

newsletter

East of England gives massive boost to Loan Fund



Photo (from left): Ian Rothwell - Development Manager for The Co-operative Loan Fund, Sarah Kluefer - Chair of The Co-operative Loan Fund, Gillian Bober - President of the East of England Co-operative Society, and Richard Samson - Chief Executive of the East of England Co-operative Society



Mells members take over store

Giving credit where it's due



Co-operative events

Mells members take over local store



Postmaster Robin Tindale and Campaign Vice Chairman Clare Asquith of the Mells Village Shop co-operative

Another rural community is taking ownership of its local store and preventing its closure, thanks to finance provided by The Co-operative Loan Fund.

Mells Village Shop in Somerset will be the latest to be collectively purchased, owned and controlled by a community co-operative formed with a package of support from the Village CORE Programme, which includes finance from the Loan Fund.

The programme is a partnership between The Co-operative Loan Fund's managers - Co-operative & Community Finance - and the Esmee Fairbairn Foundation and ViRSA (Village Retail Services Association). It provides start-up funding, via a combination of grant and loan finance, to establish new community owned shops across the UK. Since it was launched in 2006 it has helped to set up over 20 stores, which

serve as vital community cores in many rural areas, including Whitbourne Village Shop, Blockley Village Shop and Café, and West Meon Stores.

Finance from The Co-operative Loan Fund is being lent to the Mells Village Shop community co-operative in recognition of the money its members have contributed and raised independently since July, with the intention of purchasing the local shop and retain its services.

Sarah Klueter, Chair of The Co-operative Loan Fund, says: "The local community in Mells have made it clear that their local shop is there to stay – not only have they collectively contributed £20,000 of their own money to secure its future, they've also managed to raise impressive financial support from local businesses, funds and trust. We're delighted that we could provide the additional finance needed to seal the deal, and will continue to support many other co-operatively-owned stores across England."

June Costelloe of the Mells Village Shop co-operative says: "The financial support means that we can purchase the store and go ahead with our plans to refurbish and restock it early next year. We're also hoping to raise further money via fundraising to develop a new coffee shop as part of the stores, which will create a focal point for local residents and tourists alike."

Latest CORE news

Two more rural communities are in the process of purchasing their local stores, and saving them from closure, thanks to loan support from The Co-operative Loan Fund and assistance from the Village CORE Programme.

Strood Green village shop, owned and controlled by The Strood Green Shop Association Limited - a community co-operative, and Shreshill village shop in Staffordshire, are the latest to benefit from the Village CORE Programme. Watch this space for further developments.



Giving credit where it's due

The Co-operative Loan Fund provides specialist loan finance to credit unions in support of the services they offer, which in the current economic climate, may be more important than ever.

Credit unions have a vital role to play in today's difficult economic times according to Mark Lyonette, Chief Executive of ABCUL - the Association of British Credit Unions.

In the know: Credit Unions

Credit unions are not-for-profit financial co-operatives that are owned and controlled by members who use their services. Standard services include savings schemes and competitive loans, and many credit unions now also offer current accounts, childrens savings accounts and Child Trust Funds.

Credit unions have been around in Britain since the 1960s - there are currently around 540 credit unions in England, Scotland and Wales, serving over 600,000 people.

Every credit union has a 'common bond' which determines who can join it - the bond may be for people living or working in the same area, people working for the same employer or people who belong to the same association, such as a trade union.

"Credit unions are sheltered from the current economic turmoil because of the unique way they are set up. Since most of the funds come from members they are not reliant on the money markets. Credit unions already make a significant contribution to reducing hardship in the UK and many people are already being helped by credit unions - in fact in recent weeks many credit unions have reported that they are attracting large numbers of new savers as people recognise the attraction of local, mutual financial services providers that are not caught up in the global situation."

Credit unions are at the forefront of Government plans to tackle financial exclusion - over 100 credit unions are using the Department of Work & Pensions (DWP) administered Growth Fund to make more loans available in low income areas.

Mark continues: "We are looking forward to new legislation next year that will see a modernisation of the way credit unions are governed. I believe this is vital in order to bring credit union facilities to new groups of people and to enable them to develop new products and attract more savings."

But credit unions themselves are already implementing initiatives to strengthen the sector.

"Project DELTA, funded by the DWP, is the biggest training and development initiative credit unions have ever seen and brings tailored training and mentoring to Growth Fund credit unions. This will increase their knowledge levels

and help them deliver an even better offer to members," says Mark.

"The credit union sector has been gaining in popularity lately and I am sure the new legislation that will come into force next year will improve it even further - making credit unions as important in the UK as they already are in other parts of the world."

Credit unions that have accessed financial support from The Co-operative Loan Fund include:

- Portsmouth Savers Credit Union, which received loan finance in 2004. The loan was the first of its kind to be made in the UK as it's subordinated, which means that if the credit union were to face severe financial problems, The Co-operative Loan Fund ranks below the credit union savers on the creditors list.
- Clockwise Credit Union - the Leicester based credit union has around 3,000 members that live or work in Leicester, Leicestershire and Rutland. In 2007 it secured loan finance from The Co-operative Loan Fund to on-lend to its members. The 10 year base rate loan is also subordinated.

Please call 01179 166750 or email info@co-opandcommunityfinance.coop

For more information about credit unions visit www.abcul.coop

Co-operative events

20 January 2008

Manchester Film Co-op presents 'Garbage Warrior'

Salford

Members and non-members are welcome to join the Manchester Film Co-op's screening of 'Garbage Warrior' - a feature length documentary that follows one man's triumph over bureaucracy and his aim to change the world.

www.manchesterfilm.coop

30 January 2009

Our Co-operative Advantage

Penrith

A networking event organised by Social Enterprise & Co-operative Development that will explore the co-operative advantage and how co-operative and mutual approaches to business can help to build a fairer, more inclusive and sustainable economy which can resist the worst effects of the current economic crisis; continue building a network of co-operatives in Cumbria; encourage more inter-trading and collaboration between Cumbrian co-operatives.

www.secod.org.uk

31 Jan - 1 Feb 2009

Future Co-operatives 2009

Swindon

Future Co-operatives is a networking event that will look at co-operative identity, designed to inspire and invigorate those with a co-operative passion. This event is funded by The Co-operative Fund and delegate fees have been subsidised for small and medium co-operatives. Call 0845 456 2506 for further information.

www.co-operativefutures.coop

10 - 11 February 2008

Voice 2009

Birmingham

Conference for social entrepreneurs - including co-operators - with high profile speakers, workshops and networking opportunities.

www.socialenterprise.org.uk

13 March 2008

Co-operatives North West AGM

Manchester

A networking opportunity for co-operatives in the region.

www.northwest.uk.coop

Apply for a loan

If you would like to apply for a loan from The Co-operative Loan Fund, please go to www.co-operativeloanfund.co.uk to download and print an application form, or contact the fund managers, Co-operative & Community Finance, on 01179 166750.

Complete the form, and send it with two copies of your most recent business plan to:

**The Co-operative Loan Fund
c/o Co-operative & Community
Finance
Head Office
Brunswick Court
Brunswick Square
Bristol BS2 8PE**

Further details about the Fund, loan security, and lending terms are available online at

www.co-operativeloanfund.co.uk

The co-operative loan fund

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