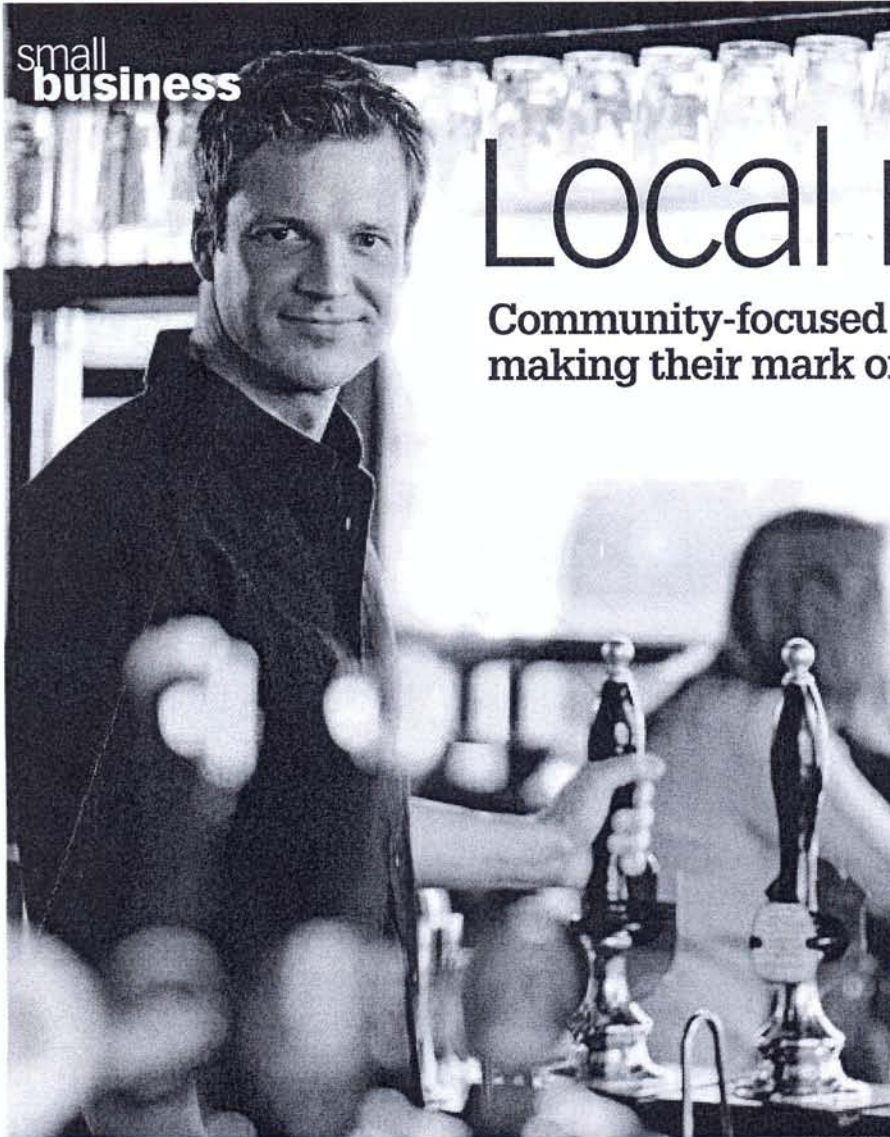


Local motion

Community-focused enterprises are making their mark on the business world



MEDIA BAKERY

By Andrew Don

MOST BUSINESSES ARE launched to supply goods and services that customers want in the hope of realising profit from the venture. Some enterprises, however, exist primarily to reap a financial reward that will enrich a segment of society. Among these are social enterprises, cooperatives and community-interest companies. These models are appropriate for businesses ranging from farms and village pubs to libraries and post offices.

The boundaries between these types of enterprises are sometimes blurred, but they share an ambition to serve a common good, and their numbers have been growing. National trade body Co-operatives UK (www.uk.coop) says co-ops, democratic organisations that have owner-members, are up by more than a quarter in the last five years. The Plunkett Foundation (www.plunkett.co.uk), which promotes self-help in rural communities, says the UK has more than 300 village shops, more than 170 post offices, 130 cafés and nearly 7,000 other suppliers of goods and services that are community-owned enterprises.

Pub is The Hub, a not-for-profit organisation dedicated to offering advice and support to its licensees, reports that it has helped 40

pubs that operate across seven formal community-style models. The George and Dragon (www.georgeanddragonhudswell.com), a pub located in the village of Hudswell, North Yorkshire, for example, was reopened three years ago by co-op Hudswell Community Pub. A co-op village store, Green Valley Grocer, a greengrocer in Slaithwaite, West Yorkshire, has been owned and controlled by the community since early 2009.

Michael Fairclough, Co-operatives UK's head of community and cooperative investment, says, "Cooperation can be key to enabling communities to own, control and benefit from much-loved local assets." While it's not a panacea for all businesses threatened with closure, he says cooperative ownership is replicable and is an alternative approach to enterprise which he believes will continue to grow in popularity.

Ed Mayo, Co-operatives UK's secretary general, says the model is driven "not by the need to reward financially a few shareholders or to escape to a tax haven, but by the will to broaden control to many, and harness participation at every stage."

Co-ops have been around for ages but the seeds of social enterprise, according to

Social Enterprise UK, date all the way back to the Babylonians.

Dan Gregory, head of policy at Social Enterprise UK, says a co-op can also be a social enterprise—an entity that has to have a social or environmental mission—and, he adds, "we would say, has to reinvest the majority of any profits."

"Those social enterprises, owned by members, meet the co-op definition," Gregory says. "The key difference is co-ops are more democratic and have member-owners, whereas social enterprises could be owned by one or two people on the board."

One such example is EAT (Employment and Training) Pennines, structured as a company limited by guarantee, which has just one director, Glen Duckett. EAT Pennines operates the Eagle & Child pub (<http://eagle-and-child.com>) in Ramsbottom, Lancashire, whose mission is to help disadvantaged 16- to 25-year-olds into employment. Duckett says the previously dilapidated pub exists to pay salaries and costs and reinvest any profit back into the business to achieve its social aims. He expects the Eagle & Child, which opened two years ago, to make its first profit this financial year.

Duckett says he has trained 20 youngsters so far working towards nationally recognised qualifications. "It's a way of giving young people a stepping stone," he says. "We are still financially driven, but by our social objectives as well."

Luxury Mongolian yurt camping site Cwm Tawel (www.cwmtawel.org.uk) opened in the Llynfi Valley, in Bridgend, South Wales, in May 2012. It is a social enterprise designed to create full-time jobs for a tiny community comprising 11 houses and four farms.

Sasha Ufnowska, accommodation coordinator, says Cwm Tawel, which is run by a voluntary committee "from the community for the community", produces an income that pays wages and is invested back into community activities such as horticulture, conservation and youth projects.

"Our main focus is about creating jobs for rural people in rural areas," says Ufnowska. "We have a five-year cash flow and we've given ourselves three years to make it a sustainable business, which will happen at 50 per cent occupancy. It is currently running at 45 per cent."

Hampshire Art & Craft, a Community Interest Company (CIC), trading as Rum's Eg, in Romsey, Hampshire, expected to add a café