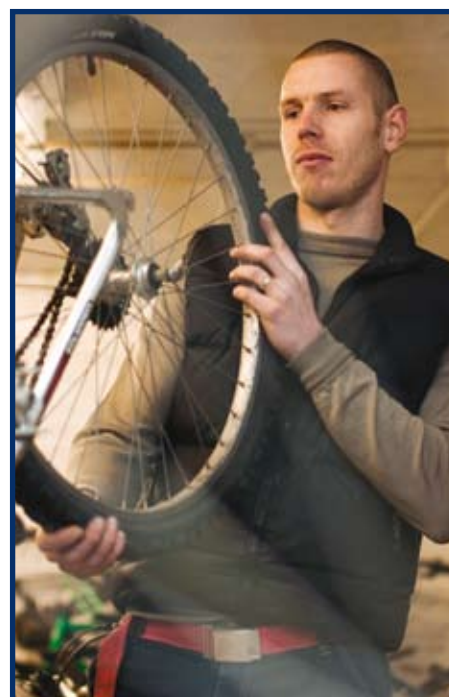
As this issue of the newsletter went to print we were waiting to hear if a proposal for equity investment in community-owned enterprises will be one of the financial products to be recommended to the Big Society Bank, due to be launched in April.

Over the last few months Co-operative & Community Finance has been working with the Development Trusts Association, Co-operatives UK, Key Fund and Baker Brown Associates on a proposal for a new fund to support community share issues.

The proposal was submitted to NESTA, the National Endowment for Science, Technology and the Arts - an independent body with a mission to make the UK more innovative.

In December it was announced that it had been shortlisted. Ours is one of 20 projects selected by an external panel of social sector and financial market experts chaired by Sir John Gieve, former Deputy Governor of the Bank of England.

The final selection is expected to be announced in February.



Oxford Cycle Workshop Training is one of the 10 enterprises taking part in the community shares research project

Loan turns the heat on wood recycling social enterprise

A loan from the Avon & Bristol Co-operative Finance Fund (managed by Co-operative & Community Finance) is being used to part-finance the installation of a biomass heater in the warehouse of a wood recycling social enterprise. The commercial wood-burning stove will warm the employees and trainees at Somerset Wood Recycling in Weston-super-Mare and dispose of the waste wood they cannot reuse or recycle.

Somerset Wood Recycling is one of a growing network of community wood recycling projects that combine the environmental benefits of reuse and recycling with the social impact of providing training and opportunities for disadvantaged people. There are currently 24 similar enterprises affiliated to the National Community Wood Recycling Project and the number is expected to reach 40 in the next two years.

Somerset Wood Recycling collects waste wood and timber from businesses, building sites and domestic premises in Weston-super-Mare and the surrounding area. The material is taken to its warehouse where it is sorted and used in the most environmentally beneficial way. At least 80% of the wood collected is reused; about half of it is sold as timber for DIY or woodworking, and much of the rest is used to make a range of products for sale including benches, plant boxes and bird tables. Anything that cannot be reused is either sold as fire wood or used to fuel the biomass heater.



"The project provides training and volunteering opportunities to people with different needs"



Last year the enterprise negotiated a two-year contract with North Somerset Council for the repair for outdoor furniture and some grounds maintenance. It now operates from two premises: the former park keeper's depot in Clarence Park and its original 4,500 sq ft warehouse and

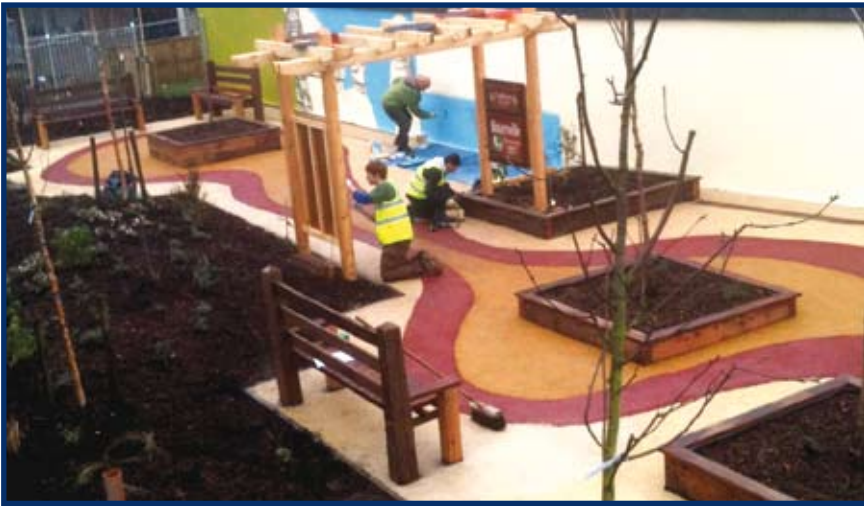
woodwork shop in Oldmixon Crescent.

Somerset Wood Recycling also derives a significant income from the Skills Funding Agency and other organisations for providing training and work experience.

"We have about 30 trainees and volunteers working with us, and that's the primary purpose of the project," said manager Tristan Tudor, who was one of the two people who set it up in 2006. "It's not so much about saving wood from going to waste. Although that's what we do it's just the vehicle that makes the project happen so we can work with people."

Somerset Wood Recycling is located in one of the most deprived wards in England and Wales where there are many people who are disadvantaged in the labour market.

"The project provides training and volunteering opportunities to people with different needs," said Tristan. "Some of them have had drug or alcohol addiction problems, some of them have learning difficulties, some have mental health issues and some have been unemployed for a long time."



Jim Bartlett, the site manager who personally provides much of the training, said: "We don't judge people when they come here. We work with people as they are. They might have social problems, they might have problems of communication or of confidence. We'll help them to overcome that. We'll put them in situations where they can gradually improve themselves so its easier for them on the outside world."

Securing the repair and maintenance contract from the local authority gave the social enterprise the confidence to apply for a loan from Co-operative & Community Finance and to develop plans for further expansion.

"We want to grow the project so we can help more people," Tristan said. "At a time when everyone in the public sector is looking for ways of saving money and delivering services more effectively I think we are well placed to pick up more work."

Ian Taylor from Co-operative & Community Finance said: "We are cautious of lending to community wood recycling projects because they are often very high risk. Somerset Wood Recycling has won a contract from the local authority which has strengthened the viability of the business. It is also a recognition that it provides a good cost-effective service for the local authority as well as the social and environmental benefits it brings."

www.somersetwoodrecycling.co.uk



Get in touch

If you need accessible, ethical finance to make your enterprising goals a reality, contact Co-operative & Community Finance and find out if we can help.

For nearly 40 years we have been providing sympathetic loan finance to new and existing co-operatives, community businesses, development trusts and enterprises developed from the charitable and voluntary sector.

Our rates are competitive, unlike many high street lenders we don't require personal guarantees. There are no annual facility or review fees, no charges for monitoring visits, letters, or phone calls.

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