

Community Retailing Network

shoptalk

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Welcome

It gives me great pleasure to welcome you to the first edition of our Community Retailing Network newsletter.

The local shop is often the cornerstone of the community and yet a growing number are being lost. Valued for its hidden social role as well as the services it provides the closure of a shop can be devastating for the community.

However, solutions to reverse this trend do exist and we can take much inspiration from the many instances of people taking action themselves, through community ownership, to retain and grow their local assets. Even in today's climate of supermarket shopping and rapidly rising food and fuel costs we see the tried and tested models of community retailing managing to succeed and make a difference.

In our first newsletter we hope to give you an overview of what we do and share with you some of the experiences, opportunities and challenges surrounding community retail.

Cllr Norman MacDonald

Chair of the Community Retailing Network

Community Retailing Network

Growing out of the work and commitment of a founding group of community co-operatives, the Network was established in 2004 with the aim of supporting and promoting sustainable community-owned shops.

We do this by helping new shops set up and existing ones to grow. The Network enables community retailers to share ideas and resources as well as offering practical support.

We are a company limited by guarantee with one part-time member of staff and a board of voluntary directors elected by our membership. We work closely with Co-operative Development Scotland and the Co-operative Group and currently receive funding from the Esmee Fairbairn Foundation and the Co-operative Fund.

The Co-operative Group and Community Retail: a perfect match

The links between the Co-operative Group (and its predecessors) and Community Co-operatives can be traced back to the end of the 1970's when the Group was contacted by the Highlands and Islands Development Board with a request to supply products to the community co-operatives which were starting up in the Western Isles

The way in which this was possible was that each Community Co-op could apply to the Group for Corporate Membership and this in turn allowed them to have access to the CRTG: Co-operative Retail Trading Group. This is the buying arm of the Co-operative movement in the UK and its size obviously gives it considerable purchasing power when dealing with suppliers. Each Community Co-op also receives an annual Dividend based on its level of purchases and can participate in the Group's democratic structures.

Following on from the initial applications for Corporate Membership from the Western Isles, there followed applications from Orkney, Highland, Shetland and other parts of Scotland – and other applications from other parts of the UK.

The other method available to Community Co-ops, Food Co-ops and other organisations wishing to purchase from Co-op Group stores is the Community Food Discount Card. Any organisation that meets the criteria can obtain such a card which provides a 10% discount for purchases.

The Co-operative Group has hosted regular meetings of Community Co-ops to allow them to meet each other and representatives of various departments in the Group. This has proved extremely beneficial and following a Community Retailing Conference held in 2002 the Community Retailing Network was formed.

Tor Justad, Co-operative Affairs Officer

The Co-operative Group

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Could your shop promote healthy eating?

With our children facing the prospect of dying younger than us due to poor diet and obesity, healthy eating is high on the public and political agenda.

One innovative tool that is beginning to bear fruit not only in improving diet but also in boosting the profits of small local shops is the government funded Healthy Living Programme. Delivered by the Scottish Grocers' Federation, the scheme offers retailers a training package and branded promotional material to encourage the sale of fresh fruit and vegetables.

For further information on the SGF Healthy Living Programme please contact Ross Kerr, the Co-ordinator on 0131 343 3300.

Local produce flies off the shelf

'Local food is not a brand but a food system that supports small-scale producers, local markets and develops relationships between these and local people' (Forth Valley Food Links in its response to 'Choosing the Right Ingredients').

By their very nature, community shops have quietly played a key role in delivering such local food systems for many years.

Recent visits to our members highlighted an impressive range of local products – including milk, breads, biscuits, cheeses, oatcakes, ales and beers, chocolates, meat and fish. Members commented that customers expect to see items from local producers in their local shop, and therefore local meat and certain bakery items tend to have a regular spot on the shelves.

However, other products are harder to come by – through a combination of lack of availability and difficulties in navigating the legislation involved in selling them. Items such as eggs, home baking and seasonal fruit and vegetables are very popular and tend to fly off the shelf as soon as they appear.

Community shops are well placed to become a focal point for local food, and we look forward to supporting more growth in this area in the future.

Investing in Your Community

'Community Investment: using Industrial & Provident Society legislation' is a new publication commissioned by Co-operatives UK. Author Jim Brown defines community investment as the practice of communities investing capital in business ventures serving a social or community purpose and explains how the IPS format is being increasingly used as a vehicle for this type of investment.

Helping to raise capital and heighten community engagement and ownership, the practice of offering shares to be purchased by local people has played a key role in community retailing since its inception and may be something that more and more community enterprises start to explore.

One enterprise that has taken its community investments a step further is Appin Community Co-operative in Argyll. Set up 25 years ago it used community shares to help fund the purchase of the local shop - then under threat of closure. Today it operates a successful business and has set up a separate Community Trust Fund to re-invest into local projects. With their shop safeguarded and a wide range of projects supported over the years, it is without a doubt that the Appin shareholders have seen the fruits of their investment.

For further information about the report please email laura.chillag@cooperatives-uk.coop or call 0161 246 2952.



A Major Asset at the Heart of the Community

A Case Study of Uig Community Co-operative

Uig, famous for the discovery of the 12th Century carved Lewis Chessmen, is one of the UK's most remote communities, lying some 40 miles from Stornoway on the far west coast of Lewis.

In 2003 its only shop, which also housed the Post Office and petrol station, was put up for sale. Concerned that their lifeline services would be lost, the Uig Development Trust was formed to look at the feasibility of community ownership. Through a combination of shares and grants they bought the business and over the next 3 years carried out a range of improvements – including resurfacing the car park, installing a new fuel pump and a disabled access ramp.

The Uig Community Co-operative was established to run the business in 2004, and by 2008 it has more than doubled its turnover, diversified to offer a range of services and has become the largest employer in the area.

The latest development for the community business has seen a huge achievement in the sourcing of over £500,000 in grant funding to enable it to build an extension. In addition to doubling the size of the shop, it also houses a laundrette, council and other services access point with video conference facilities, a seating area with microwave, coffee facilities and displays of local arts and crafts, new delivery and storage space and cold room, public toilet and staff office. A renewable energy element will see the installation of a wind turbine to power the facility.

Following the official opening by Len Wardle, Chair of The Co-operative Group which has backed the community co-op since its inception, Uig Community Co-op is enjoying its new and extended shop. Elaine Newton, Manager of the shop, tells us a bit about it:

What difference will the new extension make?

We have a much better working and shopping environment now and have become more efficient in stock control and financial monitoring. Having the extra space means we can increase our range and offer a service to local businesses – already we have been able to make up orders for a restaurant and holiday lodges. The laundrette and service point will bring more people in and we see the seating/coffee/art area becoming a real social hub both for locals and tourists.

What have been the most difficult bits?

There is a lot involved in running a shop, Post Office and petrol pumps and the first few years have been a really steep learning curve for all of us. Things like getting the stock and pricing right and making sure we comply with all the different legislation has been really hard. Also, in a small area it is quite difficult to find and keep the right staff.

Has it been difficult to keep the local community engaged?

The support from the local community has been great from the start. We have also been lucky to have skilled and committed people on our committee. We are however very aware that they won't stay on the committee forever and their skills might be difficult to replace. Being a committee member for a business is a demanding role and a big responsibility and with a limited number of people available it is difficult to recruit new members.

What have been the key factors in the success of the shop?

The support of the community and the on going enthusiasm, commitment, hard work and good will of the management committee and staff has been absolutely fundamental.

The Co-operative Group – we order most of our stock through the Co-op and this is vital. There is no cash n' carry and we are so remote – if the Co-op



didn't offer this service we wouldn't have a shop as it simply wouldn't be viable. The Co-operative Bank has also been fantastic.

Good support from our Council and LEC and funding from the Big Lottery, Scottish Land Fund, CLU, Rural Petrol Stations Scheme and others.

What are the main challenges facing community shops at the moment?

Fuel prices are our biggest challenge at the moment. The rising cost of food is having an impact. Tesco has also recently opened a new store in Stornoway which will likely have an effect especially if it offers home delivery. Finding the capital to start up or develop the shop – we were lucky but funding is getting increasingly difficult to find. Once the shop is up and running keeping up to date with legislation is a constant challenge.

Finally what is the best thing about working in a community shop and what advice would you give to others?

Interacting with the community is definitely the best part. The shop is very hard work but it is also good fun and varied and you feel like you are doing something worthwhile and positive for the community.

Key advice

- ▶ Be completely clear that it is a business that you will be running and you will need to learn all the different aspects of retail, including a wide range of legislation.
- ▶ Be realistic – the hours can be long, the work is hard and it doesn't pay particularly well but it is rewarding.
- ▶ You need the added factor of good will in the community where people are prepared to put in time and effort.
- ▶ Ensure you have good communication between the management committee and the shop manager.
- ▶ Don't be afraid to price things properly and try out new things – people want to see new things in their shop and stocking things that they can't get elsewhere is a big advantage.

A Taste of History for Barra Community Co-op

Barra Community Co-op has just completed its first year of running the newly opened Heritage Café at the Barra and Vatersay Heritage Centre. Serving delicious home baking, soups and sandwiches throughout the season, the new venture has been very well received by all those who have visited it. But it hasn't been easy.

The resources needed to run the café are fairly high, and community co-op manager Heather MacNeil explained that a quieter than normal tourist season on the island has meant turnover has been slightly disappointing. However, the café has had glowing reports and consistent with the co-op's main motivation it has been successful in creating further employment opportunities and adding vibrancy to the community.

Barra Community Co-operative (Co-Chomunn Bharraigh) was set up in 1981 with the help of the shares of 160 local members. Continually evolving to try out new things its core business has remained its shop in Castlebay which stocks a treasure trove of gifts, toiletries, hardware, cookware and souvenirs and is also the local national lottery agent.

Community Ownership of 'An-Clachan Store' – One Year On

The village of Leverburgh is situated around one mile from the Sound of Harris ferry terminal and has a population of 200. The Community Co-operative (Co-Chomunn na Hearadh) was set up in 1979 when the village faced the closure of its only shop. Since then it has operated a successful grocery store and over the years has added a number of services including a tearoom, petrol, craft shop and tourist information point.

After many years of renting its premises, the community co-op decided to take the plunge in 2007 and bought the building from Highlands & Islands Enterprise.

Ownership has brought with it a number of opportunities and challenges. There is huge potential to improve and extend the business, but to realise this would require upgrading and modernising the building – for which funding has so far proven hard to come by.

However, thanks to the hard work and commitment of the staff and committee, big improvements are already underway. Using some of its reserves, the co-op has re-painted the building, carried out electrical work and fitted new windows. This has given the shop a big boost, and now the co-op is awaiting the outcome of a bid to the Big Lottery Fund for a bigger development to transform the building and enhance the business.



An-Clachan, Leverburgh

Support and funding

Co-operative Development Scotland

Co-operative Development Scotland (CDS) was established in 2006 with the aim of increasing the co-operative sector's contribution to the Scottish economy. The team have a broad range of business skills and have helped to set up co-operatives across a range of sectors, including a marketing agency, a community renewable energy co-op, a publishing co-op, a childcare facility, a language centre and a theatre production company.

CDS provides free, impartial advice, including specialist advice on co-operative business structures and co-operative working, from initial feasibility to the launch of a successful enterprise.

www.cdscotland.co.uk

Highlands & Islands Social Enterprise Zone

HISEZ, a Community Interest Company, has recently won a three-year contract to develop and promote social enterprises across the region. Under the contract, awarded by Highlands and Islands Enterprise, the company will advise organisations such as credit unions, community co-operatives, housing associations and development trusts and bring them together to share ideas.

www.hisez.co.uk

Community Food & Health (Scotland)

CFHS, a long time ally of the Community Retailing Network, is a Scottish Government funded agency committed to supporting local communities tackling health inequalities and promoting inclusion through the medium of food.

CFHS is currently working with the Scottish Grocers' Federation, running a pilot project that is rolling out their 'healthy living programme' for neighbourhood shops to community food initiatives. CFHS is also closely involved with the country's growing networks of community food co-operatives. Alongside work on retailing and the supply chain, CFHS works with communities operating their own cafes, cooking classes and even farms.

www.communityfoodandhealth.org.uk

Rural Direct

This is a new, free service designed to help rural community organisations access funding from a range of sources including the new Scotland Rural Development Programme, the Climate Challenge Fund, The Big Lottery and Charitable Trusts. Rural Direct staff can provide support in person, by phone and by email for groups who need help in identifying appropriate funding, developing applications and building local development strategies.

www.ruraldirect.org.uk

Scottish Investment Fund

SIF is a £30m fund established by the Scottish Government to help expand the role of the social economy in delivering public services. Managed by Social Investment Scotland it will offer a mixture of loan/repayable finance and grant funding to established social economy organisations. Priority areas for 2008/09 include employability, environmental action, and the underlying cause of health inequality.

www.scottishinvestmentfund.co.uk

Business Gateway

Don't forget this valuable resource. The website has information about every aspect of setting up and running a business.

www.bgateway.com



Training for Community Retail

Running a community shop, particularly if it is in a remote area, can make it difficult to keep up to date with wider retail and legislation issues. An important role of the network is to reduce this isolation, and one clear need already identified by members is assistance in accessing training.

Over the next few months we will be exploring the training needs for community shops and how best to deliver training in remote areas.

Store is the Core

'Store is the Core' is a 3 year project funded by the Carnegie UK Trust and managed by the Plunkett Foundation and the Village Retail Services Association (VIRSA).

Designed to test out the feasibility and value of diversifying existing community retail activities by adding on a further enterprise the project will provide an interesting and valuable insight into community-led service provision and the pros and cons of multi-service models.

Northern Periphery Programme – Retailing in Rural Areas

All countries are facing difficulties in keeping their rural shops and 'Retailing in Rural Areas' is a transnational project focussing on their survival and growth. Involving partners from Finland, Iceland, Faroe Islands, Ireland, Norway and Sweden, we will take on the role of Scottish partner with the help of match funding from Consumer Focus Scotland and support from Community Food & Health Scotland and the Co-operative Group.

The proposal was submitted to the NPP on the 26 September and if approved will run from January 2009 until December 2011.

View from the Board

Paul Lawton, Treasurer of Eday Community Co-op, represents the Orkney community shops on our Board.

Why did you want to become a Director of the Network?

I became a director originally just to make up the numbers! I have continued because I believe that the Network is in a great position to build on all of the good work done through the development meetings and Best Practice Groups. As the voluntary treasurer of Eday Co-op I appreciate the help and guidance given by the Scottish Co-op and the Community Retailing Network.

What are the main challenges facing community retailers at the moment?

The main challenge facing community retailers (and all small retailers) is the growth of the major supermarket chains and the size of their individual outlets. Even on a small remote island such as Eday we are still losing trade to the new Tesco store opened on Orkney mainland. Another challenge is the lack of purchasing power over large retailers. Buying the majority of our stock from the Co-operative Group helps our shop keep the prices down a little.

What would be your advice for communities that are thinking of setting up a shop?

Do your homework and research the market. Sustainability should be the keyword and the main aim. It may not be possible to start the venture without some sort of public funding but you should not rely on that form of funding indefinitely. Obviously confirm that the majority of the community are behind the project originally, but also will support it once it is up and running.