



CO-OPERATIVE &
COMMUNITY FINANCE
supportive lending since 1973



A REVIEW OF 2017

The Year of the Co-operative Pub

Supporting the rise of co-operative pubs

2017 was the Year of the Co-operative Pub. We saw a big growth in demand for finance from communities wanting to take ownership and control of their local assets, especially pubs. Just over three-quarters of the finance we released in 2017 went to 10 community benefit societies involved in pubs and hospitality.

More Than A Pub

The growth of the co-operative pub sector has been accelerated by the More Than A Pub programme, which was set up in 2016. The programme is funded by the Ministry of Housing, Communities and Local Government (formerly the Department for Communities and Local Government) and Power to Change, and is delivered by the Plunkett Foundation. Co-operative & Community Finance and the Key Fund arrange loan finance for groups that have successfully attracted local investment, usually in the form of community shares.

At the end of the year there were 60 co-operative pubs open for business in England and Wales and a further 180 community groups were actively pursuing the prize of pub ownership. The More Than A Pub programme has been extended to March 2019.

The opening of the 50th co-operative pub in the UK, the Craufurd Arms in Maidenhead, attracted widespread national publicity. The opening of every new co-operative pub is the cause of celebration and comment locally.

Five of the pubs we lent to in 2017 are relatively close to each other, in Suffolk and Essex. It seems that the idea of community ownership spreads by local example. There are also 20 community-owned shops within 50 miles of this cluster.



Lamarsh

The Lamarsh Lion on the Essex/Suffolk border is a typical example. This historic village inn, that is reputed to have been frequented by the artists Thomas Gainsborough and John Constable, was bought in July 2017 by a community benefit society of 320 members.

Lamarsh is a tiny village (population 180) about 10 miles north west of Colchester. The Lamarsh Lion is the only pub, and indeed the only public facility serving the villages of Lamarsh and Alphamstone, so there was dismay when it closed in May 2016 and was put up for sale. The dismay turned to action when the vendors applied for planning permission for change of use to residential premises. The application was withdrawn after the council received 127 letters of objection and the pub was listed as an Asset of Community Value. The parish council set up a community benefit society to buy the pub.

The community share issue for the Lamarsh Lion, which allowed people to invest as little as £50, raised over £350,000. With the grant from More Than A Pub, the loan from Co-operative & Community Finance, and a private loan, this was enough to proceed.



Redgrave

Redgrave, near Diss, is a picturesque village of some 260 houses, many of which, including the Cross Keys, are listed buildings. The pub looks onto the village green with an ancient oak tree and a duck pond.

For number of years the Cross Keys had been suffering from neglect - an all too familiar problem - so when the owners announced their intention to sell the pub in April 2017 local people acted quickly. They held a public meeting, conducted a survey to determine what people wanted from their pub, set up a community benefit society and started a colourful campaign to raise funds using the catchphrase 'Don't Lose The Keys'. The community share issue raised over £210,000 from 230 investors. They collected the keys to the Cross Keys in November and opened the doors of their community-owned pub for just a few hours on 23 December for pre-Christmas drinks.



Other lending for pubs and hospitality

Not all of the support we provided was part of the More Than A Pub programme. We made loans to Holbrook Community Society in Derbyshire, which owns the Spotted Cow, and Great Oakley Community Hub in Essex, which owns the Maybush Inn.

We had helped the people of Great Oakley to buy the Maybush Inn in 2016. Emboldened by their success they wanted to do more, and turned their attention to the large empty house and garden next door. They drew up plans for converting the ground floor into a restaurant and the first floor into three flats to provide affordable rented accommodation. They held a second community share issue. Most existing members increased their investment and over 30 new members joined the society.

In 2017 we lent
£688,000 to
10 Co-op Pubs
adding to the
£2.2m invested by
2,010 members

We also invested directly in two share issues, using a specialist fund managed by Co-operative & Community Finance. One of these was the Northumberland Arms in Marple Bridge near Stockport which had to raise funds quickly in order to complete the purchase. The other was Llety Arall in Caernarfen, North Wales. We helped this community benefit society to buy a large building in the centre of the historic town which it intends to convert into a visitor/community centre with B&B accommodation. The project is specifically designed to celebrate the Welsh language and culture.

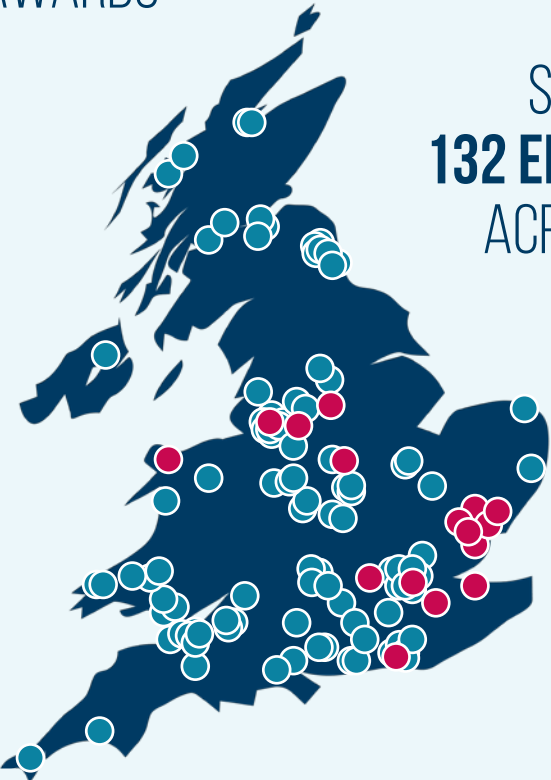
Picture captions:
Front cover: The Maybush Inn, Great Oakley, Essex (courtesy of Mark Godfrey and Harwich & Manningtree Standard)
Page 2 top: Celebrating the purchase of The Lamarsh Lion, near Bures, Suffolk (courtesy of Robert Erith)
Page 2 bottom: Official opening of The King's Head, Pebmarsh, Essex (courtesy of Roger Cuthbert)
This page: Volunteer work party at The Cross Keys, Redgrave, Suffolk (courtesy of Fiona Kenworthy)

4 STAFF
11 DIRECTORS
627 MEMBERS
60 INDEPENDENT CO-OP ADVISERS

TENS OF THOUSANDS
REACHED ON TWITTER,
FACEBOOK & LINKEDIN



SPONSORED WAYS FORWARD,
FUTURE CO-OPS,
RURAL COMMUNITY CO-OPERATIVE
AWARDS



SUPPORT FOR
132 ENTERPRISES
ACROSS THE UK

BEFORE 2017
2017



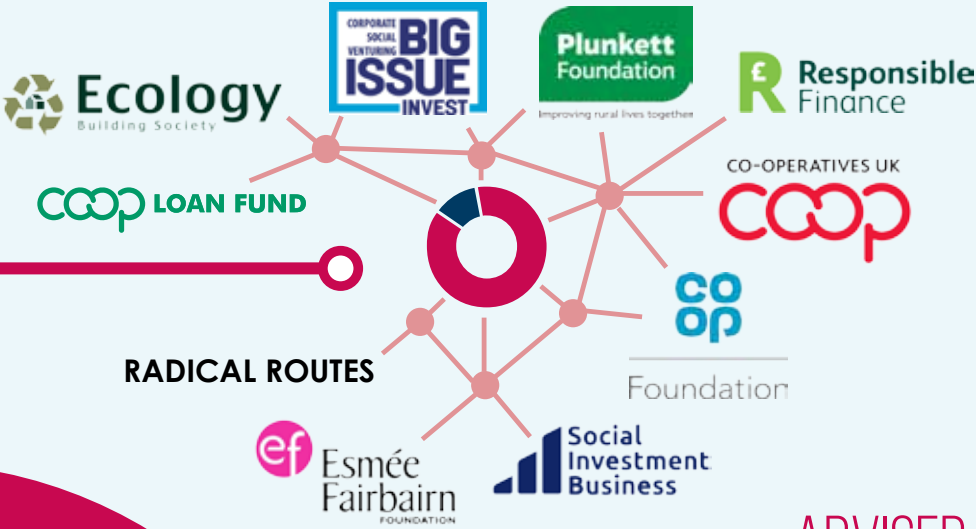
HELPED 6 GROUPS APPLY FOR
GRANTS FROM THIS £4M FUND

THOUSANDS OF WEBSITE
VISITS EVERY MONTH

PERSONAL VISITS TO
BORROWERS
ACROSS THE UK



COMMUNICATING
CO-OPERATING
LENDING
SUPPORTING

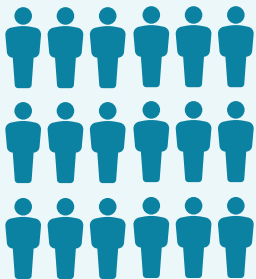


MORE THAN A PUB
SUPPORT PROGRAMME

ADVISED CO-OP FOUNDATION
ON SUPPORT FOR
COMMUNITY ENTERPRISES

WON AWARD FOR
EFFECTIVE PARTNERSHIP

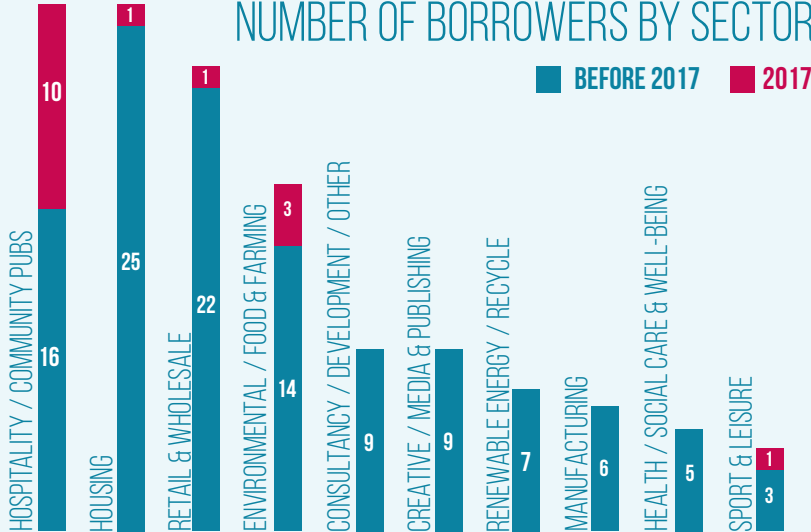
OVER 2,000 PEOPLE IN
16 CO-OPS & COMMUNITY
BUSINESSES BENEFIT
FROM NEW LOANS



NEW LENDING IN 2017
£893,000

REPAID IN 2017
£636,000

NUMBER OF BORROWERS BY SECTOR



Multi-stakeholder co-operatives

During 2017 we helped two very different multi-stakeholder co-operatives to expand and develop.

RetrofitWorks

RetrofitWorks, based in London, is a multi-stakeholder co-operative whose members include both owners/managers of housing stock such as local authorities, housing associations and charities, and tradespeople and building companies.



Megan Williams, Projects Manager at RetrofitWorks, said: "RetrofitWorks brings together the supply and demand sides of the complex market for retrofitting. We are the bridge between the clients and the contractors, the families and the fitters. We provide administration, project management and quality control."

The co-op was set up in 2013 and now has some 50 Practitioner Members, who include sole traders and small businesses, and a similar number of client members, known as Advocates. Work is focused on energy saving measures such as replacing boilers, fitting double-glazing and installing/replacing all kinds of insulation but also includes general building refurbishment that facilitates the retrofitting measures. To date most contracts have been for local authorities in London and the South East, for between 50 and 200 households. The ultimate purpose of this work is to reduce carbon emissions and energy usage.

Megan Williams said: "The outlook for RetrofitWorks is very exciting. We have a number of big projects in the pipeline and over the next few years we are aiming to extend our geographical spread and we want to get the retrofit market growing to a much larger scale."

Ian Rothwell, Investment Manager at Co-operative & Community Finance, said: "The team at RetrofitWorks are passionate advocates of co-operative working. They have brought together key professionals from a range of areas – community energy co-ops, trade associations, local authorities etc. Using RetrofitWorks enables small local contractors to directly benefit from large contracts because Retrofit Works handles the administration, quality control and any complaints."

Sencio Community Leisure

Sencio Community Leisure is a community benefit society set up in 2003 to run three leisure centres and a golf course on behalf of Sevenoaks District Council in Kent. The transfer from local authority control has allowed access to more finance options. In 2017 the organisation developed and refurbished a number of facilities at their sites including extending the health and fitness suite at the Sevenoaks centre and the replacement of water flumes at White Oak leisure centre. These projects were funded by loans from Co-operative & Community Finance, Big Issue Invest and the local authorities.

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.

Violette Saad, Finance Manager of Sencio Community Leisure, said: "The leisure centres are very popular and at Sevenoaks the gym and dance studio sometimes could not cope with demand and people had to wait to use the equipment. With this new funding we were able to refurbish the existing facilities and create a second gym and studio."



Innovative ventures in food and farming

In 2017 we continued to work with the Real Farming Trust and Esmée Fairbairn Foundation to deliver the Just Growth programme. This 18-month initiative was set up to nurture community enterprises that are farming and producing food in a responsible way.



Six projects received a funding package made up of one third loan finance, one third grant funding and one third raised from the local community.

Our work for this programme was recognised at the Responsible Finance conference in March 2017 when we won Citi Microentrepreneurship Award for Effective Partnership.

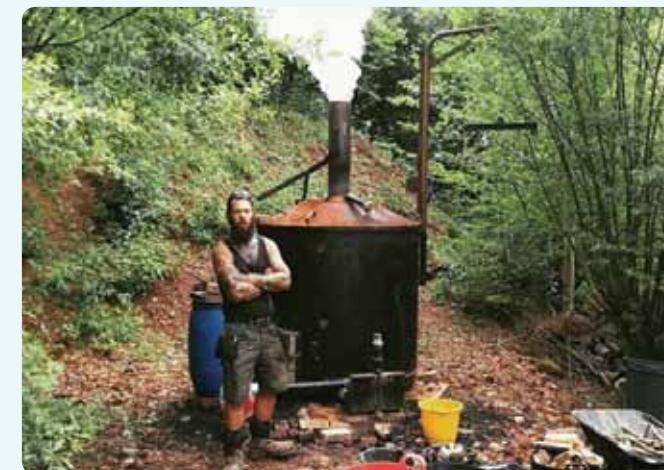
During the year we released two loans under the programme (from Co-op Loan Fund).

Sacred Earth

This community land project is reclaiming the 40-acre site of an old brickworks at Horam in East Sussex.

The site is home to a number of nature-based ventures including the production of biochar (a form of charcoal), growing and processing of herbs, animal husbandry, willow production and basket making, ecotherapy, and a wide range of courses and workshops.

The project had been developing gradually since a local philanthropist bought the site in 2011, but in 2016 it registered as a community benefit society and launched a share offer. It raised £45,000 from a total of 170 members and this made the venture eligible for the Just Growth Fund.



Over the next five years Sacred Earth plans to increase the production and sale of biochar, expand its educational programmes, provide practical support and training for young rural entrepreneurs, produce food and medicinal herbs, establish a centre for ecotherapy, and look after the land for the benefit of the local community and future generations.

Lauriston Farm

This Essex farm is one of the leading practitioners of biodynamic farming and conservation. The 210-acre farm has rare-breed cattle and sheep, hens and beehives and a large vegetable garden. As well as producing organic beef, lamb, eggs and wool products, Lauriston Farm also runs an education and training programme and provides co-worker placements for people with learning disabilities.



Until July 2017 the family-owned farm had been run by the owner's son, Spencer Christy, as a sole trader. He and his team wanted to expand and diversify the business and to ensure that it remained rooted in the local community, so they set up a charitable community benefit society and launched a community share issue.

Over 140 people, mostly local residents, have invested in Lauriston Farm and become members of the society.

Spencer Christy explained the difference becoming a community benefit society had made: "The feeling on the farm is different, we feel supported by the local community, many of whom have bought shares.

"The big difference is just starting and that's the increase in the opportunities we provide for co-workers with learning disabilities. We hope to have seven placements a day, five days a week."

Providing supportive lending

Our vision is ...

a thriving co-operative sector, with capital readily available to finance the start-up and growth of democratically owned and controlled enterprises.

For over 40 years we have supported many hundreds of businesses ranging from small community-run enterprises to large award-winning organisations. Our profits are reinvested to enable us to continue our work.

We have over £4m of our own capital to lend. We also manage other loan funds on behalf of other lenders.

All our borrowers have the assurance that comes from receiving support from an organisation that is democratically owned and controlled.

To apply

If you need accessible, ethical finance to make your enterprising goals a reality, we may be able to help. Apply online: coopfinance.coop/apply-for-a-loan/

Our staff will be glad to advise on the most suitable finance for your business.

Use our lending to ...

- Set up a new business
- Expand an existing business
- Transfer ownership to employees
- Acquire and improve property
- Buy equipment
- Provide working capital
- Replace inappropriate finance

Reasons to choose us ...

- We consider the individual circumstances of each borrower
- We offer flexible terms
- We never ask for personal guarantees
- We can provide loans from £10,000 to £150,000
- We can broker deals on larger financial packages
- We give ongoing support throughout the term of the loan
- We've been lending to ethical businesses since 1973
- We believe in mutuality; all our borrowers are members



In 2017 Radley Village Shop, near Oxford, celebrated 10 years of community ownership. We provided a loan to help the venture get started and a second loan four years later to buy the premises. There has been a rapid rise in community ownership in the last 15 years and we have been facilitating it by providing supportive finance. There are now nearly 400 community-owned shops and over 60 co-operative pubs in Great Britain. (Photo courtesy of Jon Lewis.)

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

info@coopfinance.coop 0117 916 6750 coopfinance.coop [@coop_finance](https://twitter.com/coop_finance) [@CoopCommFinance](https://facebook.com/CoopCommFinance)

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