



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

**Half year review 2018**



Members of a long-established radical bookshop celebrating the purchase of their new premises - a former bank

# Lending steady and customers happy

Lending has been steady in the first half of this year with strong lending to community pubs and creative/media and publishing businesses.

Tim Coomer, Business Development Manager, said: "The first six months of the year have been positive. We have seen a slight dip in the average size of loan but number of loans released is up against this time last year. Summer has been unusually busy for us so we are expecting strong borrowing for the next six months."

An impressive 85% of our borrowers say we would be their first choice for another loan, if they needed one. This was one of the most striking results of our annual customer survey\*.

When asked to rate their overall experience of borrowing from us 76% said it was 'very good' and a further 17% said 'good'.

Specific comments included:

*"Thank you for being there, we couldn't have done this without you"*

*"Very supportive, flexible and understanding of our situation"*

*"We were able to borrow to refurbish our new premises without personal guarantees"*

**"Thank you for being there, we couldn't have done it without you."**

The comment about no requirement for personal guarantees is significant because this something that distinguishes us from almost all other lenders. The majority of borrowers said this was the most important factor when considering a loan.

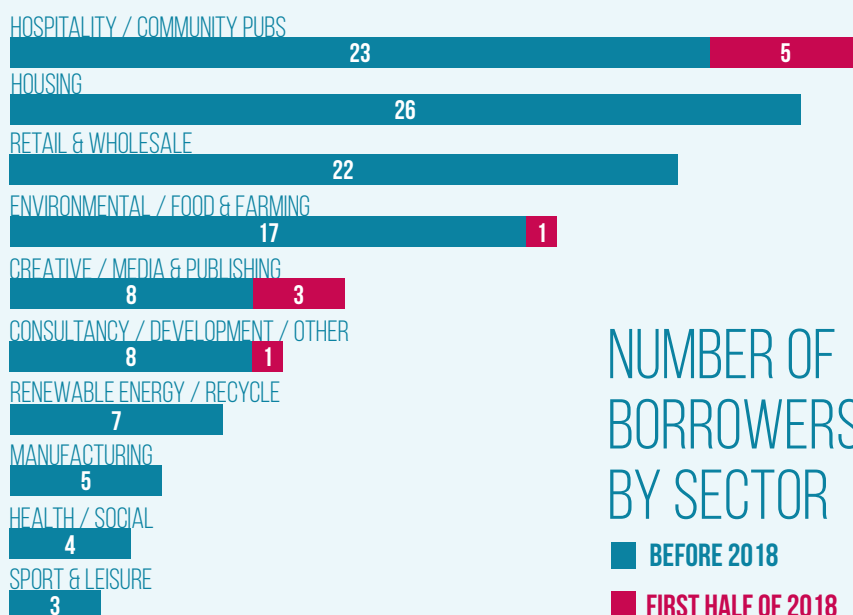
\* 245 current and former borrowers were invited to complete the online survey. 71 (29%) responded.

**OVER 1,500 PEOPLE IN CO-OPS & COMMUNITY BUSINESSES BENEFIT FROM 10 NEW LOANS IN FIRST HALF OF 2018**



**NEW LENDING IN FIRST HALF OF 2018  
£367,000**

**REPAID IN FIRST HALF OF 2018  
£399,000**





# Radical bookshop buys former bank

**A 40-year old radical bookshop co-operative named after the Russian Revolution is now the legal owner of a former bank building which it plans to turn into a combined shop and community hub.**

October Books in Southampton has bought 189 Portswood Road which for many years had been a branch of NatWest Bank. This was made possible by a very successful campaign that, with the support of over 200 members of the local community, raised £487,800 through a combination of loan stock, crowd funding, personal loans and gifts, and a loan from Co-operative & Community Finance.

The new building is much bigger than the current shop, which is actually in the same street. October Books owns the freehold. The top floor of the building has already been sold to a private leaseholder and October Books is preparing to sell the first floor to The Society of St James, a local charity that supports homeless people. The ground floor will be used by the bookshop and the local community.

During August and September the ground floor of the old bank has been completely stripped out and some minor structural repairs have been done. The members are very keen for the bookshop to open in its new home in October, of course. On Sunday 28th October they are calling for local people to pass books along a human chain over the 150 metres from the old shop to the new.

October Books has been consulting with a wide range of local groups and activists to decide on the best use of the community space in the new building. There is likely to be



October Books caters for radical readers of all ages

an emphasis on community health, well being, counselling, complimentary therapies, dance and exercise but nothing definite has been decided yet. The community hub is expected to open in January.

'Buying the bank' marks the next step in the evolution of this radical business that began in 1977. The bookshop stocks general popular fiction, non-fiction and children's books, alongside a comprehensive range of radical books and magazines. The specialty areas are social issues, adoption, humanities and political issues. Over the years, the co-op has expanded its range to include greeting cards, organic and fair-trade foods and green household items.

In 2016 a new team was recruited to revitalise the co-op. There are now five employees and a team of over 60 volunteers and supporters. Clare Diaper, one of the new team, said: "We have recently extended membership of the co-op to include customers and we now have over 60 members. We want local people to have the chance to get involved in the business and influence what we do and sell. We have been amazed by the support we have had from the local community and we want to give something back."

Ian Rothwell, Investment Manager at Co-operative & Community Finance, said: "There is something about radical bookshops, especially long-established ones like October Books. They have a special place in the hearts of local people and now by opening up the old bank to community use that bond will become even stronger."

[www.octoberbooks.org](http://www.octoberbooks.org)



Longest-serving co-op member Jess Haynes unlocks the door

# Circus skills transform Welsh pit village

**The world's first circus performance is thought to have taken place in London in 1768. Today, in this 250th anniversary year, one of the champions of the transformative power of circus is an extraordinary social enterprise based in a former mining village in south Wales.**

Operating from the old church hall in Gwaun Cae Gurwen, that was disused and derelict, Organised Kaos Youth Circus has helped to revive the local community by teaching circus skills to children and young adults.

Over the last 10 years the company has built a national reputation for excellence and has staged high profile performances at major venues including the O2 Arena in London and the Millennium Stadium in Cardiff.

Organised Kaos was started in 2008 by Nicola Hemsley who was brought up in Gwaun Cae Gurwen.

When she returned to the village after many years she was dismayed to see the church hall, that had once been the centre of social activity, standing empty and the young people facing a future with limited prospects. She decided to do something about it.

She set up Organised Kaos (which stands for 'Keeping Adolescents Off the Streets'), started to renovate the church hall and began running circus skills training sessions.

Ten years later, the formerly derelict building is safe, dry, warm and bursting with activity. It is open six days a week for training sessions for a range of abilities and ages. Sometimes as many as 250 people attend each week, some of them travelling over 50 miles.

The organisation has over 1,000 members who pay an annual £5 subscription and has a board elected

from the local community. It is run by managing director Nicola Hemsley and three part-time staff and a team of 29 freelance trainers.

"I'm pleased to say that now all our trainers are Welsh which wasn't the case until recently," said Nicola. "That shows the impact we are having on increasing circus skills and opportunities."

Nicola is also pleased that all the major renovation work has been completed. "This means we can concentrate entirely on building the business," she said.

"We are a social enterprise, not a charity, and 90% of our income comes from trading. Circus is a serious business; we charge for our services



Organised Kaos was commissioned by Arts & Business Cymru to do a unique performance at Cardiff Airport

**"This is a brilliant organisation. Totally inspiring ... making a real difference to young people ..."**

and reinvest the surplus to help achieve our social aims." Those aims include encouraging young people and adults to get involved in their community, participate in the arts and realise their potential.

Much of the income comes from putting on performances. These include parades and community events, private parties, festivals and an increasing number of corporate events. Organised Kaos has done special performances for Google, the Chinese government, and Cruise Nation.

"Doing big corporate events is good for our reputation and income but we struggle with the cash flow," said Nicola. "The loan from Co-operative & Community Finance has really helped smooth things out."

Ian Rothwell, Investment Manager at Co-operative & Community Finance, said: "This is a brilliant organisation. Totally inspiring.

"It started small with what might have seemed an impossible dream and it has grown into a successful and highly-respected enterprise that is making a real difference to young people in a deprived community."

[www.organisedkaos.org.uk](http://www.organisedkaos.org.uk)



# We are first choice for loans to co-op pubs

**As we reported in *A Review of 2017*, the More Than A Pub programme, funded by the government and Power to Change, has helped many communities take ownership and control of their local pubs. At the end of September there were 69 co-operative pubs open for business in England and Wales and a further 236 community groups were on the way to pub ownership.**

Lending to pubs forms a significant proportion of Co-operative & Community Finance's loan portfolio. With the More Than A Pub programme coming to a successful conclusion in March 2019 we have been assessing its potential legacy.

Co-operative & Community Finance has arranged 36 loans totalling £1.8m to co-operative pubs via the various funds it owns or manages. Of these 10 loans, totalling £510,000, are from the More Than A Pub fund.

"We expect Co-operative & Community Finance to remain the first choice for lending to community-owned pubs. We have huge knowledge and experience of lending to this niche market," said Tim Coomer, Business Development Manager.

"Although the grant funding and most of the advisory support will cease when the programme ends, the money in the loan fund will continue to be used. Co-operative & Community Finance will continue to manage a £750,000 revolving loan fund specifically for pubs as a legacy of the More Than A Pub programme."

So far this year Co-operative & Community Finance has released loans to four new community-owned pubs and there are many more in the pipeline.

The first loan of 2018 was to Caverswall Community Society, near Stoke on Trent, to buy the Auctioneers Arms. The pub had been empty for several years and after refurbishment it reopened in May.

In March we helped the residents of the small village of Winterbourne Bassett in Wiltshire to buy their local. This was a particularly quick turnaround, taking just five months from first meeting to completion, including raising £450,000.

By contrast the people of Ash, near Sandwich in Kent, fought for three years to save the 500-year-old Chequer Inn from redevelopment. Matthew Titterton, who began the campaign, said in April: "It's fantastic to know that this wonderful historic pub which has been the heart of the community for hundreds of years will now re-open, and this time there will be no national pub company owning it, but instead a community passionate for it to succeed."

The people of Cawsand in east Cornwall are facing an even bigger challenge. They have bought the large site of a derelict pub that burnt down five years ago. The society has ambitious plans to rebuild The Old Ship Inn, create new community facilities and provide much needed affordable rented accommodation.



The campaign to save the 500-year-old Chequer Inn in Ash, Kent, attracted a lot of local support

# Welcome and farewell

**Jon Nott has been appointed to be chair of the ICOF Group and ICOF Community Capital. Jon takes over from Jo White who stepped down at the AGMs held on 26 June after seven years as chair.**

Jon was elected to the board in 2017 which makes him a relative newcomer but he has a long history of co-operation that started in the early 1990s at Alleycat Books Co-op in Durham. Jon has just stepped down as General Secretary of Woodcraft Folk, the children and young people's co-operative. Prior to this, Jon was Chief Executive of the Green Party in the run up to the election of their first MP in 2010. With a background in worker co-ops and membership-led campaigning organisations, Jon is an expert in democratic governance and engagement.

Jon said: "I'm honoured to have been selected as the new chair of Co-op and Community Finance – it's a great



privilege to be able to support so many co-ops and community-owned businesses as they develop and grow. I'm grateful to Jo White for her seven years' service as our chair, after which CCF is in a strong position as we start our 10-year plan to simplify the structure of the business and raise new capital to enable us to offer even

more support to our sector. I look forward to working with my fellow board members, our staff team and, most importantly, our members and borrowers as CCF plays our part in growing the co-operative economy."

Jo White had served on the board for 15 years and she had been chair since 2011. She had combined this exacting voluntary position with her full-time job as director of the business development consultancy Co-operative Futures. Everyone at the AGM gave her a well-deserved vote of thanks.

This year, for the first time in several years, there was a contested election for positions on the board. Daniel Holden, a member of Manchester-based worker co-op Unicorn Grocery, was elected as a new director and trustee. Previous board members Andrew Harrison and Dave Hollings were re-elected.

## 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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