



## Five new co-op pubs

Also in this issue

Lending surge in first half of 2017

Award for Just Growth Fund partnership

Community-run leisure centres



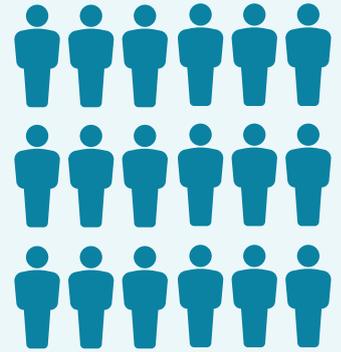
Members of Somersham Community Pub Ltd celebrating the re-opening of the Duke of Marlborough

# Lending surge in first half of 2017

After a quiet start to the year Co-operative & Community Finance experienced a big increase in lending in the second quarter of 2017.

Our half year results show that combined lending from Co-operative & Community Finance and the Co-operative Loan Fund (which we manage) was £563,000. This is 80% of the total for the whole of the previous year.

OVER 1,500 PEOPLE IN 9 CO-OPS & COMMUNITY BUSINESSES BENEFIT FROM NEW LOANS IN FIRST HALF OF 2017



“... I am astonished by the level of support we have had ...”



The surge in lending is mostly the result of the start up of five new co-operative pubs. We also released new loans to two environmental enterprises, one sports/leisure trust and a wholefood shop.

Most of the new borrowers are community benefit societies with hundreds of members - over 1,500 in total, which is more than the total number of people who benefited directly from our lending in the whole of 2016.

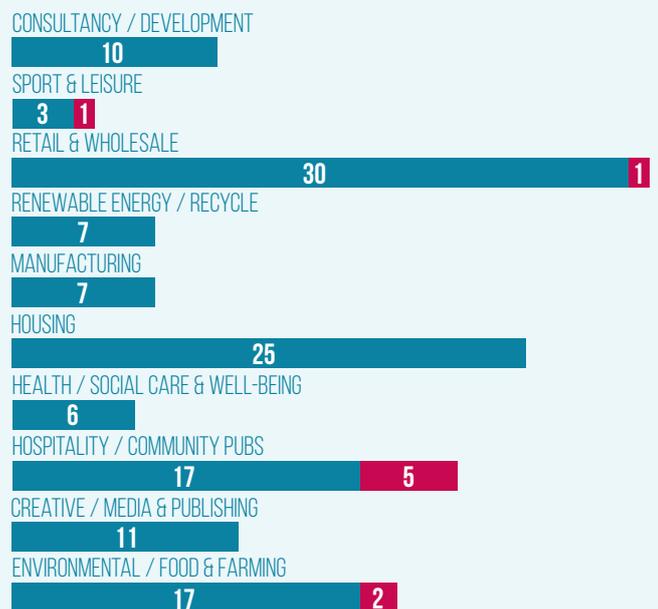


## Board changes

At the AGMs of ICOF companies and societies held on 30 June 2017 new trustees and directors were elected and appointed. We welcome James Alcock, Jon Nott, Carl Pitchford, Jenny Smith and Zena King to the boards. We thank Tim Blanc, Sion Whellens, John Atherton and Victoria Knott who retired.

## NUMBER OF BORROWERS BY SECTOR

■ BEFORE 2017  
■ FIRST HALF OF 2017



# Loans to five new co-operative pubs and more expected as new support scheme succeeds

**The number of co-operative pubs in the UK is rising rapidly and the trend is expected to continue. In the first half of this year we have released loans to new community-owned pubs in Berkshire, Derbyshire, Essex, Kent and Suffolk.**

The growth of this new sector is being stimulated by the More Than A Pub programme, which was set up in 2016 to support community ownership of pubs in England. This two-year programme is funded by the Department for Communities and Local Government and Power to Change, and is delivered by the Plunkett Foundation. Co-operative & Community Finance arranges loan finance for groups that have successfully attracted local investment, usually in the form of community shares.

The development of co-operative pubs is analysed in a new report by the Plunkett Foundation called 'Co-operative Pubs: a better form of business'. It contrasts the 15% annual growth in the number of co-operative pubs with CAMRA's estimate of an average of 29 pubs closing each week.

The Plunkett Foundation has received a huge increase in enquiries from community groups wanting to buy their pubs and is currently working with over 90 groups.

The first pub to receive loan finance from Co-operative & Community Finance under the More Than A Pub programme was the Duke of Marlborough in Somersham near Ipswich. This ancient timber framed village inn, dating back to 1250, had been closed since December 2014.



Kings Head, Pebmarsh

Somersham is a village of 316 households in a rural area that includes several villages and hamlets. There is a good culture of community activity including a successful community-owned shop, established in 2014. When the



Craufurd Arms, Maidenhead

owners of the only pub in the village retired and closed the business, the local people were determined to save this vital and long-established heart of the community. The community share issue raised over £200,000 from 230 members. With the grant from More Than A Pub, and the loan from Co-operative & Community Finance, this was enough to proceed with the purchase of the pub.

Not far from Somersham, the village of Pebmarsh near Halstead was also suffering from the closure of the only pub in the village. The 400 year-old Kings Head had been shut since the owner retired in September 2016. The villagers quickly formed the Friends of the Kings Head group, conducted a survey and set up a community benefit society. Unusually the minimum shareholding to join the society was set at £50 (often it is £200 or more) and this encouraged 320 people in this small community to invest.

There are plans for the Kings Head to include a café and a shop selling essential items. It will also offer a range of drop-in services such as reading, craft and computer clubs in addition to hosting outreach services including a library bus and blood donation bus.

John Flack, Chairman of Pebmarsh Community Pub Limited, said: "We have realised our dream of purchasing the Kings Head on behalf of the community, with more than 320 shareholders who really care about saving this prized community asset. I am astonished by the level of support we have had.

Not all co-operative pubs start as a result of the closure of a village pub. This year two community benefit societies managed to time their purchases so that the pubs did not close for business. The people of Stockbury in Kent moved very quickly to buy The Harrow when the brewery announced that it wished to dispose of it. It became community-owned on 22 June 2017, again with help from the More Than A Pub programme.

The 50th co-operative pub to open in the UK was the Craufurd Arms in Maidenhead, described in The Guardian as "a rare example of an ungentrified local in the affluent Royal Borough of Windsor ... well known locally for its good beer, darts teams and showing sport on TV." The 50th co-operative pub received widespread media coverage.

Mark Newcombe, Chairman of the Craufurd Arms Society, said: "There used to be six pubs in this part of Maidenhead and now this is the only one. We've done this to safeguard the future of the community. The pub has always been popular but it suffered from under investment. Under community ownership we will be investing the surplus in improving the pub."

The people of Holbrook in Derbyshire managed to register a community benefit society, conduct a share issue and buy The Spotted Cow without assistance from the More Than A Pub programme. To help finance the refurbishment Co-operative & Community Finance drew on funds made available by the Ecology Building Society and the Co-operative Loan Fund.

The purchase was completed on 13 April 2017, and the pub, café and post office re-opened in July after refurbishment.



The Spotted Cow, Holbrook

Stephanie Limb, secretary of the Holbrook Community Society said: "We're really excited to get the pub back and

"... We've done this to safeguard the future of the community ..."

create more of a community feel in the village. Without the loan from Co-operative & Community Finance we couldn't have done the refurbishment necessary to make the pub as good as it can be for our community, thank you so much!"

Ian Rothwell, Investment Manager of Co-operative & Community Finance, said: "It is wonderful that there are now over 50 co-operative pubs in England and Wales, and there will soon be more. Co-operative & Community Finance has been working with partner organisations and local communities in recent years to help more local people own their local pubs, shops and other facilities. Community ownership offers a sustainable future for many local pubs."



This year we have been targeting our marketing at sectors that are ripe for our supportive lending. We have run campaigns focused on workers' co-ops and co-operative housing. The third campaign is called Financing Community Ownership and will culminate with the Community Ownership Awards later this year.

James Alcock, General Manager at Plunkett Foundation (and one of our new directors), said: "Community co-operatives are a great leveller – they bring people together of all ages, backgrounds, interests, and give them a purpose to interact. Put simply, community shops and co-operative pubs reduce social isolation and loneliness."

[coopfinance.coop/community](http://coopfinance.coop/community)

# Award for partnership with Just Growth Fund

**For the second time in two years Co-operative & Community Finance won an award at the Responsible Finance conference. This year it won the Citi Microentrepreneurship Award for Effective Partnership for its work with the Just Growth Fund.**

The Just Growth Fund focuses on supporting businesses in community food and farming work. To date Co-operative & Community Finance has made loans to five enterprises via the fund: the Ecological Land Co-operative, Veg Box People, Scotland the Bread, Plotgate Venture and Sacred Earth. (Some of these loans involve the Co-operative Loan Fund.)

Tim Coomer, Business Development Manager at Co-operative & Community Finance said "We are absolutely delighted to receive this award for Effective Partnership. Our



Tim Coomer receiving the award

collaborative work with Funding Enlightened Agriculture and Esmée Fairbairn Foundation has unlocked vital grant, loan and social investment for our fantastic Just Growth food and farming societies."

In 2015 Co-operative & Community Finance won the award for Innovation, in recognition of its work in enabling community ownership through innovative lending and investment funds.

Jennifer Tankard, Chief Executive of Responsible Finance, said: "It is inspiring to see how Co-operative & Community Finance is working creatively to support a thriving co-operative food and farming sector. It is a great example of effective partnership working that focuses on how best to support financially and socially successful businesses."



Scotland The Bread, which received a loan via the Just Growth Fund, is a collaborative project to establish a Scottish flour and bread supply that is healthy, equitable, locally controlled and sustainable. The business sells specialist grain and flour and runs comprehensive bakery courses for community groups. Veronica Burke, one of the founding directors, said: "Our idea is simple – grow nutritious wheat and bake it properly close to home."

# Refurbishing community-run leisure centres

**Co-operative & Community Finance is working with other funders to finance refurbishment at community-managed leisure centres in Kent.**

Sencio Community Leisure is a community benefit society set up in 2003 to run the leisure centres and golf course on behalf of Sevenoaks District Council. The transfer from local authority control has allowed access to more finance options. Currently the organisation is involved in developing facilities at their sites including extending a health and fitness suite and the replacement of water flumes. These projects are being funded by loans from Co-operative & Community Finance, Big Issue Invest and the local authorities.

Violette Saad, Finance Manager of Sencio Community Leisure, said: "The leisure centres are very popular and at Sevenoaks in particular the gym and dance studio sometimes cannot cope with demand. It is often overcrowded and people have to wait to use the equipment. With this new funding we intend to refurbish the existing facilities and create a second gym and studio at Sevenoaks. The work should be finished in October."

Over the last 20 years a number of local authorities have 'externalised' their leisure services by setting up trusts. Today about 30% of public leisure centres in the UK are run by trusts. Sencio Community Leisure generates over



£4.5m from its four sites which are used by more than 4,000 people a year.

Ian Rothwell, Investment Manager at Co-operative & Community Finance, said: "We are pleased to have helped pull together a funding package that will greatly improve the facilities. It is clear that these community-run leisure centres are popular with the public, and I think this is due to the commitment, enthusiasm and helpfulness of the staff who make a point of engaging with customers."

## Supportive 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: [coopfinance.coop/apply-for-a-loan/](https://coopfinance.coop/apply-for-a-loan/)

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 few CDFIs that is authorised and regulated by the Financial Conduct Authority in the conduct of investment business.

We've been lending to co-operatives, employee owned businesses and social enterprises for over 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.

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

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