



**CO-OPERATIVE &
COMMUNITY FINANCE**
supportive lending since 1973

Newsletter Issue 30
March 2013



**CELEBRATING 40 YEARS
OF SUPPORTIVE LENDING**

In this issue:

- Future Co-ops celebrations
- Interviews with past and present chairs
- Top 40 Countdown
- Zed Books
- Highland Home Carers
- More community shops
- Welcoming Anne

40th Celebrations at Future Co-ops!



We're turning 40 this year, and we kicked off our celebrations with a special birthday dinner at an inspiring co-operative conference.

We spent the last weekend in January catching up with fellow co-operators from far and wide at the annual Future Co-operatives conference, this year held in (the very co-operative) Longmynd Hotel in Church Stretton.

On the first night of the conference we held our special birthday dinner; celebrating 40 years of supportive lending. It was a wonderful evening of good food, great company and entertainment supplied by training co-op Dynamix. Our vice chair Guy Turnbull gave a hilarious speech, in which he remembered some of the fantastic co-ops we've lent to over the last 40 years.

We want to say a big thank you to all those who were there to eat cake and toast with us - here's to another 40 years!

The party was just the beginning, though. We'll be celebrating our birthday throughout 2013, with several events and a whole host of activity on our website and social media pages.

Keep your eyes peeled for #ccf40 on Twitter, and keep checking our website for updates.

Now and then...

We interviewed one of our first chairs, and our current chair, to get a sense of how ICOF has evolved since 1973.

NOW: Jo White



Jo White has been a trustee since 2003 and was appointed chair in 2011. Jo is Executive Director of the specialist support agency Co-operative Futures.

She is also on the board of a number of other co-operatives including Co-operatives UK. Jo has been advising co-operative and other mutual organisations for nearly 20 years.

In the last 10 years, since you've been a trustee, what have been the most significant issues that the board has discussed?

We've discussed the strategic issues involved with different sectors. For example we want to lend to employee-owned businesses but we are very clear that they must be at least 51% employee owned.

We decided that we could best support community share issues by investment rather than loans even though this is different to our core business.

Although the board is quite a diverse group we've always reached agreement. I can't remember ever having to vote on strategic issues.

What was the most difficult decision?

Although finances have been tight in the last 10 years we haven't had to make difficult financial decisions. I suppose the hardest was to do with all the issues involved in relocating the head office from London to Bristol.

What do you like about being a trustee and/or chair?

I love being a trustee. I have sat on a number of boards and this is the one I find really interesting. In particular, I enjoy the detailed financial analysis and modelling that is needed. The people it's brought me into contact with are fascinating. It's a well run organisation with clearly defined objectives and that means the role of the trustee is easier.

How do you see Co-operative & Community Finance developing over the next 40 years?

From strength to strength I hope. There's an increasing recognition that we need to build up the middle band

of co-ops – those with £5-10m turnover. There's lots of small co-ops and a few very big ones. Co-operative & Community Finance needs to help bridge that gap, by helping smaller co-ops to grow and new medium sized co-ops to start up.

I think 40 years is a magnificent achievement. I believe one of the reasons for the success is that the board is mostly made up of people who have borrowed. This keeps us on track and makes us better lenders.

THEN: Roger Sawtell



Two of the founders of ICOM and ICOF; Roger Sawtell (upright) and Godric Bader

Roger Sawtell was one of the people responsible for setting up ICOM in 1971 and ICOF in 1973. He was chair of both organisations in the early 1970s.

How did ICOF come about and what was your part in it?

We were very aware that workers' co-ops have a problem raising capital. Their democratic model doesn't allow for investment by outside shareholders. So if the movement was to grow

there was an urgent need for a revolving loan fund. So we set up ICOF in 1973 with £5,000 from Scott Bader, £5,000 from an individual and several smaller donations. The big step up came in 1976 with the passing of the Industrial Common Ownership Act which included a grant of £250,000 for the loan fund.

How do you think ICOF has helped the development of the co-operative economy over the last 40 years?

I'm sure it made major difference in the early days. The loan finance was just what was needed at that time. ICOF is still making a big difference today, and of course it's more established with larger funds and a professional management team.

But with hindsight I think ICOM and ICOF took a wrong turning when we decided to go it alone and not be part of the established co-operative movement. I regret that now.

I think it set us back 20 years. We spent years battling away as a small organisation until ICOM merged with the Co-operative Union to create Co-operatives UK.

What's the most amusing thing that happened when you were involved with ICOF?

In 1975 Tony Benn, who was minister for industry and a great supporter of co-ops, spoke at our AGM, which I chaired. He prominently placed a portable cassette recorder on the table (it was a modern gadget then) and asked if it was OK to record his speech because he was fed up with being misquoted in the press. We could see there were several journalists there.

I agreed to this but as he was speaking I noticed that the tape was not going round. When I told him afterwards he said: "I don't turn it on, the batteries are too expensive. Just putting in on the table does the trick."

Top 40 Countdown

ICOF was founded in 1973, at a time when the Top 40 countdown still ruled the airwaves. To celebrate our 40 years, we'll be chatting to 40 of our most memorable borrowers and featuring them online - one a week for 40 weeks. Here are the first four ...

70s - Calverts



Calverts produces high quality design and print for corporate, community, government and arts organisations. This long-established London based co-op places a strong emphasis on environmental materials and practices. Calverts is a workers co-op with 12 members.

Started trading: 1977, the year Elvis Presley died and had a posthumous hit with *Way Down*.

We talked to Siôn Whellens, Client Services Director, who joined the co-op in 1983. Siôn is also on the board of Co-operative & Community Finance so he's very happy about our 40th birthday.

What difference has the lending from C&CF made?

Calverts wouldn't have started without it. The co-op was set up by workers who were in an industrial dispute and ICOF provided a loan for them to buy equipment.

And since then?

Since then Calverts has taken out and repaid several loans to invest in new technology. You helped us buy our first filmsetting equipment for example.

In what ways has Calverts evolved since 1977?

We've moved on from being a small community press with low level technology to becoming a high quality printing and design team working for clients across all sectors.

80s - Coventry CDA



Coventry & Warwickshire CDA provides a range of enterprise, employability and financial inclusion services. CDA stands for Co-operative Development Agency. There were many local CDAs in the 1980s but now there are just a few. This one has survived and grown (to 14 employees) by widening its range of services and geographical spread.

Started trading: 1982, when The Jam shook up the pop charts with *A Town Called Malice*.

We talked to the first employee John Goodman and the Strategic Operations Manager Tamy Matanky.

How did Coventry & Warwickshire CDA start?

It was one of three CDAs set up when West Midlands County Council was being broken up. We were fortunate to start with good premises from the council including a factory unit where local 2 Tone bands like the Selecter used to rehearse.

What difference has the supportive lending from C&CF made?

In 1997 – it seems a long time ago – the CDA needed working capital and they helped us out with a 10-year loan. They were the natural choice of lender because we knew they understood what we were doing.

Co-operative & Community Finance has helped us adapt and expand and become more sustainable.

In what ways has Coventry & Warwickshire CDA evolved since 1982?

We've grown. When we started we just did co-operative development in Coventry. Now we work with the wider social enterprise sector. We also provide training and support around employability and financial inclusion. We deliver a number of projects across the West Midlands and East Midlands and with the development of The Co-operative Enterprise Hub are now working in the East of England as well.

90s - Phone Coop



The Phone Co-op is the only phone and broadband provider in the UK that is owned by its customers. It started as a way for voluntary organisations to save money on telecoms by bulk buying but very rapidly took off in the residential market. It is one of the most successful consumer co-operatives in the UK with over 9,500 members. The Phone Co-op is based in Chipping Norton and Manchester.

Started trading: 1998 when the Spice Girls topped the Christmas charts with their farewell single *Goodbye*, but founder Vivian Woodell was listening to Bach and Bob Marley

We talked to Vivian, who has also served on the board of Co-operative & Community Finance.

What difference has the lending from C&CF made?

They lent us a good chunk of the working capital we needed to get started. They also gave us good advice and got us to think carefully about our business plan. About 18 months after we started we converted to an industrial and provident society which allowed us to raise share capital. This, together with the fact that we were more profitable than we had expected, helped us to repay the loan early.

How has The Phone Co-op evolved since 1998?

It started as a two-person operation in my bedroom and now it has 23,000 customers, £10m turnover and net assets worth £4m. And we're still growing. Last year we started to trade using The Co-operative branding.

And since then?

I had been working with co-operatives in central and eastern Europe and was doing a lot of travelling. Our first child was born shortly after The Phone Co-op started so my life changed fundamentally – new business, new family, and definitely no regrets.

00s - Ecosulis



Ecosulis is a highly experienced ecological consultancy and contractor. It's an employee-owned business with nine members. Its services include ecological consultancy, countryside management, environmental impact assessment, research and development.

With its head office in Bath and regional offices in Exeter, Monmouth, London and Chester, Ecosulis provides services throughout the UK.

Started trading: 1990, the year that Sinead O'Connor was bringing us all to tears with her ballad *Nothing Compares 2 U*. Ecosulis became fully employee owned in 2007, the year that *I'm Gonna Be (500 Miles)* was re-recorded by The Proclaimers for Comic Relief.

We caught up with Suzi Day, who joined Ecosulis in 2004 as an office manager, and became a director last year.

What difference has the lending from C&CF made?

It allowed us to buy out the original owners of our business and become an employee owned company. That's made a big difference; giving staff a vote is very empowering. We had a lot of help from both Co-op Finance and Co-ownership Solutions throughout that process.

In what ways has Ecosulis evolved since 1990?

Becoming employee owned is the biggest, but we've also evolved in line with a lot of changes in legislation concerning things like health and safety, management structure and human resources. We have restructured the business to reflect a more meaningful approach to customer centricity and have invested time and resources in ensuring our staff are trained and engaged in order to offer the best service we can.

Check our website for a new 'catching up with' Q&A every week. www.coopfinance.coop

Most Common Sectors



Housing
 Village shops
 Reuse & Recycle
 Arts & Media
 Business Support
Manufacturing
 Sports & Leisure
 Green Energy
 Care
 Technology

94%

of borrowers still trading after 3 years

Quarter of our clients borrow from us again



Biggest Loan
£170,000
2013



Smallest Loan
£500
1973



Total number of loans
675

22

Separate funds Managed



£9m
Lent in the last 5 years

27

Employee Buy outs



Community Ownership
135

40th

CO-OPERATIVE & COMMUNITY FINANCE
supportive lending since 1973

Recent lending



Zed Books co-op outing to see how the other 1% lives (outside Buckingham Palace)

Zed Books

A long standing publisher of radical and academic literature is moving forward with e-book development plans, after receiving a loan from us.

Founded in 1977, Zed Books is one of our oldest and most well established borrowers. This is the fourth in a series of loans that Zed Books has drawn from the fund in the last 30 years, and the co-operative is using the money to expand and develop its range of e-books.

Zed Books is a co-operatively owned publishing house based in London, which caters for academics and students. The co-op publishes approximately 50 new titles each year, covering a range of topics including gender studies, environmental issues, politics and cultural studies. The majority of Zed

Books' releases are produced both in hard back and paper back editions; the members are keen to respond to changes in technology and add an e-book option to their offerings.

"Because we're a co-operative, traditional lenders are usually reluctant to loan us money."

The loan from us will be used to help Zed Books find partner organisations it can work with to transfer books into formats compatible with tablets and e-readers. The co-operative not only hopes to offer e-book versions of all new publications, but also to transfer their large back catalogue of titles into a digital format.

Due to the niche nature of Zed Books' publishing, many of their older titles have been out of print for several years. Being able to transfer these texts into e-book versions will allow the co-op to make older texts available once more, at a fraction of the cost of reprinting. Zed Books will offer e-books through their website as well as through online shops like Amazon and iTunes.

Julian Hosie, marketing manager at Zed Books, said: "Without this money from Co-operative & Community Finance we couldn't have moved along with the project as quickly. The loan has enabled us to formulate a plan, and given us confidence that we can follow it!

"We couldn't have survived over the years without help from Co-operative & Community Finance, the loans they gave us have been essential. Because we're a co-operative, traditional lenders are usually reluctant to loan us money."

Ian Taylor, one of our loan advisers, said: "We are delighted to help Zed Books respond to changes in technology and the publishing industry. This radical co-operative has been a very reliable borrower over the years, and the members have a wide range of skills, knowledge and experience."

www.zedbooks.co.uk



@ZedBooks



facebook.com/ZedBooks

Highland Home Carers

One of the leading providers of home care in Scotland is set for further growth thanks to a refinancing package involving three ethical lenders.

Loans from Co-operative & Community Finance, The Co-operative Loan Fund and Big Issue Invest have given Highland Home Carers, an employee-owned business with nearly 250 staff, the capacity and incentive to win more contracts across the Scottish Highlands.

Highland Home Carers provides care and support for elderly, disabled and vulnerable people to allow them to remain in their own homes and retain their independence. Its commitment to excellence has been recognised by several awards in recent years. In 2011 it picked up two awards at the Scottish Care National Awards and it also won the Global Energy Award for Excellence in People Development leading the Scottish Social Services Council to comment: "Highland Home Carers are at the cutting edge of the changing face of social care – taking it away from institutions and placing it firmly in the communities where clients want to remain."

Highland Home Carers started in 1994 and in 2004 became an employee-owned business, with advice and financial assistance from the Baxi Partnership Trust. In the last two years staffing has increased by over 50% and turnover has topped £3m.

Managing Director Stephen Pennington said: "The new loans have allowed us to repay Baxi. We are a much bigger business than we were eight years ago, and also interest rates have gone down. It made sense for us to restructure our finances and we'll be much stronger for future growth."

Highland Home Carers remains fully committed to the principle of employee ownership and Stephen Pennington would like to see more employee-owned care businesses in Scotland. He said: "We believe that if staff have an investment in what they are doing, they are more likely to want to do it to the best of their ability. Our view is that employee ownership can improve staff recruitment and retention rates in a field in which these figures can be poor."



One of Highland Home Carer's employee owners at work

Our loan adviser Ian Taylor said: "The supportive lending from our funds, the Co-operative Loan Fund and Big Issue Invest has enabled this employee-owned business to restructure its finances when other lenders had been unwilling to help. The new finance package better suits Highland Home Carers' plans for growth and development, allowing them to tender for new contracts with confidence."

He added: "I was impressed by the obvious commitment they have to providing the highest quality services. Highland Home Carers has become the first choice provider for local authorities in the Highlands. They are brand leaders outperforming the large private companies."

www.highland-home-carers.co.uk

A great year for lending

We lent to 28 different co-operative organisations in 2012, and - topped off by Highland Home Carers - our total lending reached over £800k.

This included £472,000 from our funds, £295,000 from The Co-operative Loan Fund, and two investments from the newly created Community Shares Fund.

Recent lending: Community shops

303 community village shops are currently trading in the UK, with 30 more expected to open before the end of 2013 (figures from the Plunkett Foundation). We're proud to have assisted many of these ventures, adding to the ever growing trend in community ownership.

Strood Green



The community-owned shop at Strood Green in Surrey was established following the closure of the local Post Office in 2006. The community raised over £80,000 to fund the shop's transformation, and it opened in March 2009.

The shop was awarded the Countryside Alliance Award for Best Village Shop in 2010, and has regularly been used as a template for other village shops. Helen Melia, one of the main driving forces

behind the project, is now a paid adviser for the Plunkett Foundation.

The shop secured a loan from The Co-operative Loan Fund back in October 2008 as part of the Village CORE programme, and used the money to transform the run-down shop into a vibrant community hub.

Helen Melia, Acting Chair of the Strood Green Committee said: "The community really pulled together to organise events and donate their time and money to raising the funds for a new village shop, and with the support of local businesses, community grants and the Village CORE Programme we achieved our goal."

The shop at Strood Green received a loan from the Co-operative Loan Fund when it started (which has been repaid). In 2012 Co-operative & Community Finance approved another loan which was used to purchase the building which comprises the shop and living accommodation above.

Uley

The only shop in the tiny village of Uley in Gloucestershire closed its doors in June 2012 after 12 years of business. It was reopened only a month later under community ownership.

A loan from Co-operative & Community Finance paid for new equipment, and a complete redesign and renovation of the shop's interior creating more sales space.

The village - which is miles away from the nearest town - once had 20 shops, which were gradually lost until the ultimate closure last year. Uley Community Shop is concentrating on extending its range of goods to include more local suppliers.

Janet Wood, volunteer support worker at Uley Community Shop, said: "The support we've had from local volunteers has been amazing, we currently have over 60 people helping in the shop.

We're so grateful for the support we've had from Co-op Finance; it made this all possible."

Angela Mills, who previously worked as a Financial Administrator for C&CF, has been a key volunteer throughout the process.

As this newsletter went to print the shop was being prepared for an official opening by Charles Mountbatten-Windsor.



Slindon Forge

A group of locals in Slindon, West Sussex, restored a 130-year old forge in the heart of their village, and turned it into a unique community owned shop after receiving a loan from us.

Slindon - like many small villages - lost the majority of its vital services in the last 10 years; including its shop, post office and pub. This has left the residents with no immediate access to these amenities, and missing the social interaction that comes from using them.

In 2006 a group of locals came together at a parish council meeting to discuss the possibility of regenerating some of these services. In February 2011 this discussion became reality; the group set up a community benefit society with the intention of opening a new community owned village shop. The society carried out a community share issue, which attracted investment from over 30% of locals and raised £50,000.

The group secured the lease on a listed building which stands in the centre of their village; a nineteenth century forge owned by the National Trust. Renovations and an extension on the forge began in April 2012, and the group reopened the building as Slindon Forge Village Shop in October.

The new shop houses a cafe and post office, and sells groceries, newspapers and gifts.

Many of the forge's original features have been retained



and the building has become a community hub with a uniquely historical background.

Slindon Forge is one of a number of community projects to have benefited from The Village CORE Programme; a partnership between Co-operative & Community Finance, The Plunkett Foundation and the Esmée Fairbairn Foundation, and supported by the LankellyChase Foundation. This programme was dedicated to helping communities looking to set up and run community-owned rural shops, and provided advisory support along with a funding package.

Mike Imms, a member of Slindon Forge Society, said: "This project really demonstrates a strong community investment - the shop is much more than the sum of its parts, it is a catalyst for all sorts of new economic initiatives and provides many opportunities for people that weren't there before.

There's something for everyone to get involved in; work in the shop, in the garden, on the decoration and renovation, on the finances. It has energised us as a community and really has benefited all of us."



Ian Rothwell, one of our loan advisers, said: "We were delighted to support Slindon Forge Society as they restored this beautiful National Trust building. It's great to see the forge transformed and brought back to life, with the purpose of serving the community in both a social and economic sense."

www.slindonforge.co.uk

[@SlindonForge](https://twitter.com/SlindonForge)

[facebook.com/Slindon-Forge](https://www.facebook.com/Slindon-Forge)

Introducing Anne



Our new finance administrator, Anne Wilks, joined us in October.

Anne has gained her experience through a variety of finance roles across different sectors, and - although new to co-operatives - is looking forward to broadening her experience within a new environment.

Her main duties at Co-operative & Community Finance include working closely with our Operations and FSA Compliance Manager Alain Demontoux, providing support to the Trustees & Management team, day-to-day office administration and accounts, and being a first point of contact for prospective borrowers.

Anne's hobbies include enjoying long countryside walks, travelling and sports such as handball and football. She has an 11 year old daughter who loves art and "draws like a champ!"

We can help

We provide sympathetic loan finance to help people take control of their economic lives and create social benefit.

If you need accessible, ethical finance to make your enterprising goals a reality, we may be able to help. Loans from £10,000 to £75,000 are readily available, and we are able to lend up to £150,000 using other funds. We do not require personal guarantees, and our profits are reinvested to enable us to continue our work. **Apply online www.coopfinance.coop/borrow/**

About Us

We are the oldest community development finance institution (CDFI) in the UK and, we believe, one of the most successful and sustainable. We are also one of the very few CDFIs that are authorised and regulated by the Financial Services Authority in the conduct of investment business.

We've been lending to co-operatives, employee owned businesses and social enterprises for 40 years. We manage a range of loan funds throughout the UK, and currently have around £4m available to lend. We raise money primarily by public share issue, and we lend it for social purpose and collective benefit.

Co-operative & Community Finance is the trading name of Industrial Common Ownership Finance Limited, which is authorised and regulated by FSA in the conduct of investment business.

Contact Us

Our staff will be glad to advise on the availability of specific funds and the most suitable forms of finance for your business.

Co-operative & Community Finance
Brunswick Court,
Brunswick Square,
Bristol, BS2 8PE

0117 916 6750
info@coopfinance.coop

 **[@coop_finance](https://twitter.com/coop_finance)**

 **facebook.com/CoopCommFinance**