

The **co-operative** loan fund borrower case study

PEARLS co-operative:

Co-operative brings stability to former council project

An innovative redistribution scheme, PEARLS co-operative, greatly increased its stock and updated its IT system only four months after its transfer from a council-run scheme to a workers' co-operative, thanks to support from The Co-operative Loan Fund.

PEARLS, which stands for the Play, Education, Arts and Reusable Lending Service, is based in Rochdale and collects scrap and unwanted materials from local businesses. It redistributes them to community groups, selling at a relatively low price. It also sells to individuals who pay an annual membership fee.

The PEARLS scheme had been run by Rochdale Council since 1989. PEARLS co-operative was set up in April 2010 when, due to cutbacks, Rochdale Borough Council was forced to close the scheme. Tina Wright, along with four other employees of the scheme, chose to set up a co-operative and continue the good work.

PEARLS had already received advice from The Co-operative Enterprise Hub, which supported the transfer from a council-run scheme to a co-operatively owned organisation. PEARLS then applied for a loan to help continue the establishment and growth of its stock.

Tina Wright, one of the directors of PEARLS, said: "We started with nothing when we established our co-operative, so we were looking for funding and further support. The loan has supported the buyout of stock of a similar resource centre based in Birmingham. We also purchased a new accounting system, as well as marketing and promotional materials.

"We had previously approached banks for small amounts and even these were turned down. It can be difficult to get finance as a new, small business. It can make you lose faith.

"We are very happy with the loan from The Co-operative Loan Fund. The fact that somebody believes in you and



your business enough to support you with this finance is so motivating. The Co-operative Loan Fund has been really good to deal with."

Ian Taylor of The Co-operative Loan Fund added: "We are pleased to help this new co-operative that has also received assistance from The Co-operative Enterprise Hub. The enthusiastic and very experienced staff have rescued a service previously provided by the council by setting up a co-operative.

"PEARLS is a lifeline for community groups and play groups in an area of high unemployment. They provide low-cost materials and innovative ideas for educational play where it can really make a difference."

For further information about PEARLS visit www.pearlscoop.co.uk

For more information about The Co-operative Loan Fund please contact the fund managers, Co-operative & Community Finance, on 0117 916 6750, email info@co-opandcommunityfinance.coop or visit www.co-operativeloanfund.coop