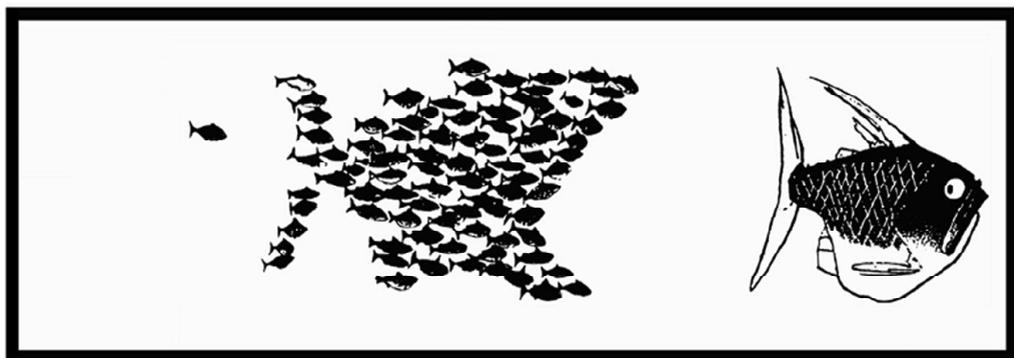
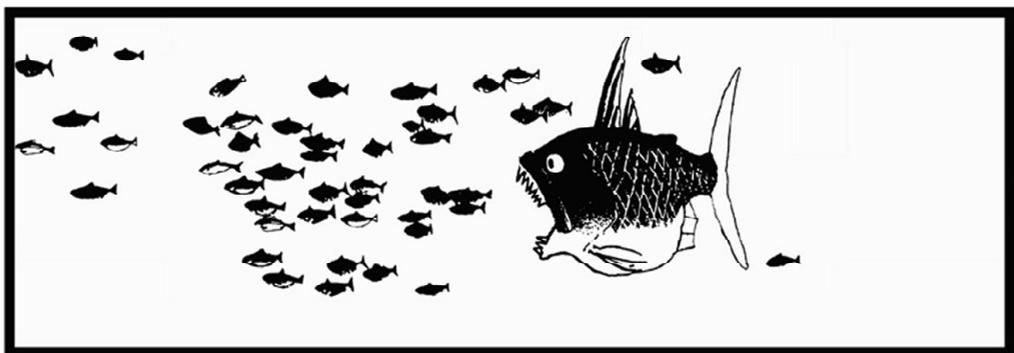


How to set up a Housing Co-operative



Radical Routes

8th Edition, October 2015

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Chapter 1

Housing co-operatives

What is a housing co-operative?

A housing co-operative is not bricks and mortar, it is a group of people and the means they use to collectively control and manage their housing. By incorporating as a legal body, the collective can buy and own property and enter into contracts.

Co-operatives are organisations governed by the tenants / members in a way that gives grassroots control over housing. They provide rented housing without landlords, or rather the tenants are collectively their own landlord. By setting up housing co-operatives we empower ourselves to take control over one of the most fundamental aspects of our lives and in the process we transfer property out of private ownership, into either common or co-ownership.

When a co-op is formally incorporated under the Co-operatives and Community Benefit Societies Act (2014), it gains a legal structure which provides benefits under British law. One of the main benefits of this structure is that des benefits under British law. One of the main benefits of this structure is that co-operatives are entitled to advertise their loanstock issues to the public. Loanstock is a means of borrowing money from sympathetic individuals and organisations without giving the lender any measure of control over the co-operative.

People set up housing co-operatives for a variety of reasons. Often they have relatively meagre incomes and are unable to afford a secure home without joining with others to pool resources and commitment. However, there are usually other links within such groups. People

who might have difficulty finding suitable housing because of prejudice surrounding their age, race, religion or gender have formed co-operatives.

There are housing co-operatives for pensioners, black people, women and refugees. Sometimes a worker co-operative will wish to house its members and develop a largely self-contained community, providing work and a home.

Whatever the common aim, a co-operative can be formed to cater for the particular needs and ideology of a particular group.

Three kinds of housing co-operative

Short life

Short life co-ops usually take over buildings in poor condition, perhaps due for renovation or demolition, which are otherwise unlettable. These properties may be owned by individuals, companies or councils.

The members and the nature of the properties taken on by short life co-ops vary widely. There may be a few members living in multiple occupancy of a flat above a shop, or there maybe members in families occupying an entire street of houses. Because of the condition of the buildings, the rent the owners charge the co-operative is often minimal. If a council has buildings it cannot afford to renovate for its own tenants, it may sometimes be willing to let them cheaply or free to a co-op. An argument used to persuade owners this is a good idea is that it helps prevent vandalism and further deterioration. Such agreements have sometimes extended over years where delays occurred in the planning process or a council did not have the money needed to renovate its properties. The rent the co-op charges its members should cover the landlord's rent plus management

costs, which includes money to pay for any work needed on the houses.

In the past short life co-ops were sometimes formed by squatters who subsequently entered into an agreement with the owner, to either stay for a length of time or to make improvements on the property. This is no longer feasible due to the criminalisation of squatting residential buildings.

Tenant management

co-operatives

A TMC rents or manages property from a landlord who may be a private individual, company, council or local housing association. The co-operative has an agreement with the owner of the property specifying areas for which the co-operative has responsibility, normally membership and aspects of maintenance. The cost of the responsibility taken on by the co-op is calculated and the money is either taken out of the rent by the co-operative or the owner repays the co-operative an agreed amount to cover its outlay on repairs.

TMCs are similar to short life coops in that they do not own the properties their members live in. They differ in that their housing is usually of better quality and more permanent.

If you plan to plan to buy a house and live together as a co-operative, but the group has not lived together before, you might consider renting a house and operating as a TMC before taking the plunge. It may be possible to rent a large house as a group at a cheaper rate than if each person were to rent a room separately, plus the co-op gets a base from which to plan your next move.

In terms of what a housing co-operative can be, both short life co-ops and TMCs are half-way there. Some control is made available to both,

but both still pay rent to landlords who have ultimate control over the properties.

Housing owned by the co-operative

Here the members have collective control over the housing in which they live and have most of the same responsibilities and privileges as any other home owner, but these are shared. The rest of this booklet mostly deals with housing owned by the co-op.

Legal structures

There are different options for the legal structure of a housing co-operative and some terms need explaining.

Co-ownership

Each member owns a share of the property and receives a share of the (increased) value of the property if the co-operative is wound up. In some circumstances, members can be liable for debts incurred by the co-operative, but the main problem is that when members leave, they generally want to take their share of the capital with them. This means that new members must be able to replace the capital taken out by their predecessors in order to buy their share of the property; this is naturally very expensive.

Common ownership

Common ownership is where the assets of the co-operative are held in trust for future generations. Members of the co-operative get to benefit from their use while being a member, but they are not allowed to gain financially from them by selling them off, as they can in co-ownership. The ownership of houses and land cannot be divided up among the members. The property remains in common ownership from generation to generation of members and if the co-operative is dissolved the assets must be passed to another co-op or not-for profit

organisation with similar aims and principles. This must be specified in the co-operative's registered rules.

Par value

Literally, 'same value', all shares are always worth the same value, usually a nominal £1. The value of the shares a member holds is usually the limit of the member's liability should things go wrong (a good reason for incorporating in the first place), and is not necessarily restricted to just one share. However, many housing co-op rules (including the Radical Routes housing co-op rules) do not permit the withdrawal of shares - in other words, you buy a share when you join (probably for £1) and you don't get the money back when you leave. So there's not much point in buying more than one share. It is this type of co-op (with non-withdrawable shares) which is sometimes known as a 'par value' co-op.

Though the very nature of a co-operative is that it is run on a democratic basis of 'one member, one vote', there may be a danger that those who have invested more in the co-op through shares have greater sway over decision making. One way of avoiding this is for everyone to have the same shareholding.

Fully mutual

All tenants are members and all members are either tenants or prospective tenants. Each member holds a minimum of one share, usually the nominal £1, though the number of shares a member can hold is not restricted to just one.

This book deals predominantly with par value, fully mutual co-operatives in common-ownership, since Radical Routes has found this to be the most useful and ethically preferred model for housing.

Most banks and building societies prefer an element of co-ownership when they grant a mortgage, and some banks may insist on each member personally guaranteeing mortgage repayments. In this case it is best to find another bank or building society, or you will each void your liability of £1 and, if things go wrong, may lose some or all of your money linked to the guarantee. A few institutions, such as Ecology Building Society or Triodos, are willing to lend to fully mutual housing cooperatives without these strictures. Radical Routes has up-to-date information on who is lending money and on what terms.

Chapter 2 Formalities

Registration and Fully Mutual Rules

Registration

Registering as a co-operative through the mutuals department of the Financial Conduct Authority (FCA) gives your group the legal status to collectively raise loans and purchase housing. You need at least three members to register as a fully mutual co-operative. Registration is easiest through 'promoting bodies' such as Radical Routes or the National Housing Federation. The process takes about eight weeks - see the appendix for details of the Radical Routes / Catalyst Collective Registration Pack.

Co-ops are required to submit annual returns to the FCA along with an annual fee. This fee means that routine administration such as changes of address, some rule changes and de-registering are for the most part free.

All the co-operative's official documents (loanstock application forms, members' share certificates, headed paper, compliment slips, etc.) must carry the full name, including the 'Ltd' bit, and the registered address of the co-op as well as the register number as allocated by the FCA.

Name

You will need to register rules in the name of the co-operative and you will need a name that is not already registered. However, a small change to a name currently in use can make your choice acceptable. Check whether the name you have in mind is already in use at www.companieshouse.gov.uk. Agree a second name as an alternative in case the first is not accepted by the FCA. It is good practice to

name yourself as XXXX Housing Co-operative Ltd as this helps to clarify your status when dealing with officialdom.

Rules

The principle document of any registered co-operative is known as the 'rule book', the 'primary rules' or just 'the rules'. These are like the articles of association for a company. They set out the parameters for the co-operative, such as its objects, powers, conditions of who can be a member and in some cases what is required of them, governance, dealing with disputes, dissolution and so on. It is the most fundamental document for the co-operative and amounts to a contract between the members and the co-operative.

Creating a set of rules from scratch is a very expensive process, not least because of FCA fees for this. However, various sets of 'model rules' are available from sponsoring organisations such as Radical Routes or Co-operatives UK. As these have already been accepted by the FCA, using these rules is cheaper, quicker and more straightforward. You can make changes to model rules, but this may cost you, and not everything be changed as some things are required by law. Currently registering model rules with between 1 and 6 changes costs an additional £120, with 7 to 10 changes costs an extra £350, while more than 11 changes is considered equivalent to not using model rules at all so comes in at the full £950.

If you find model rules do not suit your purpose, you could try finding an organisation with similar aims and ask to look at theirs, or perhaps use a version designed to be more generic such as those from Coops UK.

Radical Routes recommends that housing co-operatives adopt fully mutual rules as the

structure they enable is open and democratic, and because fully mutual status is simpler than it might first appear. It allows you to be large or small and creates the greatest potential for self-management. It also allows for exemptions from corporation tax on rental income from members and from capital gains tax.

Some income can come from non members, eg renting out land, but this cannot be a substantial part of the income if the tax benefits from being fully mutual are to be kept. If you are planning to go down this route as part of the business model for your co-operative, we advise you strongly to get advice.

As the purpose of a fully mutual housing co-operative is to house its members, any financial surplus must be used to aid that purpose – though this can include helping other co-ops and causes. There is no individual financial benefit to members other than an affordable place to live.

Under fully mutual rules, all tenants are members and all members must be tenants or prospective tenants, so everyone has equal shared responsibilities as landlords and tenants. Non-members should not be allowed to become residents, but someone can be accepted as a tenant and a prospective member without losing the tax benefits. It is possible for people to stay for a short while and pay rent without losing fully mutual status, but this should never be more than a temporary situation.

Though tenancy and membership are closely related in a fully mutual housing co-operative, they also need to be treated separately, and each tenant given their own occupancy agreement. Tenancy can be a potentially tricky area to deal with and should not simply be assumed. Radical Routes is in the process of creating a model document to deal with some of the pitfalls thrown up by recent court rulings.

Officers of the co-operative

The law requires that co-ops have a Secretary, but most also have a chair and a treasurer. Radical Routes rules require a secretary and treasurer to be appointed, but allow for facilitators at meetings rather than a post of chair as the RR rules have now incorporated consensus decision-making techniques.

The secretary and treasurer have specific duties and should have written job descriptions so no confusion arises over what their responsibilities are. Some of these responsibilities are required by law. There is no formal officer post of chair, but the law around co-operatives assumes that each meeting will have a chair. Model job descriptions are available from Catalyst, but their basic duties are set out below. It is good practice to ensure that these positions are rotated among the members of the co-operative so that everyone has an understanding of what is needed and/or expected.

Co-operatives are not restricted to these officer posts. For example, Cornerstone, which has up to 16 members over two houses, has a considerable number of officers, including co-treasurer, internal and external membership, two maintenance officers, rent, Radical Routes and from time to time other posts such as office, car and garden. Each of these has its own job description, but everyone is expected to participate in the life of the co-operative above and beyond just coming to meetings.

Chair

Many organisations have a chair whose duty is to formally head the board or to oversee meetings. Radical Routes has moved away from this position, to one where each meeting has its own facilitator, who for legal purposes is the chair, and can be put in place at the start of each meeting. Much of the chair's work is easily covered by the secretary.

Secretary

The secretary is a formal position required by law and with various responsibilities including ensuring that documents are signed and sent off and paperwork such as the registers of share and members are kept up to date. However, much of this does not need to be the responsibility of one person. General duties include informing of members of meetings, circulating agendas and minutes, signing off accounts, and issuing of tenancy agreements.

Treasurer

Their responsibility includes book-keeping and issuing cheques. Often it is they who take on the role of preparing and submitting annual returns and accounts.

The duties of both secretary and treasurer can be shared with other members. Sharing responsibilities spreads knowledge among the membership and allows for continuity. A co-secretary or co-treasurer familiar with the work ensures that if an officer steps down or leaves, someone is there to take their place. It also ensures that knowledge of and control over vital aspects of the co-operative does not become concentrated in just one or two hands.

The registered address

You will need an address to which formal correspondence can be sent. This will be the registered address of the co-operative, and once registered, a plaque or notice bearing the co-operative's name should be put up outside the registered office. If the co-op changes its address after registration, you have to inform the FCA; this is free to do, and they have a specific form for doing it.

Shares

A share certificate should be issued to each member and recorded in a register of shares. Each member must pay the price of the share, usually the nominal £1, which is not refundable.

A register of members must be kept in the form of a bound book containing a record of the names of all members, the dates of their joining and leaving, and also their formal contact addresses – whether or not they live in co-op controlled premises.

The necessary stationery is easy acquired from shops selling legal stationery, or created yourself based on the documents of an existing housing co-operative.

The seal

An official metal seal can be purchased for use on official documents. It is no longer required, but it's really cool. They can be made at legal stationery shops, but if Catalyst are handling your registration, one is included as part of their fee.

Bank account

You will need an account in the full name of the co-operative, with the Treasurer and at least two other members as signatories. It is good practice to have at least two members signing each cheque against the co-operative's account.

Book keeping

It is essential you keep proper records of all income and expenditure properly – either in a ledger, or by using accounting software. It can help to look at the accounts systems used by existing co-operatives.

As long as your co-op is not dealing in millions of pounds, the government does not require your accounts to be formally audited by an accountant. However, your rules may require you to waive the audit at each Annual General Meeting. The FCA still needs to see your accounts each year and will send you an Annual Return form which must be completed and returned with signed copy of your accounts.

Housing co-ops can compile their own year end accounts, although they do need to be formatted in a specific way so if you do not have someone in the group with this skill it is best to acquire training or find someone qualified to do the work. If annual turnover is under £5,000 you need to perform a lay audit, which means having the accounts you have compiled yourself inspected by people with book-keeping experience, such as the treasurers of other co-operatives. If your turnover is over £5,000 but less than £90,000 you may compile your own accounts and there is not a requirement for any audit. Over £90,000 you need a letter from an auditor confirming that the turnover is below £2.5 million.

If you do not return your form by the given date you will incur a hefty fine. Annual Return forms need to be done whether or not you have a house, and failure to return them can cause your co-operative to be de-registered, which you only have limited right to appeal against. The FCA will send you plenty of warnings, but only to your registered address.

Tenancies

Every tenant should have a written agreement, signed by themselves and at least one representative of the co-operative, before moving in. It is good practice for the co-op to have one prepared in advance.

Unlike tenants of housing associations or other landlords, the tenants of a fully mutual housing co-operative do not have an assured shorthold tenancy. This does not mean a tenancy in a housing co-operative is more vulnerable. Assured tenancies are designed to protect tenants from unscrupulous landlords; in a fully mutual co-operative the tenants are their own landlord and do not need protection from themselves. You still have a contractual tenancy, a right to occupy the property.

However, due to what is known as the Mexfield ruling which has caused issues for housing co-operatives in general, a good deal of evaluation the relationship between the rules of a co-operative and the occupancy agreement has taken place. Currently, the best advice is that any agreement for tenancy or otherwise must have a straightforward 4 weeks 'notice to quit' in it, which the co-operative can give to any member or resident regardless in an unconditional fashion. However, the main protection for a tenant remains with the rules of the co-operative. We do not advise writing your own without advice as there are issues which in theory are a good idea for fully mutual co-ops but could fall foul of the law.

At the time of publishing, Radical Routes is working on a new model tenancy agreement for co-ops, which will be available with the registration pack available from Catalyst.

Houses in Multiple Occupation (HMOs). Unless the co-operative has plenty of money and everyone wants to live in separate accommodation, you will probably be sharing a house. The Housing Act 2004 decided that any property housing more than two unrelated people, who are not leaseholders in that property, is a 'House of Multiple Occupancy' or HMO.

The Act requires local authorities to hold a register of HMOs with three or more storeys and to issue licences to their landlords. Local authorities are allowed to extend the HMO register to include smaller properties if they choose. It is mandatory for landlords of affected HMOs to get a licence to rent out each property. So you might be exempt if your property has fewer than three floors, depending on the extent of your local authority's register.

Six Scottish fully mutual housing co-ops managed to get an exemption straight away to the Act's initial implementation in Scotland. And in 2011, following a long campaign by Friendly Housing Action (a lobby group created to represent small housing co-ops), the Localism Act granted an exemption to the licensing scheme in England & Wales for fully mutual housing co-ops managed by general meeting. There is a great deal more information at fhaction.org.uk

To be clear, your co-op is NOT be exempt if:

1. The residents are not members of a housing co-op or
2. The housing co-op doesn't hold the lease or own the property or
3. The housing co-op's rules are not fully mutual or
4. The housing co-op is managed by a committee

Licence requirements:

- Landlords must pay an annual licence fee, which varies between local authorities.
- Each local authority publishes building, fire and security regulations which landlords must meet. These are likely to include: fire doors, more than one toilet for more than six residents, mains operated fire alarms, specific ventilation requirements, etc. They will be readily available from the council, usually via their website.

Councils are usually reasonable about allowing landlords time to meet the building regulations.

If you don't get a licence, the landlord (co-op) can be taken to court and fined and the council can claw back any housing benefit payments paid during the unlicensed period. And you'll still have to get the licence and implement the requirements.

Housing benefit

In general, housing benefit claimants in co-ops should argue that they live alone (or only with partner/family members). The authorities may choose to see unemployed tenants as living together and their benefits might be cut, (as with couples living together in similar circumstances). We are not aware of any instance of officials taking such action, but the possibility exists. It is advisable to make sure that each tenant/member has a lock on their bedroom door and if you are expecting a visit from an official you might consider labelling cupboards with names. Showing territory staked out in this fashion should counter any claim that you are living at a level of intimacy that would allow the benefits of individuals to be cut.

Housing benefit (HB) is not paid retrospectively so applications need to be in from the first day of occupancy. Members of co-ops qualify for housing benefit whereas home owners can only receive housing benefit on the interest on their mortgage repayments.

The Local Housing Allowance is the means by which a person's maximum HB is determined. This amount will be reduced in proportion to income level. A person on Job Seeker's Allowance/ Income Support or equivalent income will get the full amount. The LHA level is set by the rent officer service and depends on the 'Broad Rental Market Area' where you live and on the number of rooms a claimant is entitled to. The LHA level is set each month and should be advertised by local authorities and on the rent officer service website. This is helpful for co-ops who are working on a business plan.

Once a claim is made then that HB level lasts for a year. The way your allowance is calculated is determined as follows:

Single people/couples without children
There are two possible rates:

- 1) 1 bed shared accommodation - this applies to under 25's in most cases and to people who live in shared accommodation.
- 2) 1 bed self-contained - this applies if the claimant has one bedroom and exclusive use of a kitchen and bathroom, or if they have exclusive use of two rooms, but share a kitchen and bathroom.

People with children

A child is classed as living in the household of the person in receipt of child benefit. The bedroom entitlement depends on the age/sex of the child. One bedroom each is allowed for

- the parent/s
- up to two children under 10
- two same sex children under 16
- any child over 16

So boys or girls are 2 to a room until they are

16. A boy and girl can share until one turns 10, then, unless they can share with a same sex sibling, they will be entitled to their own room. If a family lives in undersized accommodation, i.e they have 2 bedrooms, but are entitled to a 3 bedroom determination, then their claim will be assessed using the 3 bed LHA rate (this is useful if the rent on a 2 bed house is higher than the 2 bed LHA rate).

Payment to the landlord

LHA is generally paid directly to the tenant. There are situations where this is not possible, such as when a person has no bank account or is incapable of managing their own financial affairs. All local authorities should have a policy on when LHA can be paid direct to the landlord

Caravans and house boats

These are still dealt with under old HB rules. To set a rent level, you can ask the rent officer for a 'pre tenancy determination' or you can set



workers' co-operative registered under companies acts number 2738104

info@catalystcollective.co.uk

0845 2235254

www.catalystcollective.org

Housing Co-op Registration

To register your housing co-op with the FCA using the Radical Routes Fully Mutual Rule model costs £375. We also offer advice and support before, during and after registration which is free regardless of whether your group decides to register with us.

Back Office Services

Catalyst offers admin services to co-operatives and small ethical businesses. We can support you at whatever level you require from keeping your records for you, through creating your invoices, making payments, managing payroll and drafting year end financial statements.

Business Plan Support

Catalyst can advise on how to produce or improve your co-op's business plan.

the rent at the LHA level, but be aware that it can be reduced. If you are given a maximum determination that seems low, you can ask for a redetermination, but be aware that the level could go down further.

Council tax

Confusion about your status may extend to officials responsible for collecting council tax. As each tenant is a member and in some sense a director (see above under governance), it may be supposed that each individual tenant is a landlord. This is not an accurate interpretation of your situation. The co-operative is your landlord and as such it is liable for payment of council tax where more than one rent is payable on a property. This has been confirmed in advice from the Department of the Environment (as it then was). This is different from where an individual or family rent a flat or house - in this case they are personally responsible for paying council tax.

Management

You will need to choose between managing the co-operative's affairs through a management committee to which members are elected and regular general meetings where all members take part in discussions and decision-making. If you adopt management by general meeting you will need to decide if decisions will be made by consensus or majority vote. Consensus is easier among a small group, but finding complete agreement on most issues among larger numbers is more difficult.

Chapter 3

Raising money

You need to raise enough money to cover that part of the purchase price not covered by the mortgage and to be able to repay the mortgage and any other loan through rent payments and/or some other means.

Most building societies will lend you 70%-80% of the valuation of a property. The valuation is not necessarily the same as the purchase price. You will need 20-30% of the purchase price as a deposit and enough money to cover the legal fees and charges. You will also need to cover day to day expenses such as maintenance and stationery. You can raise money by:

1) Collecting subs from members at each meeting: this is good for small amounts of spending before purchasing a house, eg co-op registration and publicity.

2) Asking friends and relatives for loans or donations.

3) Holding fundraisers like jumble sales, car boot sales or benefit gigs.

4) Organising sponsored events in aid of your project.

5) Asking local companies to make a donation to your cause.

6) Applying to charities: you may qualify for help from charities or other grant-making bodies. Disability among your members may also enable you to get money from appropriate charities or social services. Get a copy of 'A guide to the major trusts' published by the Directory of Social Change, or ask for it at your local reference library.

7) Issuing loanstock: as a registered co-operative society a housing co-operative is entitled to advertise and issue loanstock to the public (see chapter 5). This allows members and other individuals and organisations to invest money in the co-operative for a set period of time and at a set rate of interest. Some housing co-operatives have bought their housing with loanstock and a mortgage. Loanstock must be issued at set times, say once a year. Open ended periods of issue are forbidden.

8) Applying for regeneration money: funds have been allocated for the regeneration of some run-down urban areas. If your area is one of these it may be possible to persuade the relevant bodies to include a tenant-controlled housing organisation in the scheme,

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Felix Road
Bristol, BS5 0HE



Established in 1997

in which case a substantial part of the cost of your housing may be met. Contact your local authority in the first instance. You may be able to raise money this way and preserve your independence. However you may only be allowed regeneration money if you give up the aim of tenant control and settle for tenant participation with control by a housing association. In that case you would probably not be able to operate as a co-operative.

9) Getting public funding for housing co-ops: In the 70s and 80s it was the norm to get funding from the Housing Corporation (now split into the Homes & Communities Agency/HCA and the Tenant Services Agency/TSA) to house people in housing need. This is now much more difficult for new co-ops and particularly for small co-ops. It is also worth bearing in mind that if you take government money, you will be bound by the restrictions and requirements they place on registered social landlords. However, redistributing wealth through taxation and using the money to provide housing for the less well off is a sound activity compared to the current system of borrowing money from private banks at rates of interest which enrich the wealthy at the expense of the rent paying tenants who are usually living on low incomes. If you choose to explore state funding, contact or join the Confederation of Co-operative Housing for news and advice.

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Guided Tours of Hockerton Housing Project

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Please call 01636 816902 or see our website.

Chapter 4

One co-op's story: Gung Ho Housing Co-op

The history of Gung Ho, originally known as Enheduanna, starts in 2006 when some of us decided that we had had enough of renting and wanted to use the money that we were currently throwing away to private landlords for a better use. We saw a contradiction between our anti-capitalist beliefs and our wholesale engagement in the housing market – perhaps one of the clearest examples of use of capital to exploit those without it.

A meeting was held in Birmingham, where most of us were living and discussions took place in York, where the rest of us were. Once we had some commitments of involvement we sent representatives to a Radical Routes gathering, which we'd heard about through Footprint, who used to print our zines. After a couple of gatherings RR's Co-op Support Group arranged for a member to come and visit us in Birmingham and explain how co-operatives work, Radical Routes' requirements from member co-ops and the joining process in detail. Fortunately for us we learned of a housing co-op in Oxford that had registered a few years before, but had never managed to buy a property. They agreed to let us have their co-op by simply changing all the directors and the address with the Financial Services Authority (now the Financial Conduct Authority, who register co-ops). This is how we ended up with our original name which is something that the Oxford group chose. Apparently Enheduanna is the earliest recorded female author, a priestess hailing from Mesopotamia. We changed the name to Gung Ho in 2011.

After having a visit from Radical Routes and attending certain workshops at three consecutive gatherings, prospective member co-ops are required to make a presentation to a gathering before they can join, when they can submit a loan application. We were keen to join, get our loan and buy our house as soon as possible, so we made our presentation to the first gathering after our visit in Brighton. At that time there were not many new groups in the network, so people were extra curious to hear about us and what we were about. The presentation seemed to go well with lots of questions afterwards. People were very supportive of us and at the next gathering we had our application for membership accepted.

Because none of us had a great deal of financial experience we had some difficulty preparing our loan application. The Radical Routes Finance Group gave us the model spreadsheet that they had helpfully designed. This makes it easier for housing co-ops to forecast their income and expenditure across the course of the mortgage and other loans to buy the house. However, we made the mistake of assuming that if the figures balanced the business plan would be acceptable. Because we had difficulty with the business plan we were not able to produce something finance group were happy with for the following gathering, which was our aim. Finance group did not recommend our first loan application, which was obviously frustrating for us. However due to this finance group arranged a visit to Birmingham where we went through the spreadsheet and sorted it out. We learned a lot from this process and it certainly put us in a better position to run our own finances, now that we are managing our own co-op. Fin, one of our members, was asked to join the finance group to give us more of an insight into Radical Routes' financial requirements and to help us develop financial skills ourselves.

At this time the housing market was really at its dizzy heights, which made it difficult to budget for an affordable house large enough for all five of us, but we did manage to come up with something that everyone was happy with and at the next gathering our loan for £28,500 was approved. One of the conditions of this loan from Radical Routes was the raising of £28,000 of loanstock, which means loans from individuals and other co-operatives in addition to the mortgage and RR loan. It can be hard to raise loans in this way, particularly if you are not very far along the process (we wrote to every co-op in the co-ops UK directory with no positive responses). Our recommendation is to set a target, put in what you can yourselves and then advertise how much is left to raise through the network and elsewhere. An actual figure as a target seems more achievable than an unspecified sum, especially when potential lenders can see that your members and other people have had the confidence to invest already.

We spent the next few months looking for houses, raising loanstock and talking to the Ecology Building Society, who gave us our mortgage. House prices began to fall a few months after we'd had our loan agreed and this allowed us to adjust our business plan reducing rent to £56/week (including council tax) rather than the £58 it was on before, whilst still allowing for a more comfortable margin of reserves than we'd been working with. We put an offer in on a large Victorian terraced house in Balsall Heath, South Birmingham, which we were particularly keen on because it had a large cellar. Unfortunately due to the estate agent's prevarications and our inexperience with the offers process we lost out on it, probably to a top hat-wearing property speculator.

Luckily for us another house came up for sale a little way down the road from our current house. We had an offer accepted on that one for £135,000, a sum which would have been unthinkable a year before. We got ourselves a solicitor, put a mortgage application to Ecology on the specific property and told Finance Group that we'd had an offer accepted.

The buying process for us was longer and more arduous than it needed to be and annoyingly involved us putting all our stuff in storage and a certain amount of sleeping on people's sofas for everyone. If anyone reading this wants any advice or help from us, please give us an email on the address below and we'll try our best to solve your problems!

In September 2009 Enheduanna got the keys to our home - a classic late Victorian mid-terrace house with a good garden in Selly Park, South Birmingham. Five people moved in: Andrew, Fin, Ken, Chris and Lauren although several more were involved in the process of getting there. The work involved in registering, joining, raising loans and buying the house is minimal compared to the frustration and annoyance we experienced living in rented accommodation with rat infestations, greedy landlords and lying letting agents.

We are all so happy to be in control of our own home, really grateful for all the support and encouragement we have received from Radical Routes and proud to be involved in the continuation of the network.

Chris, on behalf of Gung Ho
contact: brumcoop@gmail.com, 0121 472 6309

Note:

Although this article really only deals with the process of us getting a house it should be noted that this was only part of our interaction with Radical Routes. During this the whole time we have been involved in running Radical Routes in various working groups, giving talks and presentation and helping out other local co-ops where possible. We have got a lot out of the network (including friends!) and recommend involvement to anyone.

Chapter 5

Step by step

The group

So, you've got a group of keen and eager people together. What are you aiming for? A communal house or individual housing? Do you want to house everyone at once or build gradually towards a fully-housed membership? If the latter, what order do you want to be housed in; who is to be housed first? Publicise yourselves and attract more people than you can house: if existing members drop out you will need to replace them with people you can live with and who understand and support what the group is doing. Actively involved-but-unhoused members are potential future tenants/members.

Money

You will need to cover telephone, stationery and postage expenses and raise money for registering the co-operative. Try pooling what you can spare, ask for subs of, say, £1 a week from members. You may find a charity or grant-making body that will help, especially if you have homeless or disabled members amongst you.

From the beginning, records must be kept and receipts properly filed away. Always keep a record of all transactions and, if you are borrowing money, make sure that the lenders and the group have a full understanding of the time-scale and any interest rates agreed.

Registration.

It's a good idea to start the registration process at once as this can take time and you cannot act for a co-operative which does not legally exist. Decide whether your co-operative will be fully mutual (where all tenants are members and all members are tenants or prospective tenants) or whether you wish to have non-members living

in the co-op's housing. Be aware that if you choose the latter you may lose your tax exempt status.

Documentation

Issue share certificates to members on receipt of £1. Get your publicity material sorted out. You will need new members at some point and a member's pack is a good idea, containing a copy of the rules, the job descriptions of the co-op's officers, policies (such as membership and equal opportunities), copies of the loanstock documents issued to investors and any other information members and prospective members might need. Remember, if you are going to succeed in functioning as a co-op, all members will need the same information and a good knowledge of how the co-op functions. Knowledge is power and responsibility - it must be shared.

It is a good idea to have a tenancy/occupancy agreement ready well before you move in. An arrears policy and a disputes procedure should also be drawn up and agreed before you find that you need them!

Keep precise records of all transactions and make sure that all cheques received are made out to the co-operative, not to individuals.

Loanstock

For many co-operatives loanstock is the only means of raising the deposit on a property. Issues of loanstock can only begin once you are registered, but loans can be accepted before registration and converted to loanstock afterwards. In such instances receipts must be given until loanstock certificates can be issued. Clear and detailed records of all loanstock transactions must be scrupulously kept. It is also an idea to give potential lenders a form with which they promise, on six weeks' notice, to invest an amount when you most need it.

This system, and a generally well-subscribed loanstock scheme are useful in convincing other people and organisations that you already have a certain level of support and are not undertaking the venture entirely on your own.

Loanstock certificates are issued to lenders as a receipt for their money. The certificate, which can be impressed with the seal of the co-operative, is proof of the loan and stipulates the terms and conditions, chiefly the agreed percentage of interest to be paid by the co-operative and the duration of the loan. The certificate is a legal document which guarantees the conditions of the loan. Keep copies of the loanstock certificates you issue and record the details in a loanstock register. Remember that money loaned to the co-operative must also appear in the co-operative's accounts.

Each certificate specifies the rate of interest agreed on that particular loan. Interest is added each year, usually in the form of further loanstock until the loan matures after the set period, usually five or ten years. You must allow for the complete repayment of the original loan plus annual interest in your budgeting. Alternatively, investors may choose to receive an annual interest payment. When you have used the money to buy a property, the loan and interest are repaid through money put aside from your rents. Lenders are liable to pay tax on interest. The Inland Revenue may ask for a list of your investors with details of the interest they receive. You must send them a list of all investors receiving more than £250 interest in any one year.

Repayment can be made on a fixed date, say 31st December 2020, or to a fixed schedule, such as three equal instalments on agreed dates after 31st December 2020. It is better to break up and spread the repayment of large single loans rather than be obliged to

have to pay back many thousands of pounds at the same time. Lots of small loans repayable over a wide spread of dates is preferable to a concentration of redemptions.

Interest is often set at 0% to 5% per annum, leaving investors free to choose the rate they prefer within these parameters; set them differently if you wish. Alternatively, interest can be linked to an index, such as the Retail Price Index or the Property Price Index, but this has the disadvantage of making financial forecasting for your co-op harder since you never know quite how much interest you will need to pay over the period of the loan. Your co-operative can offer interest rates competitive with commercial banks, but can organise its own terms of repayment. Interest rates on loanstock may be varied annually, but such alterations must be agreed annually at a general meeting of the co-operative. All conditions covering loanstock issues must be published with the issue and supplied to investors at the time of issue.

Draft model loanstock documents and advice on running a loanstock scheme are available from Catalyst.

Purchasing loanstock does not give members extra status within the co-operative. The ownership of loanstock is a quite separate matter from membership of the co-op. Likewise, non-members who own loanstock are not permitted to have any influence at all in the running of the co-operative. It is important that this is clearly stated at the outset and repeated when necessary, or relations between members and investors, who could well be family or friends, may become strained. If you can raise enough this way it is possible to buy a property solely with loanstock.

Loans can be made by institutions as well as individuals and if an institution is looking for an ethical financial investment it is possible that

you could offer them a rate of interest as high as any they could find elsewhere. It would be worth spending time researching this area as some of the more socially progressive charities could be sympathetic to investing money in a co-operative housing project.

Until the time comes to buy a property, money from loanstock and donations should be allowed to accumulate in a deposit account where the interest on the total amount helps to cover the interest which has accrued on each individual loan. A proportion of the money raised through issuing loanstock may also be invested directly (in socially useful enterprises of course!) to raise a return which pays interest on loans.

Dealing with other people's money is a matter of serious and continuous responsibility, but with adequate attention it is not difficult to master the process of managing a loanstock scheme.

Property

Presumably you have some idea of how many people you want to house. Look around for the kind of houses that suit your purpose. Are they affordable? Are they in an area that is viable for everyone?

One of the useful aspects of buying property as a co-operative is that you can take advantage of economies of scale. You can buy a house with nine bedrooms for a good deal less than it would cost to buy three three-bedroom houses. So you can house a greater number of members at lower rents and/or repay your loans quicker. In addition you may well get some land or a large garden.

A deposit, usually 10% of the purchase price, will be needed. This will have to be paid about a week before completion. It can be raised by the issue of loanstock, donations, grants, a

secondary loan or a bridging loan (the latter is not recommended when interest rates may be expected to be very high).

Business plan

Put together a comprehensive plan based on your anticipated income from rents and your estimated out-goings. Include everything. Your main income will be through rents and these payments must be regular. If possible, make arrangements for members to pay by standing order and have housing benefit paid directly into the co-operative's bank account.

Outgoings will include: mortgage and loan repayments (don't forget the interest on the loanstock), maintenance costs (you will need to put money aside regularly in order to build up a reserve) and management costs such as stationery, bank charges, phone bills, affiliation fees and any other expenditure for which members are not individually responsible. Depending on how you organise yourselves the latter could include water, gas and electricity bills. You will also need to make an allowance for voids (periods when no rent is being paid on one or more living spaces due to a gap between a member moving out and a new tenant moving in). This is worked out as a percentage of income, usually 4%, though some lenders will expect more. Help with your business plan is included as part of the registration service from Catalyst, and they can provide the Radical Routes model Excel spreadsheet which provides a template for long-term cash-flow predictions.

Despite the fact that co-operatives have a good record as sound financial institutions, many banks and building societies are wary of them. You will need to prove that you know what you are doing and that your project is financially viable. Choose a bank or building society that is interested in ethical investment as these tend to

be more aware of co-operatives (see the list of addresses at the back of this booklet). Radical Routes is likely to have up-to-date information on who is lending and on what terms.

The bank or building society will want to know about your members. What do they do for a living? In what circumstances have they previously been housed? Do they have experience in running organisations? Do they have any experience of accounting or any other financial knowledge? Policies you propose to follow will also be of interest, particularly the arrears policy, and the lender will want to see a copy of your registered rules. Most lenders will insist on you being registered before they will consider a mortgage as they like you to have a legal foundation before they enter into any transactions. This is also in the interest of the co-operative as it protects the members.

Mortgage

Do not just apply to one institution, keep your options open and apply to as many as you can. Raise a mortgage and get a survey done at the same time. The mortgage arrangement fee will be about 1% of the cost of the mortgage and a survey costs £300 - £400. The building society or bank may also want a survey done by their own surveyors, for which you will have to foot the bill. If you feel you need a more extensive structural survey this will cost around £500 and some lenders will insist on this.

Solicitor

Employ a solicitor or conveyancer, or do your own conveyancing (books are available on the subject). House buying will cost a co-op more in solicitor's fees than an individual would have to pay. Fees can be negotiated, but expect to pay around £500. If the house cost more than £125,000 you must also pay stamp duty - see HMRC website for rates.

Exchange contracts

Issue occupancy/tenancy agreements

Move in!

Chapter 6

One co-op's story: Coventry Peace House

Why?

Because we wanted to live in a community based on nonviolence. We had come close to starting an ecovillage project in Warwick and then, after a 3 month walk visiting other co-ops and peace camps, we set up camp outside the Alvis Tank factory in Coventry, against whom we had been campaigning for many years. We were there for 13 months, but during that time were looking around for a more permanent base. It became obvious that it should be in Coventry because that has been home to the arms trade for a long time - and is a poor, violent city. Much as we might like to live in a beautiful wooded valley somewhere, we felt we could work for peace more effectively here.

Who are we?

There were 4 of us consistently on the camp and 3 of us who set up the Peace House. However, from the ecovillage in Warwick and before, throughout the peace camp and to the present day, we have been supported by many people. We are the ones who happen to be free to do this at the moment, but it would not and could not happen without the love and practical support of others.

Finding the right property.

Because Coventry was bombed a lot in the war (because of the arms factories) there are not many big old houses left. We wanted to be fairly close to the city centre so people could visit easily and then one day John spotted 6 houses in a row on a busy road near the canal, which were all boarded up. We discovered that 5 of them belonged to Orbit housing association and one of the middle ones to the City Council. They had a big back garden which backed on

to a park. They had been boarded up for three and a half years and Orbit were keen to sell. They all had holes in their roofs through which all the plumbing had been stolen. Because of their closeness to the hump backed canal bridge, which would cause access problems, developers had been unable to get planning permission to knock them down and rebuild. Local people knew they flooded a lot, but we did not know that until after we moved in. The City Council said they would not sell to us until the planning permission had been approved for change of use. We decided to go for it anyway.

The means

We knew of Radical Routes through Gaia Wholefoods in Leamington and Penny went to the spring gathering in 1998. Through RR we set up Coventry Peace House Housing Co-operative Ltd as a fully mutual Friendly Society. None of us had much money because two of us had given away all our worldly goods before we went on the 3 month walk and the third member, Becqke, didn't have any to start with. However we had been working in little part time jobs on the peace camp and had saved enough to pay the £450 to register (now £375). We approached Triodos bank, who seemed keen to get involved, and we approached our friends and supporters for loanstock. The Orbit houses were £8,000 each and Triodos gave us a mortgage for £33,600. The balance we easily raised from loanstock.

The move

We had hoped to go from peace camp to peace house, but Alvis had stopped sending tanks to Indonesia by the end of July 1998 and it was getting difficult trying to finalise everything from the camp, so we lived in a friend's house until we moved in on January 21st 1999. At our first Open Day, three days later on January 24th, we welcomed over 70 guests. 'Great

Potential' was the phrase on everyone's lips. We did not manage to buy the sixth and middle house until October 1999.

Life here since

The houses were finally finished in 2005, before being flooded again so that we had to replace the brand new floors, but now they're lovely to live in. One issue for urban co-ops is that they tend to attract younger people who are often more transient. The finances are always a bit tight, but filling empty rooms with people just to get rents in is never a good idea and we've never succumbed to that, it's more important to make sure the right people are living here. We have done lots of campaigning and work in the local community especially with refugees; we have had peace festivals here and run courses; we have had international camps and still have volunteer week-ends once a month; we run a night shelter for refused refugees, a cycle workshop, which recycles and sells unwanted bikes and the WorldWise project which employs two people, working with adults and young people around issues which divide us, like racism. With so many projects here, the biggest challenge all the time is to guard against it becoming too much of a workspace and ensuring we still make it a home.

Risk

It is all a risk. At one point in the buying process Beaque withdrew, overawed at the enormity of what we were doing, but she came back. Triodos were prepared to risk the loan even though the sale of the middle house had not been agreed at that stage. We were glad we did not know about the flooding until it was too late, in case it had put off our funders (and maybe even us), but as things have turned out, after two floods we managed to persuade the Council to dig up the road and within 6 weeks the pipes were mended.

Us

We like living here. We like sharing. We are glad we did it and will continue to learn and grow together. We think we have done something worthwhile which has effect way beyond ourselves.

Chapter 7

The implications and potential of housing co-operatives

Setting up a housing co-operative has wider implications than providing accommodation for yourself and a few friends. It has an effect on the housing situation in this country. In setting up a housing co-operative you are helping to create a sector of housing which removes the ability of individuals to make (or lose) money from property, which they do by renting it to tenants and/or speculating on the housing market. This book promotes the development of fully mutual common ownership housing co-operatives. No member is able to make a profit from being a member. Financial surpluses are collectively controlled by the members, but cannot be distributed among them individually. Surpluses can only be used to improve and develop the co-operative. Of equal importance is the fact that personal income is not a factor when a vacancy is to be filled. No lease or share has to be bought before an applicant becomes an occupant (other than a nominal £1 share for membership) and the rent of low paid or unwaged tenants can be paid through housing benefit. This is a form of housing which holds great potential for the materially poorer sections of the population who are increasingly denied decent shelter because of their lack of income and it's a great equaliser.

There are meagre choices for the homeless in Britain. In the short term many lodge in the overcrowded homes of friends or relatives, the so called 'hidden homeless'. Local authority and housing association housing is limited, difficult to get into, often in poor condition and offers no real control to tenants, who can consequently become frustrated with their lot. Real democracy in housing, as in other areas, only works on a human scale, where people

feel some degree of control. Though mortgage re-payments can initially be a heavy burden, autonomy increases as the repayments near their end and so, in time, it becomes possible to substantially reduce the rent and/or consider buying a second house. Mortgages and other loans should become more easily available as banks and building societies see your co-operative becoming more financially secure.

Housing co-ops can be a financial catalyst for the creation of a co-operative, people-oriented economy. The rules of a housing co-operative enable it to take money loaned to it and use that money to aid its development (see Loanstock in Chapter 5) or loan it in turn to another similar organisation. Cornerstone HC, for example, having paid off mortgages on the houses it owns, puts loanstock at 0% interest into other Radical Routes co-ops.

These opportunities could have a crucial effect in counteracting current unjust economic mechanisms. It is the circulation of money which makes the economy tick and the structure of that circulation is maintained by social inequality. Through private ownership of money the wealthy maintain themselves at the expense of those who have little. Banks play a crucial role in this circulation, by being able to decide who gets money and at what rate of interest. Being primarily profit-motivated, banks lend, not to those who are in most need, but to those who can give the best financial return. For co-operative and ethical organisations a different credit system is needed, one which will not simply look at profit, but which will be ethically motivated and able to direct money into the alternative economic sector. Housing co-ops can help to develop this simply, at grass-roots level, without the need for interfering professionals and bureaucracy. The more money directed out of the conventional system, the more difficult

it will be for banks to finance exploitative, centralised and ecologically destructive activities and the more money will be available for alternatives.

What is proposed here is loaning and borrowing, the way in which the wealthy have always enriched themselves at the expense of the poor. We may be playing the game of making money with other people's money, but there are essential differences here, and we can play the game better, because there are no wages to pay as the administration is done voluntarily by members. By remaining small, co-operatives can avoid wasteful bureaucracy, and housing co-operatives are not taxed on their income. As money enters the co-operative it becomes communalised - the co-op collectively owns and controls it. The uses the money may be put to are limited by the aims of the co-operative (to provide housing for its members). Control of the money is decentralised, with each co-operative controlling its own loanstock. Ironically it is by being involved in the central mechanism of the profit-oriented society that we can redirect resources and transform the nature of control and ownership over them. The prospect of such a transformation seems a long way off, but at a time when there is confusion about how to create a decentralised and co-operative society, this process provides a method which avoids the authoritarian and alienating nature of state legislation and the social irresponsibility of the free market. It is a process which can be started now, at grass-roots level, on a truly human scale, and it doesn't have to wait for a revolution.

Appendix: Radical Routes - A secondary co-operative

Radical Routes makes loans to its members, but it is not a financial intermediary like a building society. It is a secondary co-operative, a co-operative whose members are not individuals but other co-operatives. The network is made up of housing and worker co-ops (and other fully mutual, registered co-ops) and the common bond between them is that they have a commitment to social change and mutual aid.

Radical Routes was started in the late 1980s by a small number of co-operatives providing housing for unemployed young people. Similar projects were set up as a result of this initial success, and the existing projects provided help and advice. This mutual aid network took the name Radical Routes and has been growing and meeting together at quarterly gatherings since 1987.

Because most of the original projects were started by unemployed people, finance was a problem. Some of the new (more mature) member co-operatives could lend money, but this was insufficient to meet the needs of the new groups. Radical Routes became a secondary cooperative in order to raise money to lend to its member groups. Funds were raised in the form of loanstock, first from friends and supporters and later from the general public.

In 1998 we set up Rootstock Ltd, to take over the work of attracting investment into the network. Rootstock is itself a co-operative (all the investors are members) and a member co-op of Radical Routes. Investors' money still goes only to Radical Routes, to make loans to its member co-operatives. Loans must be agreed by the whole network, based on business plans

developed with experienced members and scrutinised by every member co-op.

Lending is, however, only one of our activities, others include: registering new co-operatives, conflict mediation, skills and knowledge sharing, social support and promoting social change, co-ops and co-operative solutions. We have only one paid member of staff as yet (although Rootstock also has some paid work), but we are structured to promote and facilitate mutual aid, so members of our member co-ops carry out the work necessary to keep both the organisations operating successfully.

Radical Routes is comparatively tiny. In 2012 its turnover was a little over £40,000 and its total assets around £500,000. Its real significance is as an example of co-operation, achieving results that confound the critics. For example, no money has ever been lost as a result of non-repayment of a loan or portion of a loan. There are about 220 people involved in Radical Routes co-operatives and each quarterly gathering is attended by 50-80 people.

No Radical Routes co-operative has received funding from the Housing Corporation (or its successor) and most member housing co-operatives now own their properties, or will do when their mortgages and other loans are paid off. Radical Routes is now sufficiently established to be able to help members negotiate loans from sympathetic mortgage lenders.

Initial rents can be much the same as those charged by private landlords and this can put some people off. Yet, for many homeless people, the biggest problem is not the level of rent in the private sector, but the need to pay a deposit, lack of security of tenure and the 'couldn't care less' attitude of many landlords. Rents can usually be covered by housing benefit, and those who are employed are happy to pay a rent which is more or less what they

would pay for private accommodation, in the knowledge that their rent is sustaining and progressing the co-operative, rather than benefiting an individual.

Getting help from Catalyst Collective

Catalyst is a workers' co-operative set up to support those working towards a sustainable and co-operative future. In part, this involves helping to establish small worker and housing co-ops. In conjunction with Radical Routes, Catalyst offers the following package for potential housing co-operatives: for a fee of £375 (at time of going to press), covering the Financial Services Authority registration fee and a payment towards the other work of Radical Routes, Catalyst sees you through the whole registration process and tries to set you on the way to running your own co-operative successfully. Fees are kept as low as possible in recognition that lack of money is often a problem when a co-operative is setting up. If travelling expenses can be paid, Catalyst can often arrange for someone to come to talk to a group considering setting up a co-operative. A place to sleep may be necessary, but floor space is usually fine. Registration through Catalyst includes:

- 1) A name check, to make sure the co-op's chosen name is available.
- 2) A registration pack which includes information sheets concerning the running of a co-op and the operation of a loanstock scheme to raise finance from supporters. Also draft model documents (on paper and computer file) for the following: an occupancy agreement, loanstock certificates, loanstock application forms, a register of members, a register of share certificates and a record of uses of the seal.
- 3) A guide to business plans for housing co-operatives. It is vital to convince building societies or other lenders that you have

properly planned the finances of the co-op. If you have little or no experience of preparing business plans, this pack will guide you through it. It includes two computer spreadsheets (for a PC) and instructions on how to use them. Items two and three above are also available separately, contact Catalyst for details.

- 4) A company seal
- 5) Ongoing advice and support.

Catalyst is normally contactable by telephone and happy to answer any enquiries (if they can't help you directly, they have a wide network of experienced co-operators to fall back on). Sometimes information sheets relating to specific queries can be collated and produced, although a donation will be requested. Catalyst provides these services because they believe in co-operatives, mutual aid and people working together to make the world a better place. If you think they can be of any help, get in touch.

Useful Addresses

Accountancy Co-operative

56 Dorchester Road, Lytchett Minster, Poole
BH16 6JE Voluntary and co-operative sector
accountants. 01202 621622 office@accountancy.
coop www.accountancy.coop

Catalyst Collective

Berry Farm, Clarkes Lane, Ilketshall St Andrew,
Beccles, NR34 8HR 0845 223 5254. hayley@
catalystcollective.org www.catalystcollective.org

Confederation of Co-operative Housing

19 Devonshire Road,
Liverpool, L8 3TX. 0151 7262228 info@cch.coop
www.cch.coop

Co-operativesUK

Holyoake House, Hanover Street, Manchester
M60 0AS 0161 246 2900 info@cooperatives-uk
www.uk.coop

The national voice for co-ops, which lobbies on
behalf of the co-op sector, promotes co-ops
and provides help and advice. They also offer
sets of model co-op rules, but not for housing
co-ops.

Directory of Social Change

Resource for London, 356 Holloway Rd, London,
N7 6PA 0207 3914800 www.dsc.org.uk

Publishers of many useful books, including 'A
guide to the major trusts', containing information
on hundreds of trusts issuing grants amounting
to hundreds of millions of pounds a year. How
trusts operate, examples of donations they have
made and advice on how to approach them.
Other useful books too.

Ecology Building Society

7 Belton Road, Silsden, Keighley, West Yorkshire,
BD20 0EE 01535 650 770 info@ecology.co.uk
www.ecology.co.uk

Have provided mortgages to many current and

past small housing co-ops. Also ethical savings
and investments.

Co-operative and Community Finance (CCF)

Brunswick Court, Brunswick Square, Bristol
BS2 8PE 0117 916 6750 info@coopfinance.coop
www.coopfinance.coop

Radical Routes (general enquiries)

c/o Cornerstone Housing Co-op, 16
Sholebroke Avenue, Leeds LS7 3HB 0845
330 4510 enquiries@radicalroutes.org.uk www.
radicalroutes.org.uk

More specific enquiries will be forwarded to the
relevant people,

Registrar of Companies

Companies House, Crown Way, Cardiff, CF4
3UZ www.companieshouse.co.uk

Registrar of Registered Societies (formerly Industrial and Provident Societies)

Financial Conduct Authority, 25 The North
Colonnade, Canary Wharf, London, E14 5HS
www.fca.org.uk

Rootstock Limited

BM Rootstock, London, WC1N 3XX
0870 458 1132 info@rootstock.org.uk www.
rootstock.org.uk

Slade and Cooper (Accountants)

Green Fish Resource Centre, 46-50 Oldham
Street, Manchester M4 1LE 0161 234 2990
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experience of housing co-operatives.

Triodos Bank

Deanery Road, Bristol BS1 5AS 0800 328
2181; www.triodos.co.uk
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co-operatives

Unity Trust Bank plc
Nine Brindleyplace, Birmingham, B1 2HB
0121 61614101 www.unity.co.uk
Ethical banking services for groups and
businesses.

Somerset Co-op Services
10 East Reach Taunton TA1 3EW
0300 456 2265 services@somerset.coop. www.somerset.coop
A workers' co-op helping to start up and
support social enterprises.

Related Reading

How To Set Up a Workers' Co-operative
How to Set Up a Social Centre
The Directory of Radical Routes Co-operatives
An Introduction to Radical Routes
All available from Radical Routes - see Useful
addresses, above.

'Beyond You and Me: Inspiration and
Wisdom for Community Building' Kosha Anja
Joubert, Robin Alfred. Published by Permanent
Publications ISBN 978-1856230384

'Buying Your Home With Other People' Dave
Treasor. Published in 1987 by Shelter and The
National Federation of Housing Associations
ISBN 0-90124-79-9

The Collective Housing Handbook'. Sarah Eno
and Dave Treanor. Published by Laurieston Hall
Publications in 1982. ISBN 0-9508315-1-4.

The Squatters' Handbook' Published by the
Advisory Service for Squatters, Angel Alley,
84b Whitechapel High Street, London E1 7QX
www.squatter.org.uk

Short Circuit - Strengthening Local Economies
for Security in an Unstable World' Richard
Douthwaite. Lilliput Press, Dublin, 1996. ISBN

1-874675-60-0

This Land is Our Land' Marion Shoard. Published
by Gaia.
ISBN 1-85675-064-7

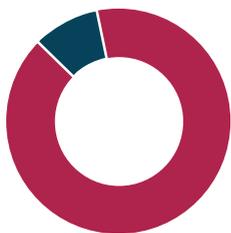
'Controlling Change - A Guide for Tenant-
Controlled Housing Organisations to Legal
Structures and How to Change Them' Published
by Partners in Change. 27, Sydenham Avenue,
Liverpool, L17 3AV. ISBN 1-898955-00-X

'Ethical Investment and Saver's Guide' Peter
Lang. Published by Jon Carpenter Publishing,
The Spendlove Centre, Charlbury, OX7 3PQ,
Oxfordshire. ISBN 1-897766-20-3

'Diggers and Dreamers. The Guide to
Communal Living' Published by Diggers and
Dreamers Publications. Available from The Edge
of Time, BCM Edge, London, WC1N 3XX. ISBN
0-9514945-6-2.
www.diggersanddreamers.org.uk

'The Housing Rights Guide' Geoffrey Randall.
Published by Shelter. 88 Old St, London EC1V
9HU, keytitle@shelter.org.uk
Includes information on: Renting from a variety
of landlords, tenants rights in a variety of
circumstances, mobile homes, squatting, housing
benefit, council tax and grants and renovation.

'Shelter Guide to Housing Benefit and Council
Tax' from Shelter (as above) More detailed
information on housing benefit + council tax.



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In setting up housing co-operatives we empower ourselves by taking control over one of the most fundamental aspects of our lives and, in the process, we transfer property from private ownership to common ownership and housing becomes a resource for people rather than a commercial commodity. With fully mutual par value co-operatives, promoted in this book, the ownership of houses and land cannot be divided among individual members. The property remains in common ownership from generation to generation and, if the co-operative is dissolved, its assets cannot be pocketed by individuals. They must be passed to another co-operative or to a not-for-profit organisation with similar aims and principles.

This publication is available in large print.



Printed by Footprint Workers' Co-op
a Radical Routes member co-op
www.footprinters.co.uk
footprint@footprinters.co.uk
0113 262 4408

16 Sholebroke Avenue, Leeds, LS7 3HB



ISBN 1-899212-02-7 EAN 9781899212026