

newsletter

Cafe booming
after move



Cafe Kino - photo supplied by The Co-operative Enterprise Hub

Lots of carrot and
no stick

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Queen's Award for
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Welcome

Welcome to the 12th issue of The Co-operative Loan Fund newsletter, which aims to keep you informed about just some of the Fund's most recent achievements, and how it is helping to support the growth of the co-operative sector.

The Co-operative Loan Fund exclusively lends to co-ops, and is entirely funded and run by co-ops, so unlike many conventional lenders it truly understands and actively supports democratically owned and controlled enterprises. It also reinvests its surpluses to continue its support.

Loan applications are welcome from new and existing co-operatives that need between £5,000 and £75,000 of loan finance to:

- Set up a new enterprise
- Expand an existing enterprise
- Assist employee buyouts or company successions
- Purchase a property or business
- Purchase capital equipment or create working capital.

The Co-operative Loan Fund is funded by consumer co-operatives The Co-operative Group, Midcounties Co-operative, East of England Co-operative Society and Chelmsford Star Co-operative Society, together with the Co-operative Bank and Co-operative Insurance Society. It is overseen by a board of directors who represent each of the funders.

The fund is managed by Co-operative & Community Finance, which is authorised and regulated by the Financial Services Authority (FSA) in the conduct of investment business.

If you would like further information about The Co-operative Loan Fund, or would like to make a loan application, please see the last page for contact details.

Working with the Hub

The Co-operative Loan Fund is continuing to work closely with The Co-operative Enterprise Hub, a nationwide programme, funded by the Co-operative Group, to provide a package of training, advice and finance to help co-operatives become more sustainable businesses.

In this issue we describe how the Loan Fund and the Hub have helped two different workers' co-operatives, one in Bristol and one in Buxton, to move premises, grow and become more sustainable.

Co-operative cafe booming after move

Business is booming at a popular cafe and community venue in Bristol after a move to larger premises.

Cafe Kino is a workers' co-operative that provides excellent vegetarian food and an inspiring space for independent cultural and political activity. It is located in Stokes Croft, a vibrant artistic quarter of Bristol.

Last year it became clear that it had outgrown its tiny premises and so the members approached The Co-operative Enterprise Hub for help with business planning and The Co-operative Loan Fund for finance. In December Cafe Kino relocated to larger refurbished premises just a very short distance from the old site. Since then business has increased significantly.

"The change from the one location to the next was absolutely huge," said Aaron Sowards, one of the directors of Cafe Kino. "The cafe was so much busier than we expected even from the opening day. We needed to make and prepare for five times more of everything. We were amazed by the outcome of the move."

The Co-operative Loan Fund and The Co-operative Enterprise Hub are separate organisations that work closely together. Their combined assistance to Cafe Kino has helped a small co-operative expand and become a more sustainable business.

"The loan we have provided, combined



Cafe Kino's new premises. Photo © Lisa Brook 2011

with a sound business plan, has helped this popular co-op take a big step up," said Ian Taylor for The Co-operative Loan Fund. "It's clear that the members of Cafe Kino are very committed to the principles of co-operation and I think the customers appreciate this."

Cafe Kino serves a diverse range of food from Thai green curry to full English (vegetarian) breakfast at reasonable prices. It serves organic wines, beers and ciders. It also hosts community events, networking meetings, music nights and many other events. The new location has a stage downstairs which provides more room for performers and audience alike. There is also more space to display paintings and artwork by local artists.

www.cafe-kino.com

Lots of carrot and no stick

Sales have increased greatly since a long established wholefood co-operative in Buxton, Derbyshire, moved into new premises in the busy town centre.

The Wild Carrot had been located in the same premises on the edge of town since the workers' co-operative was formed to take over the privately-owned wholefood shop in 1996. Over the years the area has become less attractive for retailers while the centre of Buxton has got busier and The Wild Carrot was experiencing a steady decline in sales.

When the opportunity arose to move into a light and spacious unit in the beautiful Cavendish Arcade, next door to an eco/ethical shop and near the university and tourist attractions, the co-operative grabbed it. With assistance from the Co-operative Enterprise Hub they prepared a business plan, applied to the Co-operative Loan Fund, negotiated a good deal from the landlord and moved in April 2011.

"It's been an instant success," said Cath Johnstone who has been a member of the co-op for 10 years. "We've kept our old customers and got many new ones. There's tourists, who we never got before, and also some locals who might have shopped with us occasionally are becoming regulars. Sales have increased by at least 30%."

As well as being in a smarter location and in a better state of repair, the new premises are also larger which has allowed The Wild Carrot to increase its range of stock. It has introduced new



Local musicians help to celebrate the opening of The Wild Carrot's new shop

ranges of organic baby foods and ethically sourced make up as well as providing a wider choice of the whole food, vegetarian, organic and fair trade foods it always stocked. Since moving premises there has been a much greater uptake of the organic vegetable box delivery scheme.

The co-op received funding from various sources, including the Co-operative Loan Fund, to finance the move, shop fitting, a new fridge and increased stocking.

"We raised funds from some of our generous customers and we also got a donation from Unicorn Grocery [a workers' co-operative in Manchester]," said Cath. "Our landlord has been very supportive in providing a rent-free period."

The members of The Wild Carrot are looking forward to a successful and sustainable future. There are four members and two more on a trial period.

www.wild-carrot.co.uk

Funders respond to demand for lending

The Co-operative Loan Fund has grown thanks to increased contributions in recent months from two of its member societies: The Co-operative Group and MidCounties Co-operative.

The fund also received a boost when two credit unions repaid their large loans early because they had accessed funds from the Department of Work and Pensions.

However the welcome increase in funds available is rapidly being matched by a rising demand for loans by co-operatives finding it hard to access finance on acceptable terms from banks.

"We've been very busy in recent weeks," said Ian Rothwell for the Co-operative Loan Fund. "We're considering seven applications for a total of £300,000 and there are more in the pipeline."

"If we had not received these increased funds we might have been unable to meet the demand for lending.

"The fact that major co-operative societies continue to make generous donations to the fund shows how successful it has been. We make very effective use of the money available."

The Co-operative Loan Fund is hoping to encourage other large co-operatives to contribute so that it can help more small co-operatives.

Despite the increase in demand the Co-operative Loan Fund still has funds available. Loan applications for £5,000 to £75,000 are welcome from new and existing co-operatives. The Co-operative Loan Fund never asks for personal guarantees and will make unsecured loans. You can apply for a loan online at www.co-operativeloanfund.coop

Queen's Award for shop in a church

The villagers of Yarpole in Herefordshire have a good story to tell. From having no shop in 2004, to operating from a car park, to becoming the first shop in a church, to winning two national awards this year, Yarpole Community Shop Association is going from strength to strength.

In June the association won the Queen's Award for Voluntary Service, the most prestigious honour bestowed on groups of volunteers who work in their community for the benefit of others. Yarpole is the only community-owned shop to have won this award. In March Yarpole was a national winner in the Countryside Alliance Awards for best village shop in the UK.

"We are thrilled to have been chosen to receive the Queen's Award as it recognises all the efforts the community has put into the shop," said Dr Julian Stokes, chairman of the association. "It is much more than just the shop. The community had to undertake a £250,000 project to refurbish St Leonard's Church which gave the shop a permanent home. Prior to moving to the church the shop was housed in a Portakabin for nearly four years."



This year Yarpole shop has started to serve tea, coffee and home made cakes in the gallery of the church from 10.30am to 12.30pm Monday to Saturday



The village of 700 people saw its local shops dwindle from seven in the 1950s, to one in the 90s, and then none in 2004.

The following year the community established a small make-shift shop in a temporary portable building in a car park. Even though it was uncomfortable and unsuitable, the shop did manage to achieve a small operating surplus.

However in 2009 it was relocated to the more appropriate, beautiful and comfortable setting of St Leonard's Church.

The Co-operative Loan Fund provided a loan to assist with the move and fitting out the space in the church. Local people participated in a great deal of rallying, fundraising and voluntary work. Over 300 people bought £10 shares. In total £250,000 was raised for the project; generated from loans, grants, personal shares and other fundraising.

The shop has one part time employee and a team of over 30 volunteers who serve

behind the counter or help in other ways. There are seven board members who oversee the running of the shop.

Yarpole also runs a successful café serving fresh home-made food in addition to the shop goods. It became the first full-time shop to operate out of a church and its accomplishment has attracted the attention of mainstream media. Yarpole offers an example of a parish succeeding in re-centring the church into people's lives again. Yarpole Community Shop has been featured in BBC Midlands Today and BBC Countryfile.

www.yarpolshop.co.uk



New village shop rebuilds community spirit

For the first time in 20 years the village of Hampstead Norreys in west Berkshire has a proper shop. It has been set up by local people with advice and finance from various sources including the Co-operative Loan Fund.



The youngest pupil at Hampstead Norreys Primary School assists the oldest resident to have been born in the village at the opening of the new shop.

“Opening the shop has really brought the village together,” said shop manager Julie Bassett, who has lived there for 28 years. “People are using the coffee area in the shop as a place to meet and catch up as well as doing their shopping.”

Hampstead Norreys has a population of 800 people and is 10 miles from the nearest supermarket in Newbury. The previous village shop closed in 1990 and was converted into a post office and shop which only opened one day a week. This closed in 2008.

Following a survey that indicated huge support for a community-owned shop an industrial and provident society was set up in 2009. Over 450 people have bought shares.

After two years of planning and fund raising Hampstead Norreys Community Shop opened on 26 March 2011 in a brand new building, part of a redevelopment of farm buildings that is helping to breathe new life into the heart of the village.

The shop has one full time and two part time employees but the venture depends on a willing workforce of some 50 volunteers.

“The volunteers just love working here,” said Julie. “Many of them are relatively new to the village and it’s a great way to get to know people. The shop is really rebuilding community spirit.”

The shop is open seven days a week and sells a good range of locally sourced fresh food well as offering services such as dry cleaning, key cutting, shoe repair, a prescription drop off service and a coffee area.

Hampstead Norreys is one of some 70 rural communities to have benefited from the highly successful Village CORE Programme run by the Plunkett Foundation, Co-operative & Community Finance and the Esmée Fairbairn Foundation and supported by the LankellyChase Foundation.

The programme provides communities seeking to run their own shops with specialist advice free of charge, and groups that manage to raise £20,000 of investment from their community can have it matched by a grant and a loan (often from the Co-operative Loan Fund).



Left to right: Manager Julie Bassett, with shop volunteers Avril Mason and Pamela Betts

www.hampsteadnorreys.org.uk

Apply for a loan

To apply for a loan please go to www.co-operativeloanfund.coop and either apply online or download an application form.

You will need to supply a recent business plan and your memorandum and articles of association. Please note that the Co-operative Loan Fund only lends to co-operatives.

If you need further information please contact the fund managers, Co-operative & Community Finance, on 0117 916 6750 or info@coopfinance.coop

The co-operative loan fund

The Co-operative Loan Fund Limited is a Company Limited by Guarantee. Registered Office: Brunswick Court, Brunswick Square, Bristol BS2 8PE

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