

# NEW SECTOR

THE MAGAZINE OF COMMUNITY & CO-OPERATIVE ENTERPRISE

ISSUE 39 • FEBRUARY/MARCH 2000



## Liverpool welcomes social entrepreneurs *also this issue*

News from community projects in UK

Co-operative voted best internet service provider

Housing associations are the problem not the solution

Japanese co-operative law

# NEW SECTOR

New Sector exists to promote the principles of collective enterprise and common ownership.

New Sector is the magazine of co-operatives and community-owned businesses in the UK and tries to establish world-wide links with others involved in local economic development work.

It provides information about community and co-operative enterprise and welcomes articles on related topics. It highlights new economic values, economic activity which is centred on people, and new concepts of economic development and growth.

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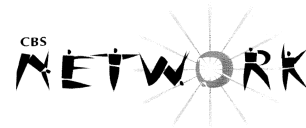
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### Published by

Community & Co-operative Enterprise Publishing & Research Ltd.  
ISSN No 09662197

**Subscriptions and registered office:** Society Place, West Calder  
EH55 8EA (tel 01506 871370, fax 01506 873079, e-mail  
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**Website:** www.newsector.co.uk  
sponsored by poptel 0800 4589465, info@poptel.net

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**Editing and design:** Alpha Communication, Durham

**Printed by** Russell Press, Nottingham

Printed on Corona Bright 100% recycled paper supplied by  
paperback 020 8980 2233

## In this issue

This issue includes a special supplement about community based economic development (CBED) in Liverpool, sponsored by the City Council. It shows just how much can be achieved when a local authority gives its wholehearted backing to community enterprise. What is particularly encouraging is the enlightened way in which that backing is given.

The Council's CBED programme makes maximum use of the established network of social economy organisations in the city. It recognises that specialist 'enabling bodies' - support organisations working in specific neighbourhoods or sectors - are usually better than council officers at reaching and empowering disadvantaged people. John Duncan, the manager of the CBED unit, shares some of the lessons learned in Liverpool over the last six years including "Don't be afraid to make mistakes".

New Sector has a new partner and member of the board - NICDA Social Economy Agency in Northern Ireland. On page 18 Conal McFeely of NICDA describes how investing in the social economy can and will help to rebuild social cohesion throughout the island of Ireland.

Are housing associations part of the social economy? Nic Bliss of the Confederation of Co-operative Housing condemns them (on page 19) as the instruments of destructive policy.

We report on the success and expansion of the internet co-operative Poptel (see page 6). The co-operative changed its corporate structure in order to attract venture capital. This move has prompted considerable debate in the workers' co-op sector, and some misinformation, so *New Sector* attempts to explain how the new structure will work.

Legislation and corporate governance are key issues for co-operatives all over the world, as Charlie Cattell's report from Japan shows (see page 21).

Yours in co-operation

David Parker

**Front cover picture:** sacked dock workers learning new skills at the Initiatives Factory - one of the many community based projects in Liverpool (see pages 9 to 16).

## London mayoral candidates back social enterprise

Labour's London mayor hopefuls, Frank Dobson, Glenda Jackson and Ken Livingstone, have been joined by Conservative Stephen Norris, Liberal Democrat Susan Kramer and the Green Party's Darren Johnson in signing the Social Enterprise Charter for London.

The Charter, produced by Social Enterprise London calls for more social enterprise in the capital, stating that social enterprises "create wealth and jobs and use the surpluses they generate for the benefit of their members, consumers and the community."

It recognises the contribution already being made by social enterprises in London and calls for the setting up of a Social Enterprise Fund in the city.

The Charter was launched at the House of Commons and has received an enthusiastic welcome from Patricia Hewitt MP, Minister for Small Business and E-Commerce,

"I believe that social enterprise should be included in regional economic strategies and that the sector should be recognised as deserving support ... The improvements recommended in the Charter address two important obstacles to the development of social enterprises, namely that very limited support services are currently available to those wishing to set them up, and that they are often unable to access mainstream finance."

Contact Social Enterprise London 0207 704 7490

## Brewery co-op aims to scale new heights

The mountaineer Chris Bonnington was one of the first members of a community co-operative set up to save the tiny brewery in the village of Hesketh Newmarket in the Lake District.

The brewery's future was threatened after the founders decided to retire. Local villagers were horrified at the prospect of life without such liquid delights as *Blencathra Bitter*, *Doris's 90th Birthday Ale* and *Pigs Might Fly* and decided to act.

Over 50 people, led by the landlord of the village's 18th century pub, The Old Crown, invested £1500 in the co-operative to raise the £82,500 needed to meet the purchase price and start up costs.

The brewery was officially handed over to the co-operative in December.

The Hesketh Newmarket community buyout is the latest project to benefit from the support of Lancashire CDA. The work of the CDA has seen the co-operative and community enterprise sector in Lancashire double in size in the last four years. The number of co-operative businesses and community enterprises has risen from 55 in 1995 to 110 in October 1999 and the sector accounts for over 1,100 local jobs.

Contact The Old Crown 016974 78288, Lancashire CDA 01772 203692



Co-operative member Chris Bonnington

## Share ownership plan to benefit workers' co-ops

ICOM has identified a number of ways in which workers' co-operatives can benefit from the All-Employee Share Ownership Plan announced by Gordon Brown. The Plan includes a formal recognition of workers' co-operatives and goes a long way towards meeting their needs.

Of interest to workers' co-operatives in the Plan are opportunities for profit sharing, for member investment and for supporting borrowing.

Contact Bob Allan, ICOM 0113 246 1738

## Crisis at the Palace

Football fans may be aware of the serious financial problems faced by Crystal Palace FC at the moment.

A supporters trust has been set up and Croydon Council has said it will do everything possible to support the Trust's bid to claim a stake in the club.

The situation is changing on an almost daily basis. All developments are recorded on the independent palace supporters club website <http://cpfc.org/>

## Going Bananas

The Co-op has become the first retailer to stock bananas with the Fairtrade Mark.

The bananas (the UK's most popular fruit) come from Coopetrabatur, a Costa Rican co-op founded almost 20 years ago by former Chiquita workers. Future supplies are also expected to come from Ghana.

Get down to your local Co-op and buy some!

## ICOM training - on the road

ICOM is running a number of two-day courses at cities across England.

The courses cover financial and general record keeping for the European Social Fund and monitoring and evaluation for the ESF.

ICOM is also running a number of events as part of its *Co-operative Values and Principles* series of courses.

These include a course on the co-operative movement's involvement in environmental work. In addition to speeches from Erik Bichard of the National Centre for Business and Ecology and Pauline Green, there will be group discussions, theatre and case studies.

A second course looks at the food chain from a co-operatives value perspective, and will cover issues of fair trade, GM Foods and customers' rights.

Details of dates and venues for all ICOM courses can be found on the back page and on [www.newsector.co.uk](http://www.newsector.co.uk).

Contact Hannah Durrant,  
ICOM 0113 246 1738

# Community enterprise flourishes in rural Wales

Three community businesses have recently achieved some notable successes in rural Wales, shedding a glimmer of light on what has been accepted as a grim time for rural communities.

**Llanbadarn Fynydd**, a past UK Village of the Year, a community enterprise village in the heart of mid Wales, runs its own village shop and post office, sells its own brand of petrol and manages a training and resource centre. Now the community, working co-operatively with local farmers, has hit the mainstream economy. Last year they started marketing their own lamb on a UK-wide basis, delivering the lamb direct to the customer's home and the profits to the community. Now Somerfield, the only major supermarket group with a policy of stocking local produce in its stores, has agreed to sell Sweet Ithon Lamb, which is grass-fed and traditionally reared on 22 selected farms in and around the village. Orders for Sweet Ithon Lamb can also be taken on line at [www.lambdirect.co.uk](http://www.lambdirect.co.uk).

**Brith Gof Cyf** is another example of a diverse economic regeneration solution in a deprived rural area. In collaboration with Theatr Felinfach and the University of Wales Lampeter, they have established the West Wales Digital Media Consortium which brings together academic research and study, education and training, participatory community arts and professional cultural production. The local demographics reflect a population of indigenous first-language Welsh speakers and an influx of newcomers from England who do not speak Welsh, which is having a major impact on the linguistic and cultural identity of the area. Allison Woods of Brith Gof will be visiting Ireland and Catalonia where the same issues of linguistic and cultural identity have figured prominently in local economic regeneration.

Someone else on her travels is Rachel Gibby of **SPARC** (South Pembrokeshire Action in Rural Communities) who has visited a number of community enterprises in Sweden and established links with LEADER II groups who are keen to visit Wales. Again, keeping local facilities operational and promoting local produce are features of these Swedish rural communities. The Swedish approach appears to be highly integrated, involving individual entrepreneurs who work closely with local farmers to use and promote their produce, while other community groups keep open local shops, schools and homes for the elderly.

Finally from Wales, the **Arts Factory** in Rhondda (featured in the last edition of *New Sector*) was chosen as the venue for the launch of the Welsh Assembly's Sustainable Development consultation process. First Secretary Alun Michael met with volunteers at the award-winning centre in January.



Allison Woods of Brith Gof receives a specially commissioned piece of art made in Wales, from Alun Michael, AM, First Secretary of the National Assembly for Wales, as part of the HSBC Community Enterprise Bursary Award.



Rachel Gibby (c.) fresh from her trip to Sweden, is pictured with Welsh Agriculture Secretary, Christine Gwyther, AM (r.) and the chair of SPARC, Clr Gordon Williams.

## Social enterprise agenda moves forward

Patricia Hewitt, Minister for Small Business, met with representatives of ICOM on 10 January. Bob Cannell Chair of ICOM, was impressed with Ms Hewitt's attitude, "We found the minister to be very supportive of Social Enterprise, and willing to work with organisations like ICOM. We are confident that the DTI will respond positively to the social enterprise agenda."

At the meeting, ICOM presented its views on the new Small Business Service and its response to the Social Exclusion Unit's report on Enterprise. The delegation included Malcolm Corbett, ICOM board member & chair of Social Enterprise London, and Jean Whitehead of the Co-operative Party and vice-chair of ICOF. A follow-up meeting with DTI officials was held within days of the ministerial meeting.

ICOM plans to follow-up its work with the DTI and is also planning a campaign on the government's new All Employee Share Plan. A formal response is to be submitted and a meeting with the minister responsible is planned. Copies of ICOM's papers on the Small Business Service, The Social Exclusion Report and the new Employee Share Scheme can be obtained by e-mailing [icom@icom.org.uk](mailto:icom@icom.org.uk).

In a separate move, the Co-operative Party has formed a parliamentary sub-group on 'Social Enterprise' where members of the co-operative movement can meet with parliamentarians.

## Loan scheme launched in Birmingham

Stephen Timms, Financial Secretary to the Treasury, praised the "spearheading" work of the Aston Reinvestment Trust (ART) as he launched a £400,000 national pilot scheme in Birmingham.

ART has been awarded the operation of the scheme which provides assistance for community enterprises and voluntary organisations in Birmingham. It will provide loans ranging from £2,000 to £40,000 on special terms to projects throughout the city that are unable to access finance from conventional sources such as banks.

At the launch Mr Timms talked of the £30 million package of measures that the government had announced to promote enterprise and help create jobs in disadvantaged communities,

"Initiatives such as ART can act as a bridge between mainstream financial institutions and entrepreneurs in deprived communities."

Contact Aston Reinvestment Trust 0121 359 2444



Pictured at the fund launch (from left to right): Sarabjeet Soar (Birmingham City Council) David Brooks (vice chairman, ART), Stephen Timms MP, Steve Walker (chief executive, ART) and Malcolm Hayday (Charities Aid Foundation)

## Boost for community businesses in the Fens

A bicycle and moped repair scheme and a community swimming pool were just two of the community enterprises to benefit from the announcement of grant awards in the Fens recently.

In addition to the grants, the launch of a new community enterprise programme will assist community businesses in the area.

Under the programme, new community initiatives in rural areas can get:

- advice about developing ideas and getting started,
- Introductions to organisations and individuals with relevant expertise,
- Suggestions about ways to involve other people in the enterprise,
- Help with developing a business plan,
- Access to affordable training.

The programme is co-ordinated by Cambridgeshire ACRE.

Contact Chris Lee 01354 651188

## Free helpline for Dorset

CDA Dorset has opened a free advice line for local people who want to find out more about community and co-operative enterprise or to access help taking forward their own ideas. The number is: 01202 620050.

The advice line has received support from the local councils at Bournemouth, Poole and Weymouth.

To help launch the service experts from all over the UK will be brought to Dorset to address a conference entitled *Social Economy 2000* on 25 February 2000.

Sponsorship from the Co-op (CRS) means attendance is free.

See back page for details

## Another big name switches to The Phone Co-op

Leeds Co-operative Society is the latest high-profile 3rd sector organisation to transfer its telecommunications account to The Phone Co-op.

Leeds Co-op expects to make a 20% saving on its annual phone bill for its administrative headquarters and trading outlets.

Leeds Co-op joins the Oxford, Swindon & Gloucester Co-operative Society and a large number of workers' co-operatives, housing co-operatives and other co-operative organisations as customers of Britain's only telecommunications co-operative.

The Phone Co-op 0870 735 7000

## New venture for best internet co-op

Everything is going well for Poptel, the UK's leading co-operative internet service provider (ISP). In December 1999 it announced a £1.5 million investment plan to expand its Manchester operations centre and recruit more sales and technical staff. Then a survey in the February 2000 issue of PC Plus magazine identified Poptel as the UK's most reliable ISP.

The new investment has come from Sum International, a venture capital company. To secure it Poptel has had to change its corporate structure. It engaged the specialist solicitors Malcolm Lynch to rapidly devise a constitution that would preserve co-operative principles while allowing limited external shareholding.

### Ingenious

The new structure is ingenious and unusual. The original workers' co-operative (called Soft Solution Ltd) owns 75% of the shares in Poptel Ltd. A new company, Poptel Worldwide Ltd, owns the other 25%, but it can only sell its shares to an ethical investor. Soft Solution Ltd continues to



Poptel's members before the planned expansion

operate on a one-member one-vote basis with all workers being encouraged to become members. They elect worker directors for the board of Poptel Ltd. The co-op has also set up an employee benefit trust (EBT). The EBT has a minority shareholding in Poptel Worldwide Ltd, in which Sum International is the main investor. The aim is to attract more social investors to Poptel Worldwide Ltd.

"These are very exciting times for Poptel," said marketing director Malcolm Corbett. "We expect to expand the co-op from 23 workers to nearly 60 over the next two years."

### Success

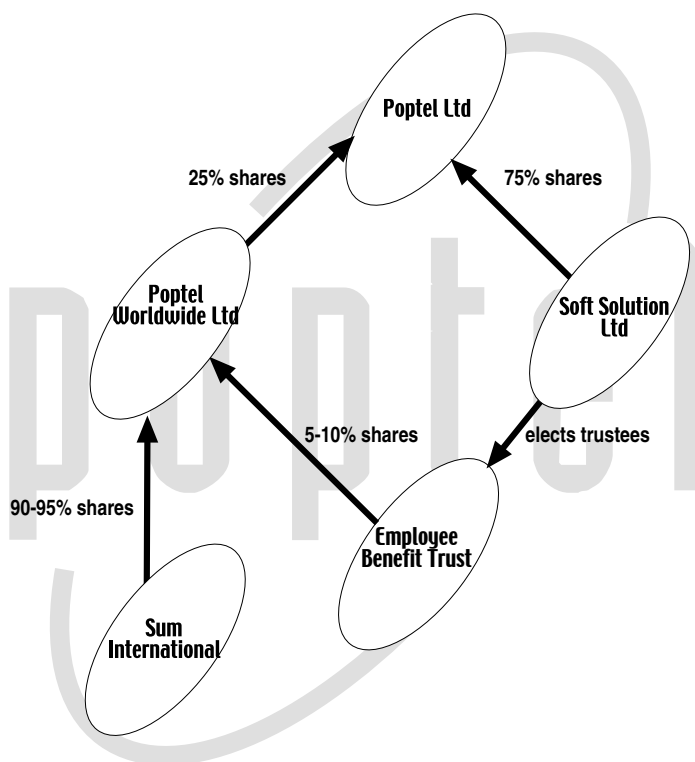
Poptel is one of the success stories of the new wave of workers' co-ops set up in the 1980s. Soft Solution Ltd started in 1985 and in 1987 it launched the Poptel service with the aim of bringing the benefits of information and communications technology to the social economy. Poptel has kept up with the rapid advances in technology, and has been very involved in the political development of social enterprise. Malcolm Corbett is chair of Social Enterprise London and was previously chair of ICOM.

### Commitment

The phenomenal rush of investment in internet companies, meant that Poptel had to adapt to survive. The change in constitution to involve venture capital caused some discontented murmuring among co-operative purists. "Our commitment to co-operative principles remains solid" said Malcolm. "All our members agreed that this was the best way to take the co-operative forward. I also believe that it is good for the social enterprise movement to have a well financed co-operative ISP. With so many companies offering internet services, we think that consumers will increasingly choose the companies they feel an affinity with."

Poptel is currently working with the Co-operative Bank to develop a new range of e-commerce facilities for the social enterprise sector.

Contact [www.poptel.net](http://www.poptel.net)



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TELECOMMUNICATIONS BY THE PEOPLE FOR THE PEOPLE

First  
there was  
e-commerce...



then came  
**S-Commerce**

## Social Enterprise – Trading for a Social Purpose

Founded in 1986, Poptel is the UK's leading co-operative Internet Service Provider (ISP). Thanks to substantial new investment from Sum International, PC Plus magazine (February 2000) has rated Poptel as the UK's most reliable ISP.

With a commitment to Social Enterprise, Poptel has established itself as the leading ISP in the Trade Union, Co-Operative and Charity sectors with a substantial presence in the Local Government market. Our job is to help these sectors migrate onto the Internet with an exciting range of E-commerce, Content and Membership Services products. We are now recruiting ambitious and committed professionals to build upon this success and to develop Poptel into one of the UK's most valuable Internet businesses.

Our London office will very shortly be moving to a central location.

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Salary approx £25k + Team Commission negotiable  
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# Developing Liverpool's Social Economy

**Mike Storey OBE, Leader of Liverpool City Council**



*My ambition is for Liverpool to be a beacon for the social economy and a haven for social entrepreneurs.*

Globalisation and modernity is creating a new world of risk.

Businesses can fold

at a frightening pace. Skills can quickly become outdated.

But the future also brings opportunity. The chance to leap frog over established firms. The chance to develop new ways of doing things. The chance to fulfil our potential.

In these uncompromising circumstances, the City Council can and will do its best to attract inward investment and to encourage established businesses here to grow.

## Power

But I think that far greater returns will come from growing the social economy, from developing intermediate labour market initiatives and from helping our citizens to take and use economic as well as political power.

Liverpool is having some success with this. Between 1996 and 1998 the community, with the Council's support, created 614 jobs, and over 300 enterprises were assisted to start. And between 1998 and 2001 the *CBED 1300 Initiative* will, as its name implies, create 1,300 jobs in 1,000 new businesses.

We already have mature social businesses in this City, which have turnovers of millions of pounds and national reputations.

But the system as operated today casts

the social entrepreneur in the role of supplicant and the Council and other public agencies as the donors.

In Liverpool we want to transform the relationship of 'supplicant and donor' into one of genuine partnership. We are going to fundamentally change the way we do our business. We are going to transform our supply side role from a public sector bureaucracy into a social enterprise.

We are going to examine every part of our services and ask: 'Can this be better done itself by a social business?' 'Can we transform the present delivery teams into social and community based businesses?' or, if not, 'Can the service be transferred lock, stock and barrel to an existing social business?'

We are going to use Best Value to achieve this. Our definition of value includes benefits from a better developed social economy.

## Partners

Supplicant and donor is not a partnership, it is a two-way dependency. But if present bureaucratic monopolies on the supply side of the social economy are transformed into a myriad of community based social business ventures with ideals, aims and objectives based on helping people take and use economic and community power, they will be worthy partners adding value to the social wealth of our City.

Those who process applications and those who advise social, community based businesses should not be sheltered from the forces that affect such organisations. They should receive the same stimulation and the same delight from successes in the social economy. And by experiencing for themselves the stresses social entrepreneurs endure they will more likely ensure that what they attempt to do is citizen-friendly.

In turn the City Council's expectations from social entrepreneurs is very high. There is much criticism of Council services but could social businesses really do it better? Have they the

management capacity for complex service delivery? Have they the ability to get the balance right between managing the business at the same time as delivering the social benefits to excluded individuals? Can they play their part in the redistribution of opportunities? Can they help people set themselves free from dependency?

## Transformation

The transformation from grant-funded voluntary group to efficient, accountable social business is not easy. It will challenge social businesses, their people and their cultures.

This transfiguration will not of course be the right way for all community or voluntary organisations in the City, but it **will** be for most. Those who reject the social business route will have to make a very sound case to councillors and to their community, indeed.

But for those who do accept this challenge there is a very exciting opportunity to do a city's business in a radically different way for the common good - and for the local 'Commonwealth'.

I think that this revolution on the supply side of the social economy will do more than anything to help develop a robust, dynamic and powerful local economy.

These sweeping reforms will ensure that a local authority's policies and their delivery are better grounded, that innovation, energy and vision are rewarded and that we have the best chance to respond to the risks of modernity by seizing the opportunities that come with them.

Social enterprises work in the space between the public, private and voluntary sectors. This is new territory. We want Liverpool to be a place from where pioneers set out to expand the frontiers and settle the new land.



# Community Businesses and Social Firms

by CBED officers Jerry Spencer and Ruth Livesey

Liverpool City Council's CBED programme focuses on the creation and development of enterprises in disadvantaged areas, whether it be people setting up their own businesses or the establishment and growth of community businesses, intermediate labour markets (ILMs) and social firms.

Our community business advisors work closely with groups and organisations. They support the early stages of planning and development, help solve day-to-day problems and offer advice on the development of long term strategies to help an organisation grow, achieve profitability and see a future in which it can sustain itself.

## Furniture recycling is big social business

Furniture Resource Centre is one of the most successful social businesses in Liverpool and further afield. It has over 60 staff and trainees and a turnover of over £3,000,000. This success has stemmed from an innovative marrying of commercial principles to social objectives.

FRC started as a small charity involved in the collection and recycling of secondhand furniture. Now it operates from prestigious premises on the Liverpool waterfront, manufactures its own range of upholstered furniture, provides a comprehensive 'Furnished Homes' service for the social housing market, runs a fleet of delivery vehicles, and has recently opened a high street store - REVIVE - selling a range of low cost good quality furniture direct to the public.



Liam Black

"Our experience shows that by offering furnished tenancies, people in poverty benefit greatly," says FRC chief executive Liam Black. "Social landlords save money; empty stock becomes easier to fill; jobs and training opportunities are created in furniture manufacture and distribution. Most importantly furnished tenancies offer people real homes to live in."

### Training

FRC has been providing 'welfare to work' training for long term unemployed people for several years. NVQs up to Level 3 are offered in Upholstery, Logistics, Retail and Business Administration. The average length of unemployment of trainees is 36 months and ages range from 17 to over 50.

"I came here to train as a driver, and now I'm on the full time staff," explains former trainee, Andy Keenan. "I couldn't wait to start. I genuinely love what I do. It gives me a fantastic feeling to know that the furniture I'm delivering is giving people in need a fresh start, wherever it is in the country."

The 'welfare to work' approach has also been applied to other ventures. In partnership with Thorn, FRC has set up



CREATE which operates as a national charity providing salaried training in the refurbishment of electrical white goods such as cookers, washing machines, fridges etc.

The latest initiative from FRC has just secured a contract from the City Council to develop an environmentally sound proposal for the collection and recycling of domestic bulky rubbish such as furniture and white goods.

Bulky Bobs - as the new business will be known - will be a unique service which will reduce by up to 30% the volume of bulky rubbish being crushed and sent to land fill tips. A new shop will be opened to sell recycled goods to low income households, and other items will be fed into social businesses such as FRC's Upholstery Dept., CREATE and Dove Designs - a social firm which provides training and employment opportunities for people with mental health problems.

As well as creating 10 new permanent jobs and providing placements for 15 salaried ILM trainees, Bulky Bobs will also deliver a range of environmental and social economy benefits for the City Council - including assistance towards meeting the Government's targets for waste recycling.

Project leader, Alison Ball explained the thinking behind the new scheme. "The amount of waste in our cities is now a global issue. Much of it is thoughtlessly thrown out and could be re-used and recycled. Bulky Bobs will be a model of how re-use and recycling can create greener cities in community friendly ways." Full operations are expected to start in the Spring of this year.

## Liverpool Community Care

Liverpool Community Care Ltd started in April 1996 with two administrators and 10 care workers. It has grown beyond expectation and now employs over 40 staff and has a turnover of £300,000.

This business provides good quality, innovative community care services, as well as providing excellent training and employment opportunities for local people.

The Home Maintenance Team came in to being as a direct result of a European Action Research Project. Aimed at researching care demand in Liverpool, it identified and assessed potential business opportunities.

It has grown at an astonishing rate - delivering high quality and affordable painting and decorating and gardening services. The project has already created employment for another 10 local people.

Margaret Callan, Manager at Liverpool Community Care Ltd said, "Setting up a business from scratch, recruiting, training and delivering services is extremely hard work. But providing valued and valuable services and employment opportunities for local people gives everyone a sense of achievement."



Liverpool Community Care: Margaret Callan, manager, and John Whelan, chair

## Vernon Sangster Community Sports

When Vernon Sangster Community Sports Centre's funding was cut, the staff, service users and local community pulled together to look for ways to keep it open. The answer was found in a community business, and with the help of the CBED Team, Vernon Sangster Community Sports Ltd was launched.

Now in its third year of trading, Vernon Sangster offers sports facilities to over 100,000 visitors per year. The organisation has invested time and effort developing its commercial activities in order to become self-sustaining. The 1999 accounts showed trading income in excess of £170,000.

The centre provides facilities & activities for all ages with a particular focus on young people. Customers include local schools, special needs groups, Social Services groups and local residents. The centre provides sports facilities for a number of schools in the area during term time and also

runs school holiday programmes.

The business employs 13 staff, including three staff members employed under an ILM initiative.



Some of the staff at Vernon Sangster Community Sports Centre

## SRJ Industries

SRJ Industries has grown from a sheltered workshop for disabled people into a leading ILM deliverer, employing people who were previously excluded from the labour force, for whatever reason.



Vocational training at SRJ Industries

Based in the Dingle area of Liverpool, its core activity is employment and personal and vocational development in the real work environment of a bookbinding, print-finishing, contract packaging and distribution firm. SRJ Industries has a proud tradition of providing jobs to long term unemployed and disabled people.

Staff receive support in job search and personal development, while building up their work experience and gaining NVQ qualifications.

SRJ has gradually developed its commercial operation and adapted its services to suit customers' needs. This year the business made a large investment in new machinery to expand the shrink wrapping services. Customers include the TV shopping channel QVC.

This is an excellent example of a social firm that has recognised the need to move with the times, and by working with the CBED Team has tapped into new initiatives as they arise.

## Initiative Factory

Formed by 200 sacked dock workers, the Initiative Factory is a rare example of solutions being proposed and carried through by those who need them, and not the creation of a 'task force' or 'zone'.

The Factory has many initiatives - retraining in IT, multi-media and arts-based skills, a digifilm facility, a warehousing training and employment initiative and refurbishment of a listed building to develop construction skills and a purpose-designed home for



Ex-dockers learn new skills at the Initiative Factory

the various projects, including workspace and a co-op café.

The Initiative Factory is an excellent example of a DIY project, community-led with a distinct focus.

The drama *Dockers* shown on Channel 4 last year was the result of a collaborative workshop involving a group of dockers, the dockers support group 'Women of the Waterfront' and Liverpool playwright Jimmy McGovern.

Contact [www.gn.apc.org/initfactory](http://www.gn.apc.org/initfactory)

# Enabling Bodies

## by Rachel Flood, CBED officer

The City Council's CBED programme aims to use the established network of social economy organisations to help those people in Liverpool experiencing poverty and hardship.

The Council provides a range of enterprise development, training and other social economy initiatives to be delivered in the most appropriate ways for the various target groups.

An integral part of the programme is the use of the enabling bodies to provide services and engage the community.

Enabling bodies can be characterised by the following:

- Community based with differing models of community accountability,
- Responding to, or established in response to, local needs and opportunities,
- Not-for-profit distribution,
- Entrepreneurial in their approach,
- Raising funds from a variety of sources to support their activities,
- Independent and aiming for self-sufficiency.

*"I've seen on many occasions how beneficial good advice can be. I've seen people come to us, timid and unsure about how to proceed. Within a few months, they have acquired the self-confidence and skills to find work or pursue further training that will put them in a better position to get a job."*

*Carmol Kidd, Everton Development Trust*

### Strength

A particular strength of enabling bodies is their ability to lever substantial additional resources from a range of sources. In addition, local credibility, especially with people involved in the informal economy and others whom public agencies may find it difficult to reach, is a key factor in the many successes of the enabling bodies operating in Liverpool today.

Liverpool's enabling agencies have a combined annual turnover of £4.5 million and employ over 270 people. They have helped to establish 1,138 new businesses employing 1,591 people with an investment levered in of £7.8 million.

### Local

In nearly all of the Partnership areas - areas characterised by persistently high levels of unemployment and other poverty indicators - there will be at least one enabling body which works with and complements the local partnerships to ensure that the most economically disadvantaged communities can begin to make their neighbourhoods a better place to live and work. This is very much a bottom-up approach, with the emphasis firmly placed on local communities developing their own initiatives. The enabling bodies are a means of making this happen. It's a self-help initiative with local

*"I believe that the decision to approach an agency like SMART to find out if you can start a viable business takes courage. We have to respect that courage and ensure that every individual is given the best possible support we can provide"*

*Frank Duckers, Executive Manager SMART*

people identifying and dealing with local problems, providing local jobs and local wealth.

Most enabling bodies provide advice and training on self-employment. This really is 'self-help' at

its most grass routes level offering local residents a viable alternative route out of unemployment.

Qualified and experienced business advisors are able to discuss business ideas, offer advice on all aspects of business planning and search out funding opportunities.

Additionally, the enabling agencies are able to assist with job search, advice and guidance. This could be by way of CV preparation, interview techniques, completing application forms, offering advice and sign-posting to other specialist agencies. Everton Development Trust is perhaps one of the best current examples, having helped over 1,500 local people to find work.

All enabling agencies are working to become self sustainable, and as a result asset based development is high on many agendas. Some agencies, such as CENTEC, have set up managed workspace facilities which complement their enterprise work and support and retain new business in the area.

Establishing community businesses is a further example of the enabling agencies' drive towards sustainability with the added benefit of their important role in the regeneration of neighbourhoods because they are set up in direct response to local needs.

### Sectoral

By delivering a range of initiatives designed to assist the most disadvantaged communities in Liverpool, CBED and the role of the enabling agencies can be seen as an essential element of the overall regeneration of Liverpool. However, enabling bodies do not have to be tied to a particular locality to be involved in the wide-ranging activities that are community based economic development.



Liverpool City Council's CBED programme also supports agencies that develop particular sectors of the economy.

In particular the CBED programme is working with communities of interest including, black and minority groups, women and disabled people, in an effort to stimulate and support economic activity in such marginalised areas of the economy. Targeted support is also given to the arts and cultural sector as a result of the growing recognition of their importance in the regeneration of Liverpool. By supporting

enabling agencies that provide services to specific excluded groups the CBED programme aims to ensure that all communities and sectors are equally supported.

### Women Entrepreneurs

As part of its overall regeneration programme Liverpool City Council secured European Union funding for an innovative project to assist women wanting to establish their own businesses. The project is managed by Train 2000, a group of women business counsellors who are seeking to redress the balance of enterprise development for women. Funded by Liverpool City Council, the programme provides an integrated package of support, training and counselling for women

setting up in business.

### Black Business Support

With CBED support, an innovative new development has recently been launched by Liverpool Ropewalks Partnership aiming to address the under-representation of people from Liverpool's black and racial minorities in regeneration / business activity in the city. The Black Business Support Programme, delivered by Merseyside Skills Training, provides an intermediate labour market initiative for eight black and other racial minority groups to train to become qualified personal business advisors.

Participants will undertake a programme of study leading to an NVQ level 4 in Business Counselling. The overall aim of the programme is to develop the environment within which black and minority businesses can flourish.

### Network on Disability

Disabled people are more than twice as likely to be unemployed than non-disabled people. While there is a lot of support available to help disabled people

into work, many disabled people become locked in a training cycle, or simply remain out of work because of employers' negative perceptions. It is vital that such negative perceptions are removed, awareness is raised and promotion of the benefits of employing disabled people to businesses is maintained. Within the UK this function is carried out by a number of regional networks on disability, which arrange events for employers, produce publications and provide employers with advice and contacts designed to help them to employ and retain disabled people.

Until recently there was no such network in Merseyside. However, Merseyside Employers Network on Disability (MENoD) was recently launched with financial assistance from Liverpool City Council and others.

### Arts & Culture

The burgeoning arts and cultural sectors are increasingly recognised as having a positive impact on local regeneration. The CBED strategy seeks to promote the growth and employment opportunities presented by this sector and fund a number of enabling agencies operating within this sector.

### ACID

ACID (Arts & Cultural Industries Development Fund) gives grants to facilitate quality start-ups in the creative industries for unemployed residents

*"The support, and continued assistance of CBED, has been a key factor in recent successful developments for the company and we look forward to working in partnership with CBED in the future."*

*Di Christian, Mockbeggar Theatre Company*

### Music Development

Merseyside Music Development Agency aims to optimise the potential of the music sector in the Merseyside economy. It provides a free business advice service to people who have music projects and businesses in order to get the best out of their ideas.

### Design Initiative

Liverpool Design Initiative has established a fantastic record for delivery of support for the design sector within Liverpool. The essence of their activities leads to an increase in both the volume and value of contracts won by Liverpool based design businesses

### Business in the Arts

Business in the Arts North West is a business-led scheme that aims to encourage business people to offer their skills and experience to help those who work in the arts to develop their managerial capabilities.



## Intermediate Labour Market Initiatives

by Jerry Spencer, CBED officer

Fully supported Intermediate Labour Market initiatives (ILMs) have emerged as one solution to long-term unemployment and the barriers arising from it.

ILMs move people into the labour market, giving them a real job with a real wage, and the additional support of vocational training and personal development.



Ecogreen Construction - low cost, energy efficient houses

There are a number of ILMs using different funding packages, targeting different customer groups. In Liverpool, Employment Zone and Environmental Task Force are two of the programmes that have supported ILMs.

Employment in an ILM lasts for 6 to 12 months. It is only a

stepping stone back to employment; but the boost to confidence, the achievement of gaining a qualification and the experience of real work has meant that this model has given many people the opportunity to start their career.

In Liverpool we plan to grow sustainable community businesses

out of training projects or from scratch using the ILM model and its associated funding, bearing in mind that the best kind of employment is one in a real business, making social profit to create even more jobs. ILMs are also a stepping stone to community wealth.

### Ecogreen Construction

ECG is a community-led timber frame manufacturing ILM, funded through Employment Zone. Timber frame is a highly energy efficient way to construct houses and other buildings and will be a major part of future construction technology.

ECG identified this niche market and works with local housing associations building low-cost housing in local Pathways areas. It mostly employs long-term unemployed over-25 year olds, but it has also recently won a contract to manage an ILM contract working with 18 to 24 year old New Deal referrals, using ETF and EU funding.

Both EZ and New Deal put heavy emphasis on job-search skills, and ECG proactively seeks out job opportunities for its employees as the best way to ensure they find future employment. It is aiming to become fully self-financing over three years and is a prime example of how we can grow community businesses using New Deal, Employment Zone or Environmental Task Force funding.

Contact Ecogreen Construction 0780 8854091

## Providing Business Initiatives for Women

by Margaret O'Carroll, executive director of Train 2000



Margaret O'Carroll

Train 2000 is a voluntary sector organisation which provides a comprehensive range of business support measures targeting women, unemployed people and other disadvantaged communities enabling them to become self-employed and create jobs.

One of its most successful projects was the 1996-99 New Opportunities for Women programme which was selected as a model of good practice out of 72 other UK projects by technical advisers to the European Commission, EUROPS.

The city-wide scheme in Liverpool, which ended after three years in December, helped in the start up of over 400 women led businesses, creating more than 500 jobs.

The project included the development and delivery of a range of integrated services to assist women in the start-up and development of their own businesses which included:

- One-to-one business counselling services delivered on both an office and outreach basis.
- Accredited business enterprise training programmes, both day and evening provision.
- Customised business seminars such as marketing, financial management and access to funding.
- Network development between potential customer and supplier chains.
- Accredited training of trainers programmes to assist community activists to become more involved in the delivery of local services and compete more effectively within the labour market.
- Awareness raising campaigns on women's economic development issues.
- Policy development dissemination in conjunction with a range of partners on a local, regional, national and European level.

As a result of the highly successful NOW programme Train 2000 is now launching a new initiative dedicated to helping women start up their own businesses and create jobs.

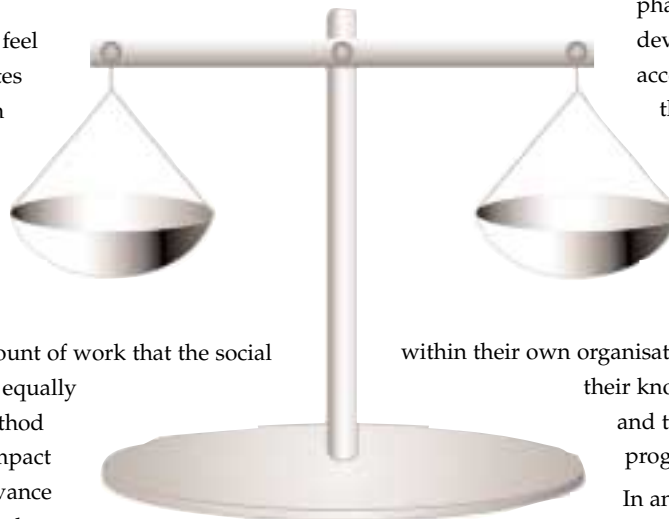
The new Women in Business project, funded through the European Regional Development Fund, Liverpool City Council, other local SRB partnerships and a private sector partner, will enable over 1000 women to receive professional business advice and is expected to create more than 200 jobs. The high level of support for this new initiative demonstrates that gender specific business skills provision is effective and does deliver jobs and economic independence for women.

## Social Auditing

by Helen Millne, CBED training and development advisor

With a plethora of funding streams demanding returns and outputs it is often said that social enterprises are more audited than most private concerns. Yet an audit can feel fruitless when it concentrates on the numbers rather than the quality and passion that has been integral to the work, and when there is no process of development associated with it. Yes, it is important to prove the amount of work that the social economy is delivering, but equally so is finding a rigorous method by which to measure the impact of the work, check the relevance of the activity and improve the performance year on year.

In the last four years organisations in Liverpool have been volunteering to take on a further audit, so they are able to define their achievements by indicators over and above the numbers. Social accounting is the way in which the social,



cultural and environmental or non-commercial objectives of the organisation can be checked upon and monitored through consultation with all relevant stakeholders; reported upon; and have the detail and evidence verified by a panel of independent examiners.

The Liverpool Social Audit Initiative, now in its second phase, is supporting the development of social accountants and verifiers within the sector. A year long learning programme has now been accredited by Merseyside Open College Network at level three. The participants are both compiling reports within their own organisations, and will be cascading their knowledge by acting as mentors and trainers in future programmes.

In an environment of increasing monitoring and regulation, with a pressure to deliver added value and quality performance, the social audit is becoming an invaluable tool for social economy organisations to prove what they have been saying all along!

## The Social Enterprise Network

by Helen Millne, CBED training and development advisor

The Social Enterprise Network is a vibrant new network of non-profit distributing businesses, bringing together CBED agencies, local development trusts, intermediate labour market companies, community businesses and social firms in Merseyside. As the 'grass roots' development and 'bottom up' approaches become increasingly valued by government strategies, the Liverpool social economy organisations have decided that they needed to join together and provide a common voice for the sector in order to:

- Present a unified voice in response to policy changes,
- Provide research into the impact of the sector on regeneration,
- Act as a central negotiation point to access contracts from the public sector,
- Provide a focal point for the promotion and marketing of the sector,
- Disseminate information to its members,
- Network with other umbrella bodies, locally, regionally nationally and internationally.

The Social Enterprise Network has secured funding for a co-ordinator who will support and service the needs of the member organisations as they promote the quality initiatives they are currently involved with and take advantage of the new opportunities that are available for the social economy.

Since its launch in November 1999 the network is already actively engaging in a partnership with the Development Trusts Association, feeding into initiatives within the Regional Development Agency, participating in initial discussions around the Small Business Service in Merseyside and has contributed to the Liverpool City Council's New Commitment To Regeneration strategy.

By the first general meeting on 1 March there will have a clear plan of what will be required in the future.

Contact the Social Enterprise Network, London Road Business Centre, 106 London Road, Liverpool, L3 5JY, tel 0151 281 4305

# Making a difference



## John Duncan, manager of Liverpool's CBED unit

CBED - Community Based Economic Development - has become a quite a thing in Liverpool. In the last five years we have witnessed a mushrooming of community owned and controlled initiatives aimed at assisting people to make the transition from unemployment and economic inactivity to where they can earn themselves a decent income. As can be seen from the range of

initiatives featured in this supplement, there is great initiative and enterprise at the grass roots within the city.

But this progress has not been without difficulty. In Liverpool it sometimes seems that there are as many self proclaimed experts as there are long term unemployed people. The only difference is that the overwhelming majority of the so called experts are pretty well heeled, and are able to get a good living from selling their 'expertise'. Promising miracle cures and quick fixes, these experts have displayed an uncanny similarity to the charlatans and con men who preyed upon the American west with their patent medicines, gambling saloons and offers of instant fortunes. The effect of their input has at best been negligible and at worst obstructive.

However, within the 50% or so of the city which has suffered the consequences of factory closures and job losses for over 20 years - where petty crime, drug dependency and despair have sought to replace hope and optimism; where loan sharks prey; where basic necessities like housing, schools, local shops and other facilities, policing and health care have been crumbling for want of investment - communities have been finding their own solutions.

The central thrust of the Council's CBED strategy has been the creation of new jobs through the stimulation of enterprise - whether it be community or social enterprises such as Liverpool Community Care Ltd or SRJ Industries, or people setting up their own businesses in order to earn a decent living. Over the last five years, this has led to:

- 45+ community businesses creating 350+ new jobs
- 800+ new micro businesses with a total of 1,300+ people employed

The City Council's CBED programme hasn't been the only input into these initiatives, and without doubt many would have happened without us; but more often than not the CBED support has made things happen quicker, or more effectively, and has ensured a more thorough appraisal.

With large swathes of the city still experiencing long term unemployment, lack of marketable skills and associated problems of poor health, low educational achievement and unsatisfactory housing, there is still a great deal to be done. But as these pages demonstrate, there is no shortage of people with ideas, drive and initiative to take them forward. The key lessons which can be gleaned from Liverpool over the past six years or so are:

- Always operate to realistic timescales - it takes time to build a solid foundation upon which to build;
- Don't neglect to look after what you already have - too often we have seen major effort going into the latest initiative at the expense of projects which are already delivering tangible results;
- Invest as much as possible into developing and supporting the capacity of local people to own and run initiatives intended to benefit their areas;
- Don't be frightened to ask for help, and to find out how other people in other places are seeking to tackle similar problems;
- Don't be frightened to make mistakes; everyone - in all sectors and at all levels - does. The important thing is to know when things are going wrong and to analyse why? so that the appropriate action can be taken as expediently as possible;
- Within available resources, get the right balance between spending on revenue expenditure for the provision of services and capital investment into the acquisition of income generating assets which will strengthen the sustainability of community led projects;
- Quantifiable outcomes which are achievable and appropriate can justify your work even when other progress appears to be slow;
- Remember that there are no easy answers - otherwise someone would be doing it already. Success will come from hard work, perseverance and commitment. Find the right people, and don't be afraid to let them go if you find you have made a mistake;
- The role of local authorities - and the public sector in general - should be to advise, support, assist, but should not extend to control. In order to be truly effective, community economic development requires high levels of trust and respect and genuine partnership between all stakeholders.



For more information about community based economic development in Liverpool or any of the projects mentioned in this supplement please contact Economic Development Unit, 1 Old Hall Street, LIVERPOOL L3 9HH.

tel 0151 233 5312 fax 0151 233 5332 e-mail [John.Duncan@liverpool.gov.uk](mailto:John.Duncan@liverpool.gov.uk)

## Call for large scale development of Third System

The Third System is innovative, reduces social exclusion, and accounts for about 8% of paid employment in the European Union. This was the message given to the Commission at a major European seminar in Brussels in December 1999.

Over 200 representatives, researchers and activists attended the two-day seminar to hear the interim results of the Commission's huge pilot programme called *Third System and Employment*. For two years DGV, the directorate responsible for employment and social affairs, had part funded 52 transnational projects representing a wide range of 3rd sector activity across the EU. Recent issues of *New Sector* have reported on some of these projects.

### Key sectors

Well respected academics presented reports on the working of the Third System in three key sectors:

- community and social services,
- environment,
- culture, media and sports,

and they examined three key themes:

- support structures and resources,
- financial and legal tools,
- new technologies.

The International Centre for Research and Information on the Collective Economy (CIRIEC) published a synopsis of its field study of employment in co-operatives, mutual companies and associations in every EU country. There was also a series of discussion groups for journalists and media workers interested in the Third System.

### Need to support

The message that rang out from every session was "the Third System is innovative and provides a valuable social and economic role, but to develop further the European Commission and national governments need to support it wholeheartedly instead of subsidising a few short-term initiatives."

Chairing the closing session of the seminar, Angelo Baglio of DGV, the man responsible for initiating the pilot programme, must have wondered what he had started. He was challenged by Peter Lloyd from the University of Liverpool, an author of one of the reports, to take on board the



New Sector editor David Parker summarises the main themes at the closing session of the conference

conclusions of the reports and back the large scale development of the Third System.

"What we are proposing is very radical politics. The large scale growth of the Third System would involve a fundamental change of attitude," said Peter Lloyd. "Third sector organisations should not receive a subsidy, instead they should be paid for a service."

*Summary reports are available from Technical Assistance Office, Intrasoft International, 40 rue Montoyer, B-1000 Brussels, tel +32 2 2381716.*

## Demise of mutuality is exaggerated

*That was certainly the message that came from the Mutuality and the Millennium conference was organised by the Building Societies Association in London at the end of last year. Here's a brief summary of what the main speakers had to say.*

**Peter Sharpe** from the Police Mutual Assurance Society said that, in contrast to the now familiar words, *windfalls* and *carpetbaggers*, *mutuality* was not a word that tripped off the tongue. However he urged delegates to consider the "long term potential of mutuality", something that was far more precious than the "carpetbagger's little bag of silver."

**Shaun Spiers** chief executive of the Association of British Credit Unions Ltd (ABCUL) told the conference that "with a modernised law, effective support from government, and a unified movement, credit unions have tremendous potential to improve the lives of millions of citizens."

**Peter Rowley** of the Darlington Building Society refused to

believe that mutual building societies should be written off as a sector - as a group facing extinction. Rather, he said that if they continued to develop a pragmatic approach to dealing with financial exclusion in (in the case of the Darlington Building Society) a particularly disadvantaged sub region, they will thrive in the next millennium.

**Iain Macdonald**, head of membership strategy and resources at CWS, admitted that, in his organisation, members' democracy is both complicated and important. It involves ensuring that each CWS trading region has a sufficiently large member base to facilitate full participation and that members make a loyal trading commitment to CWS. It also involves ensuring that co-operative values and principles are communicated to members and staff, that members are involved in raising the profile of the co-operative movement, and that members are kept informed of all aspects of the CWS family of businesses. Finally it involves ensuring that membership involvement is a mainstream activity within CWS with standardised and consistent policies and structures through a focused and professional operation.

# Turning back social exclusion

by Conal McFeely, NICDA



It is evident that many urban and rural areas within Northern Ireland and the border counties of Ireland have suffered from a lack of investment, from under-development and from 30 years of conflict. It is in this context that NICDA believes the social economy can have a significant role to play in the battle against social exclusion. We believe that the sector is very much part of the answer to this struggle - demonstrated by the important role it has played over the past 30 years of conflict. It has

fostered community solidarity and social cohesion through the likes of self-help groups, friendly societies, co-operatives, community enterprises, credit unions, housing associations and voluntary organisations.

NICDA is convinced that there is a case for a coherent and focused policy to build a more sustained social economy framework throughout the island of Ireland. We would argue that the social economy provides a mechanism for the new structures of governance emerging from the Good Friday Agreement to tackle social exclusion. A new social economy framework for the region would have the ability to create employment and wealth, combining social, community and economic benefits.

## Learning from Europe

It is a fact that the sector throughout other European states benefits from significantly more generous and more inventive forms of fiscal support than in Ireland. It has been calculated that, between 1980 and 1990, the social economy as a whole created one in seven new jobs in France and one in eight in Germany.

When we speak about the development of the social economy it is important that we take cognisance of the broader European policy as outlined by Guy Crauser, Director General DGXXIII in June 1998:

*"The European Commission proposes that as part of Agenda 2000, at least 1% of the European Social Fund be made available to stimulate social innovation in the form of global grants with special access for social economy organisations. This*

*presents an opportunity for developing the role of the social economy in European funded projects."*

## Harmonisation

There is a need to harmonise social economy provision within the island of Ireland, incorporating the following:

- fiscal initiatives comparable to those for inducing private entrepreneurship and inward investment,
- the formation of a social economy network and forum with a policy input for Ireland, north and south, and with international links;
- a social economy support programme consisting of training, mentoring and financial assistance;
- a review of the existing legislative framework and the creation of new legislation within which social economy initiatives can thrive;
- the establishment of a social economy investment trust and social economy enterprise parks.

We must not abandon communities designated as disadvantaged by government agencies. Local experience of self-help and community leadership has shown time and again that committed people can and do make a difference in communities. We must tap into this ethos of social entrepreneurship.

We need to examine the efficacy and long-term benefits of public money spent attracting short-term private jobs from

overseas. We need to invest in the new 'social entrepreneurs' of the future, who can provide the jobs and services that will demonstrate loyalty to both people and place.

We need a change in economic investment policy in favour of indigenous development - local ownership and local control. In other words, we need political endorsement and political support for a programme of investment in the social economy to help lay the foundation for a society that can truly demonstrate social cohesion and social solidarity.

If government strategies such as *Shaping our Future* and *Strategy 2010* are to be meaningful at a community level, they must be strengthened to include mainstream government support for the social economy - an economy that promotes equal opportunity and offers equal access for all under-represented groups.

### How does the social economy work?



# Housing associations are the problem not the solution

*a personal view by Nic Bliss, a policy representative for the Confederation of Co-operative Housing*

Housing associations are not a part of the co-operative movement. And I believe that housing association staff and board members by definition can never be in a position to represent housing issues to the co-operative movement.

Housing associations became the (willing in most cases) instruments of what must have been the most destructive housing policies in England since the war (and I'm referring to England because I do not have personal experience of housing associations elsewhere). The previous government, believing in personal independence for the few and charity and top-down munificence for everyone else, funded dependency in perpetuity through housing benefit rather than 'bricks and mortar' subsidy to actually develop homes where people wanted to live. This of course led to massive public sector rents, which only those on housing benefit could afford.

## Problems

The problems that this has led to are there for everyone to see:

- one regeneration scheme after another, funded by taxpayers, that fail to turn neighbourhoods around,
- housing developments all over the country where no one wants to live,
- massive disrepair, escalating rents, increasing social polarisation, welfare housing and home owners sitting on homes they can't afford to maintain,
- the government locked into a cycle of permanently footing a massive bill to fund all of this.

The government can see the problems, but doesn't know the answer.

In the co-operative movement we know that the answer is co-operation.

Housing co-ops are the most successful but most undervalued forms of housing in the country. We are about sustainable community development. Some co-ops have been around since the 1970s - how many other community housing organisations have lasted that long? We pioneered social inclusion and capacity building long before the buzzwords were invented. There is government research that indicates that we are better value for money and that we provide more social and community benefit than other public sector housing providers.

Why is this the case? Because we are about self-help and ordinary people taking pride in their homes and environment.

## Feudal

On the other hand, housing associations are based on a 'charitable' approach - we 'up here' will provide you 'down there' with our solutions, and you have to do nothing to receive our munificence. This approach relies on a 'feudal' tenant/landlord relationship, where the tenants expect the landlord to do things for them, and are not expected to take responsibility for their home, environment or community. Is it therefore surprising therefore that things go so wrong? Tenants get bunged into properties like tins of beans with no thought about how to build communities or self-responsibility. Beleaguered housing staff sit in offices behind perspex screens, forced to make DSS style assumptions that all tenants are out to pull a fast one, hoping that the system will somehow chug along. Ill thought-out developments are thrown up on a scale and at a pace that guarantees that tenants and the community don't get involved or feel any sense of ownership. Regeneration schemes break up communities and usually proceed on the basis of a token

consultation, which is then ignored, and you have to be grateful if you get to choose the colour of your wallpaper!

While most housing associations are now solely motivated by the public funding they can attract, happily there are some exceptions. There are a few housing association staff and board members who recognise the need for a significantly different approach, and who see tenant and community empowerment as the way forward. Such associations are keen to work in partnership with the housing co-operative movement, and we see no reason why we should not work in partnership with them.

## Solutions

Small scale solutions that are owned and controlled by the community are the natural successor to the original vision of council housing - that housing was to be run in the interests of the community through democratic ownership of land and assets. The co-operative movement should be uniting behind a co-operative vision of

- balanced resident controlled communities,
- socially inclusive communities,
- mutual interests which bring together tenants and home owners,
- sustainable communities that have less long term need of taxpayers money,
- communities that build individual and community responsibility,
- communities that develop their own small-scale community and neighbourhood solutions.

The co-operative movement in the 19th century was founded on this vision - ordinary people working together to develop their own neighbourhood solutions, and it is this radical agenda of community self-help solutions that is needed now to tackle social exclusion. But then of course, I don't need to be telling other co-operators all this.

# Community business in Kerala

The community-business development project of the HiLDA Trust in Kerala has just completed its first year of operation. Supported by CBS Network and funded by the International Grants Programme of the National Lottery Charities Board, the project aims to establish micro-credit savings groups in tribal villages in Wayanad District and then encourage them to develop small, collectively run community enterprises.



Micro-credit allows packaging to be improved

Over 90 tribal groups, almost all of women, have been formed who have signed up to the savings (micro-credit) scheme. That means that nearly 900 people have been involved in the first phase of awareness and capacity-building training and are involved in meeting regularly, have opened a

savings account at the bank and are saving regularly.

Seven of the groups have started some form of community business activity and two more are just about to start. Products include: brushes made from grass; roof thatch sections made from woven coconut palm leaves; aggregate and sand for concrete (by stone-breaking); umbrellas; rubber sandals; pappadams; bamboo handicrafts; coir string and banana cultivation. These are still early days. Some groups are at the stage of developing their product idea or arranging the sourcing of materials (bamboo crafts, coir). Some are seasonal (brooms). The umbrella-making group has completed its training and will start production soon, while the sandal makers are about to start training.

The most robust enterprise so far is the stone-breaking which actually comprises two groups, each of ten women, working together. They have repaid 4000 of a 5000 rupee loan (to supply working capital and pay for hand tools and the cost of a crude shelter) and aim to build a stronger and bigger shelter as soon as resources permit.

The Lottery project pays for four members of HiLDA staff, three project workers and a training officer. At grass-roots community level HiLDA has 10 paid community organisers,



A tribal woman makes boots from grasses gathered in the forest

living locally in 10 'panchayats' (local administrative areas) and working with the COs are some 40 tribal and 10 non-tribal volunteers, who receive nominal expenses. All of these outreach staff are involved in developing the micro-credit and community enterprise programme

Work started on the Community Business Centre in November with site preparation and excavation of the foundations. The foundation stone was laid on 7 December and the building is expected to be completed by June. As well as providing new offices for the HiLDA Trust, the Community Business Centre will include a training room, retail space for the community enterprise groups and a store-room with packaging and labelling facilities.



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Closing Date: March 10th Interviews: March 23rd

# Co-operative Law in Japan

by Charlie Cattell

Last autumn I was invited to address an international symposium on co-operative legislation in Tokyo, organised by the Japan Institute of Co-operative Research. Each sector in the Japanese co-operative movement has to have its own legislation; workers' co-operatives as yet do not have their own, which causes endless difficulties. The aim of the symposium was to persuade policy-makers to enact such legislation.

One of the scheduled events was a screening of the ICOM video *The Co-operative Advantage*, and I was taken to the studio where the video was being dubbed into Japanese. Two professional actors had been engaged to speak the words, adopting different voices for each of the various people featured in the video. The end result was very impressive, and was well-received by the several hundred symposium participants.

I presented a paper describing the successes of workers' co-operatives in the UK and the role of appropriate legal frameworks in encouraging such enterprises and, on the second day, sat as part of a panel to answer a wide range of incisive questions. The other two panel members were an Italian academic working with care co-ops, and a Belgian employee of CECOP, the European federation of workers' co-ops. Later we met with a departmental director in the Ministry of Labour, attempting to persuade him of the need for new legislation. We were also guests at a sumptuous party to celebrate the 20th anniversary of the Japanese Workers Co-operative Union (JWCU) - an extraordinary cultural event, provided you liked raw fish and whiskey.

## Worker co-operatives

The 'mainstream' workers' co-operatives in Japan, members of the JWCU, are structured on regional lines. Each co-operative (which may have thousands of members) operates a number of different trading activities across its region. They are primarily engaged in providing public services under contract to local and health authorities. The JWCU originally grew out of the trade union movement.

In parallel is a smaller workers' collective movement. These collectives look more like workers' co-ops as we know them in the UK: small businesses operating single trading operations. They have developed out of the very active membership of the consumer co-ops. They are viewed with some distrust by some in the JWCU as they are mainly established by middle-class married women who do not really need to earn a living wage and frequently work for very little, and are thus seen as little more than hobby vehicles for socialising and even as a threat to workers' terms and conditions.

I stayed on a few days to visit some of these collectives in the Tokyo suburbs. The Grape Workers' Collective was



Two members of Tokyo's largest worker co-operative in front of a park maintained by the co-operative. The average age of workers employed on the maintenance contract is 76 and the oldest is 87.

established 11 years ago and is one of six bakery collectives in Tokyo. Together they are now growing their own wheat. The Grape comprises a tiny, crowded shop with an equally tiny and impossibly hot bakery behind, producing a very wide range of product lines in six ovens. The Grape aims to achieve a wage of around £8 per hour during 2000.

## Women working together

The collective Yume - which translates as "women working together" provides childcare, baby-sitting, home-help and meals-on-wheels services, primarily to members of the local consumer co-op. It also trains home care workers under a contract with the local authority.

I was particularly intrigued by the You-You collective which manages a day care centre for the elderly. They have two separate legal structures: a workers' collective which is attached to the Central Jigyodan (Tokyo's large JWCU co-op), and a consumer co-op of elderly people (the clients). They use one or the other for particular contracts or projects on a purely pragmatic basis. It was endowed by 56,000 members of the local consumer (retail) co-op with land, a building and working capital. A really fine example of inter-co-op co-operation.



Flower arranging is considered a fine art in Japan. It is a popular activity for clients at this daycare facility for the elderly run by the Central Jigyodan worker co-operative in Tokyo

## Investing in the Future

*John Pearce reviews the Annual Report of Govan Workspace Limited; 1999*

Govan Workspace is one of the long-term successes of the community business movement in Scotland and is now entering its third decade as a trading business. With three buildings converted and virtually fully let all the time, and with mortgages and debts almost all paid off, Chief Executive Pat Cassidy is on record as saying that the foundations have now been laid and the real work can begin!

GWL intends to implement a continuing improvement programme to its present properties and to invest in a new development, building on its past experience and proven track record of stimulating and strengthening the local economy.

The Annual Report gives ample demonstration not only of GWL's success but of the successes of some of its long-standing workspace tenants. It also includes a report by Pat Cassidy on a visit to the US, visiting local economy initiatives - the result of a Community Enterprise Award received earlier in the year from Business in the Community.

All in all an exhilarating read and a wonderful example for community-based economic endeavour at the start of the New Millennium.

Contact Govan Workspace, 100 Elderpark Street, Glasgow G51 3TR.

## Comment NVQ

*Tricia Dinan of Train 2000 reviews a workbook for planning community businesses*

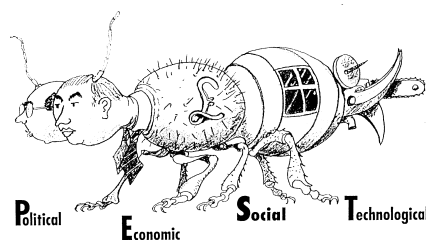
The Comment NVQ is a Business Planning workbook arranged into modules that are broadly similar to that of the Owner Manager NVQ. Completion of seven units is sufficient to achieve the qualification. The modules move through each element of the business planning process - establishing a vision, strengths and weaknesses, researching the market, financial forecasting and capacity planning. Unusually, a section on the reason and mechanism for undertaking a social audit is included.

I am particularly impressed with the way in which issues such as identifying personal and group strengths and weaknesses, establishing aims and objectives and producing a vision statement is handled. My experience of facilitating groups through this very early stage work is that it is often difficult to translate the theory into a relevant form without resorting to grandiose statements which nobody in the group believes.

I also like the chapter on marketing and constructing the marketing plan. This is probably one of the most important elements of the business planning process and the most difficult to teach. This is probably because the advisor firstly has to

disabuse the individual or group of all the misinformation and received information which they have received about what marketing is and what it is not!

All of this is presented in user-friendly language with practical examples and amusing cartoons. The task-oriented nature of the learning will be particularly useful for those new to business planning. In a



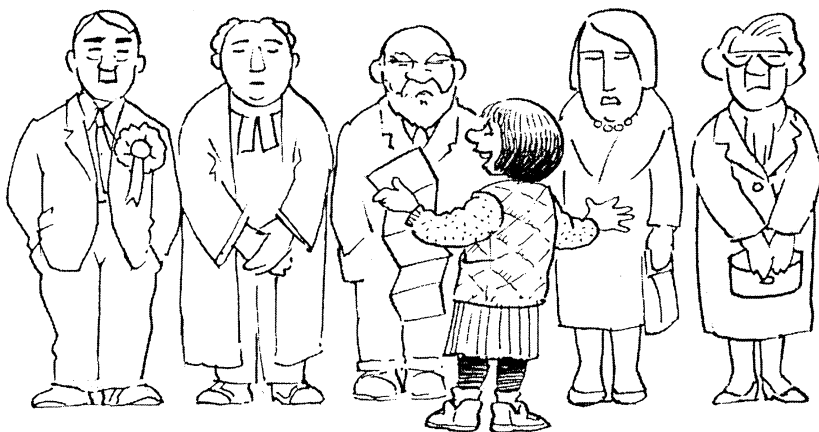
How PESTs may affect community enterprises

straightforward, non patronising way, the workbook demystifies the business planning process with each section building upon the previous one and leading the user to create a business plan almost without knowing what is happening.

Although the workbook has been designed specifically for those wanting to establish community businesses, it can easily be used by any individual or group wishing to set up in business. Furthermore, for those who are not especially interested in achieving the NVQ, the workbook is an excellent aid in creating a business plan.

I would urge all business advisors, community economic development workers and anyone working with community groups to add this publication to their resource libraries. Without doubt it is the best example that I have come across in my 18 years of assisting workers' co-operatives, community enterprises and individuals through the business planning process.

*Comment NVQ Workbook. Available from Community Enterprise Unit Ltd. 69a Sidwell Street, Exeter, Devon EX4 6PH Tel 01392 666281*



A community impact reference group of local community leaders - a cartoon from Comment NVQ

## Co-operative housing alleviates poverty

by Helen Eadie MSP

On 13 January 2000 the Scottish Parliament debated a new housing policy for Scotland. As a member of the Scottish Parliament who was elected as a Co-operative Party and Scottish Labour Party member I was delighted when the government chose to include in its housing strategy an emphasis upon co-operative development. I am strongly of the view that local communities should have a greater say in determining priorities and taking decisions about housing in their own area.

Unfortunately, the debate about current housing policy tends, like so much else in British politics, to be dominated by arguments from opposite ends of the political spectrum. The co-operative philosophy is a radical one and has survived for nearly two hundred years. In order to achieve positive change I believe that the co-operative voice needs to become much louder and stronger and I am firmly committed to being part of that voice.

### Paternalism

One aspect of British housing policy that must be questioned is the aspect of paternalism. Paternalism is perhaps the most pernicious and debilitating of social vices. It is the idea that has its roots in our still feudal society and built into the structures of social housing provision. The idea that those who do not have the economic resources to meet their

housing needs should have their needs provided for by others (or worse, ignored) without them being involved in the provision or management of the housing service they receive.

Housing co-operatives continue to demonstrate that the co-operative principles can be applied to alleviate poverty and give economic power to the poor who are disadvantaged in modern society, just as they did 150 years ago.

Co-operative housing legislation is long overdue and the co-operative movement is desperate to create the right legal and financial structures to underpin their development.

### Co-operative development

The last Tory Government abolished the one and only Co-operative Development Agency in 1982 after a short life span of just three years. In my opinion, there is a need for the Scottish Executive to acknowledge the lack of a coherent national strategy including universities, colleges and schools in promoting co-operative development. There are many people across Scotland who have experience and knowledge in this field and we must find some way of utilising their skills.

I am pleased to confirm that all the Co-op MSPs are committed to securing a growth in the establishment of more co-operatives throughout Scotland.



## Northern Irish agency joins New Sector

The board of New Sector is delighted to welcome NICDA Social Economy Agency to the magazine. It joins the existing partners, ICOM, CBS Network and Community Enterprise Wales.

NICDA has offices in Belfast and Derry, and employs a total of 12 people. The location of NICDA's offices means that much of the social economy in Northern Ireland is centred on these two cities but examples of community and co-operative enterprise can be found throughout the province.

NICDA was established in 1988 and in the last three years alone has assisted over 200 groups, helping to create in excess of 170 jobs.

NICDA's training programmes target particularly disadvantaged groups in society and its work, like that of the other New Sector partners, is varied and interesting. Examples of projects assisted by NICDA include a community cinema, an internet cafe, a number of travellers groups and the Bloody Sunday Trust.

We look forward to reporting on NICDA's work and developments in the Northern Ireland community and co-operative enterprise sector in forthcoming issues.



**SOCIAL ECONOMY AGENCY**

# social economy conferences courses seminars festivals

**24 February 2000**

**Best Value and the New Public Sector Contracting Environment for Co-operatives**

London  
Contact *Hannah Durant, ICOM*  
0113 246 1738

**25 February 2000**

**Social Economy in Dorset**

Poole  
An afternoon of workshops and discussion  
Contact *01206 765608*

**26 - 27 February 2000**

**New Mutualism Weekend School**

Torquay  
Organised by the Co-operative Party (South West)  
Speakers include Peter Hunt, Tyrone O'Sullivan and Dave Drew  
Contact *John Blizzard 01823 672091*

**28 - 29 February 2000**

**European Project Management Training**

London  
See details on page 4  
Contact *Hannah Durrant, ICOM*  
0113 246 1738

**1 March 2000**

**The Environment - how do co-ops measure up?**

Manchester  
Speakers include Pauline Green and Erik Bichard.  
Contact *Hannah Durrant, ICOM*  
0113 246 1738

**2 March 2000**

**Social Auditing seminar**

London  
Organised by Social Enterprise London  
Contact *0207 704 7490*

**4 March 2000**

**Why Fairtrade?**

Nottingham  
Seminar organised by CWS and Oxfam to launch Fairtrade Fortnight  
Contact *Phyll Addison 0115 946 6271*

**8 - 9 March 2000**

**Realising your potential**

Edinburgh  
Two day learning convention for voluntary organisations  
Contact *SCVO 0131 556 3882*

**20 - 21 March 2000**

**European Project Management Training**

Manchester  
See details on page 4  
Contact *Hannah Durrant, ICOM*  
0113 246 1738

**22 March 2000**

**Research & Evaluation : Practice in the Community Sector?**

London  
Contact *Merlyne Fontaine-Augustus 0207 704 2315*

**7 April 2000**

**Back to the Future**

Birmingham  
The settlement movement and its relevance today  
Contact *jglasby@commcare.freeserve.co.uk*

**10 - 11 April 2000**

**European Project Management Training**

Durham  
See details on page 4  
Contact *Hannah Durrant, ICOM*  
0113 246 1738

**29 April 2000**

**Unlocking our Potential**

Durham  
Regional 3rd sector seminar sponsored by TUC, RDA and CWS  
Contact *Gill Hale, UNISON 0191 245 0800*

**4 May 2000**

**The Food Chain**

Manchester  
Exploring the food chain from a co-operative values perspective.  
Contact *Hannah Durrant, ICOM*  
0113 246 1738

**22 - 23 May 2000**

**European Project Management Training**

Birmingham  
See details on page 4  
Contact *Hannah Durrant, ICOM*  
0113 246 1738

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