

Edible Assets Workshop Notes 14/09/10

PowerPoint Presentation can be found at
http://www.sustainweb.org/localactiononfood/local_food_events/

Governance and Finance Workshop

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Mark works for Co-ops UK which is the trade body for co-ops in the UK. Co-ops UK is a partner in the Making Local Food Work (running for another 18 months), which is working on connecting people to land through food. They have a remit to ensure that new and emerging community food enterprises have the correct governance in place.

More in depth information on structures is available in the simply legal handbook which can be downloaded from www.uk.coop/sites/default/files/SimplyLegal.pdf or posted out.

The power point presentation refers to community food enterprises which are businesses which are owned and run by the community whether that is a geographic community or a community of interest.

Some of the points raised during the presentation

An incorporated organisation is a new person in law an advantage of which is that the members personal liability is limited. However there is a cost involved. Incorporate when there is a risk involved.

Your start up process should ensure that you have the correct structure for what you want to do. There is a danger of choosing a structure to suit funding available, but this is quite short term thinking and might impede the project in achieving its objectives in the longer term.

The Rochdale Pioneers were the first successful co-op. They started without funding by putting in 2p a week from their wages.

Discussion

Question - The phrase Not for Profit can lead to confusion. Surely Good Governance should allow projects to put aside something for a rainy day?

Answer (MS) - It is true that profit is seen as a dirty word. Surplus can be used as an alternative. The important thing is what you do with the surplus / profit. Not for profit organisations often reinvest surplus back into the organisation.

Question— Do people run after money and end up not doing what they set out to do?

Answer 1 – Dig in Bristol was a bid put in by a partnership of organisations. A lot of energy went into it from a lot of different people. Now they are waiting for a decision from the lottery. They have lost some momentum as a result, but can't get on with the work without the funding as it is for core staff costs.

Answer 2 – A project in East London was cited that provided more affordable fruit and veg to low income families. This project was dependent on grant funding which had strings attached. They had to prove the beneficiaries had improved health as a result of the project. This was too difficult to prove and as a result they lost the funding.

A general discussion followed in which the following points were made:

Small pots of money are available for Pump Priming (getting started). Through Awards for All grants of up to £10k are available to spend over 2 years and when that is spent there is the possibility to apply again.

It should be recognised that some of the work community food groups do is a public service (e.g. gardening projects with mental health service users) and they could get contracts from the Local Authority to run them. Our enthusiasm for social enterprise shouldn't eclipse the idea that there is a public service aspect to what we are doing.

We were reminded of something Ian Price said in the opening plenary that it is wise to spread risk across activities. Adopt a structure that allows income from both grants and trading. The organisation can then get on with trading and access funding as and when it becomes available.

Charitable trusts can have a trading subsidiary.

A newly established IPS Ben Com is about to launch a share issue. 'Somerset Land for Food' will hold share holder money in order to buy (appropriate) land immediately when it comes on the market.