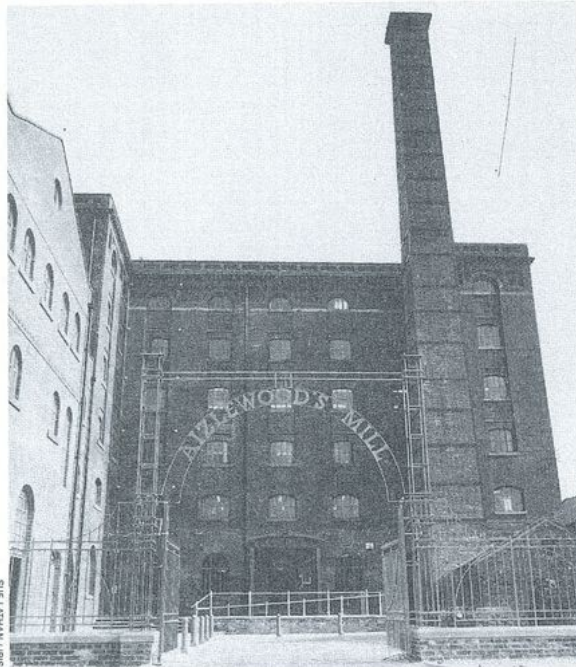


co-operative NEWS

Spring 1990

Sheffield Co-operative Development Group, Aizlewoods Mill, Sheffield S3 8GG. Tel : (0742) 823100



WORKSPACE SUCCESS

Sheffield Co-ops get their own premises

Aizlewood's Mill, a formerly derelict Sheffield corn mill has been developed into 42,000 ft² of industrial and commercial workspace by the city's group of worker co-operatives. The development will provide high quality accommodation for many of the region's co-operatives as well as other businesses in a building of great historic character. The mill was built in 1861 but when grain milling stopped in the 1970s the building fell into dis-repair and was in danger of being demolished until the Sheffield Co-ops raised over £2 million to renovate it. There are 35 office units and 25 Industrial units within the Mill and it is expected that over 250 people will work from the site.

As co-operative businesses move into the mill it will become a focal point for the region's

growing worker co-operative movement. Nationally, there are many successful businesses owned and controlled by their workers, Sheffield alone has more than 30. Together they have over 200 employees and a turnover above £3 million. However, this achievement in industrial democracy and business success has sometimes gone un-noticed because many of these co-ops are small and spread out across the city. This is all set to change as Aizlewood's Mill becomes a home for more and more co-operative businesses and a continuing asset to the worker co-operative movement in Sheffield.

Aizlewood's mill is also providing high quality managed workspace to businesses other than co-operatives. Information is available from the letting agents ; Simon Houlston & Partners (0742) 752395.

SPECIAL HELP FOR NEW CHILDCARE CO-OPS

The Co-operative Bank and the worker co-operative movement have come together to provide a special package of help and assistance to groups of people wanting to start a co-operative childcare business. Many of the new nurseries being formed across the country have been set up as worker co-ops. They seek to provide high quality childcare and employment conditions as well as involving all the employees in the democratic running of the nursery.

The Co-operative Bank can provide a financial package to deal with both the start up and running costs of a co-operative nursery, dependent on a satisfactory business plan. Sheffield Co-op Development Group can help with drawing up a business plan, negotiating leases and 101 other things to do with starting a business, as well as the important area of helping a group decide on the most appropriate structure of ownership and control to meet its members needs. Sheffield already has one co-operative nursery formed with the help of the Co-op Development Group — St. Mary's Co-operative Children's Centre.

Co-operative advice for Rotherham

The successful Sheffield Co-operative Development Group is now providing advice and assistance on co-operative businesses to the people of Rotherham.

If you live in the Rotherham area and would like to know more about co-operative businesses and what assistance is available then contact the Co-op development Group on: Sheffield (92) 823100.

INSIDE • • • More news on local co-ops • What exactly is a co-operative business?
• Help available from Sheffield Co-op Development Group • List of local co-ops • • •

ANDINO = well travelled co-op

Andino Crafts Limited started 18 months ago as retailers and wholesalers of ethnic Latin American jewellery and crafts with a shop at the side of the Sheffield City Hall. The co-op has been trying to keep up with the demand for its goods ever since.

This has meant hectic buying trips to craft workers in Mexico, Chile, Guatemala and Colombia. Andino deals directly with the craft workers in the country of origin where possible to ensure that fair prices are paid to the producers rather than lining the pockets of agents. This policy also helps the co-op to provide its customers with a wide range of authentic craft items at very reasonable prices. Andino has received assistance from the Co-operative Development Group, both with business advice and help in obtaining financial backing for the co-operative.



Members of Andino Co-operative outside their shop.

Andino can be contacted
on (0742)768890.



WORKER BUYOUTS AND ESOPs

Democratic worker buy-outs are possible

Throughout the 1980s the business pages have been full of stories of management buyouts, where a handful of executives buy their employing company and become very rich in the process. Few of these firms seek to involve more than a small number of workers in decisions about the company's future or to share in its success.

However, there are more democratic alternatives. In some cases all of a firm's workforce have been involved in buying out their employers and establishing a democratically run business. There are a variety of situations when employees may consider taking over their employer, such as:

- When employees want more control of their work and an appropriate share of the wealth they create.

- When the existing owners are seeking to sell the business
- When a company is being hived off from a bigger parent.
- To prevent the neglect of the company by distant owners.

Democratic ESOPs

One of the ways available for workers to take control of their firm is to set up a trust fund under employees' control which will borrow money to buy shares in the company. The Government has recently introduced legislation to give tax advantages to employees buying shares in this way. The trust fund, known as an ESOP (Employee Share Ownership Plan), is merely a tax efficient method of employees obtaining some level of ownership in their employing company. An ESOP could own all or next to nothing of a particular company.

Benefits to employees

The growing number of co-operative businesses in this country and abroad have shown that there are benefits to employees in taking control of the businesses they work for, not least in greater job security and a greater share in the success of the business. ESOPs may be a useful tool in achieving this, but they will only have a positive impact on industrial democracy where the ESOP is democratically controlled by the workforce and owns a significant majority of the employing company.

Sheffield Co-operative Development Group is experienced in helping workers to develop democratic ways of owning and controlling their businesses and can provide practical advice and assistance in what can be a delicate and complex process.

TRAFFIC SYSTEMS CO-OP: *expansion continues*



SUE LATHAM / IHS

Members of Traffic Systems Co-op at work in their new premises at Aizlewoods Mill.



The most recent stage of the Traffic Systems Co-op success story is the move to larger and more efficient premises in Aizlewood's Mill. The co-op was formed in 1982 by seven ex-employees of an electronics multinational who had been sacked by their employers after a dispute to protect jobs. The workers came to Sheffield Co-op Development Group for help in starting their own democratically run business. Since then, the co-op members have received help in expanding their business and improving business efficiency.

The co-op's business is maintaining and installing traffic light systems mainly for Local Authorities. When the co-op started working, the high pricing policies of the big multinational firms who had previously carved up the Traffic Light maintenance market were exposed to such an extent that the Monopolies Commission became suspicious of a cartel operating.

The co-op won its first contract in 1982 and has gradually been expanding its operations since then with the local authorities from Derbyshire to North Yorkshire switching their traffic light contracts over to Traffic Systems Co-op's lower prices and efficient service.

During this time the co-op has increased in size so that all the workers sacked by their former employer have had the option of a job within the co-op and the workforce has now risen to over 20.

The business is also a financial success with turnover rapidly approaching £1 million a year. The Co-op provides secure and satisfying employment to its members who now make the decisions about their future rather than relying on senior executives at a remote head office. On top of this the co-op has saved local authorities, and hence local tax payers, hundreds of thousands of pounds in traffic light maintenance charges.

EARTHWRITE: *an environmentally sound business*



After just 3 years in business, a Sheffield co-operative has firmly established itself as the North's leading distributor of recycled papers. Earthwrite Co-operative Ltd. started with just two workers who met through the Sheffield branch of Friends of the Earth and decided to put into action some of their environmental concerns. The business has received help from the Co-op Development Group in setting up and expanding.

Hard work and commitment has kept the business going and it is now ideally placed to benefit from the recent surge of interest in environmentally friendly products. Recycled paper has improved in quality so much that it is often indistinguishable from newly made paper.

Earthwrite is a co-operative business that has always aimed to combine concern for the environment with running an efficient business. The co-op has recently taken on a new worker, delivery of a new van, expanded its stock lines and installed a computerised ordering system, and has every hope of further expansion.

For more information contact Earthwrite on (0742) 739123

HELP AVAILABLE FROM OUR LOCAL CO-OP DEVELOPMENT GROUP

The well established Co-operative Development Group in Sheffield provides a wide range of practical help and advice to people interested in starting a co-operative business. It also provides assistance to co-operatives with expanding their business or with particular problems encountered. In most cases it does not charge for its services.

The Group was formed in 1980 with backing from Sheffield City Council and the local Trade Union and co-operative movements, including the Co-operative Bank PLC. The Group has 5 full time workers who provide a professional and friendly service in all areas of starting a democratic business. They are particularly experienced in working with people who do not see themselves primarily as business people. They can help you with the legal aspects of forming a Co-op, developing a business plan, finding and negotiating suitable premises, sales and marketing, financial management and control, raising appropriate finance, and not least with the democratic organisation of the business.

For more information contact the Co-op Development Group on (0742)823100.



WHAT IS A CO-OPERATIVE BUSINESS ?

There is no single definition, but a number of common principles. Firstly, it needs to be an independent business that survives and prospers by its own trading efforts. Secondly, it is worker owned so ownership rights are based on employment in the business, rather than financial investment or any other criteria, with all new employees having the right to membership after a period of probation. Thirdly, those ownership rights are exercised in a democratic way, ultimately on the basis of one person one vote. Co-operatives work in virtually all areas of business and have proved to be an attractive and efficient way of organising a business for people from all walks of life.

**Sheffield Co-operative Development Group
is supported by Sheffield City Council and
Rotherham Metropolitan Borough Council.**

TRADE WITH LOCAL CO-OPS: Co-ops grow by keeping customers satisfied

Accountability Northern Ltd. Book-keeping and accounting services. Suppliers of computers and software.	Tel : 700955	Independent Bookshop Ltd. Books, posters and cards.	Tel : 758288	Sheffield International Centre Ltd. Tour operators	Tel : 727456
Andino Crafts Ltd Latin American jewellery and crafts.	Tel : 768890	Iris Photography & Video Ltd. Photographers and video makers	Tel : 725946	Sheffield Popular Productions Ltd. Providers of radical entertainment.	Tel : 823223
Aringrange Ltd. Makers of sheet PVC products.	Tel : 700953	La Parrillada Restaurant Ltd. Latin American restaurant.	Tel : 739523	Sheffield Wholefoods Ltd. Wholesale and retail of wholefoods.	Tel : 681662
Attik Designs Ltd. Silk screen printers.	Tel : 737306	Metro Theatre Company Theatre company.	Tel : 756111	Sheffield Women's Printing Co-op Ltd. Printers and typesetters.	Tel : 753180
Catherine Builders Co-op Ltd. Builders and property repairers.	Tel : 557526/ 667557	Mons Precision Services Ltd. Engineering of machine tools.	Tel : 750780	Solar Building Co-op Ltd. Consultancy in solar houses.	Tel : 823100
Design Index Ltd. A range of design services.	Tel : 759726	No Masters Voice Co-op Ltd. Music production, distribution.		Steel Bank Film Ltd. Film makers.	Tel : 721325
Down to Earth Co-op Ltd. Wholefood retailers.	Tel : 685220	Otto Personal Management Ltd. Agency for professional actors.	Tel : 752592	St. Mary's Co-operative Children's Centre Ltd. Nursery day care.	Tel : 728089
Earthwrite Co-operative Ltd. Recycled paper merchants.	Tel : 739123	Parkway Instruments Co-op Ltd. Precision mechanical engineers.	Tel : 430389	Superior Cleaning Co-op Ltd. Cleaning services.	Tel : 644840
Energy Systems Ltd. Energy systems engineers.	Tel : 432407	Procon Ltd. Pre-cast concrete manufacturers.	Tel : 767990	Traffic Systems Co-op Ltd. Traffic signal maintenance.	Tel : 823111
Greenway Arts & Crafts Co-op Ltd. Art and craft items.	Tel : 884688	R.O.A.P.E. Review of African Political Economy.	Tel : 752671	TransAction Co-op Ltd. Interpreters and translators.	Tel : 661103
Forced Entertainment Theatre Co-op Ltd. Theatre company.	Tel : 646395	Sheffield Canal Company Ltd. Canal boat builders, chandlers.	Tel : 727233/ 879840	Workshop Services Co-op Ltd. General woodworking.	Tel : 739979
		Sheffield Film Co-op Ltd. Film makers	Tel : 727170		