Family Farming, Succession Planning and Democratic Ownership
New Economy Programme

Newcastle
Bradford
Plymouth
Bristol
London
+Residential

October 2019 to July 2020
stirtoaction.com/workshops

Reframing New Economy
Organisations for a Shifting
Culture

The Art of Invitation:
Creative Approaches to
Community Engagement

The Power of Effective
Groups: Transforming How
We Work Together

Worker Co-ops: How to Get
Started
there are around 120,000 family-run small and medium enterprises in the UK expected to undergo a transfer of ownership in the next three years.

If just 5% of these businesses were supported to make the transition to employee ownership or one of the other mutual or co-operative models available in the UK, then the number of entities in the sector would double.

![Table 6. Industry distribution of family businesses in the UK, 2016](source: Oxford Economics, BITIS (SBS, 2016), and CMRC and UNIFI (2017))
Similar to the creation of the Land Settlement Association in the 1930s, food and farming is set against equally uncertain times. Evidence has confirmed that there are currently significant challenges facing smaller scale farming and growing in the UK and Ireland:

- **A rapidly ageing workforce and lack of new entrants**
- **The dominance of supermarkets and their knock-on impact on horticultural supply chains**
- **A lack of access to skilled work and few training opportunities**
- **Overburdening regulation along with lack of time and resource to focus on development and training**
- **High land prices and increasing competition for land particularly around urban settlements**
- **Decline of horticultural infrastructure for smaller scale growers**
- **Increasing polarisation across farming between larger scale and smaller scale production**
- **The challenge of balancing rapidly changing and unpredictable supply and demand**
- **The need to adapt to climate change, in particular climate instability and freak weather events that can and do have a significant impact on horticulture.**
## Historiography

### Table 5.4: Shifting domination in 20th century Western food value added chains

<table>
<thead>
<tr>
<th>Period</th>
<th>Farmers</th>
<th>Manufacturers</th>
<th>Wholesalers</th>
<th>Logistics</th>
<th>Retailers</th>
<th>Foodservice</th>
<th>Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 1900</td>
<td>Dominant</td>
<td>Minor</td>
<td>Major in a few trades</td>
<td>Dominant</td>
<td>Very Minor</td>
<td>Dominant (domestic)</td>
<td>Minor</td>
</tr>
<tr>
<td>1900</td>
<td>Declining</td>
<td>Dominant</td>
<td>Major in many trades</td>
<td>Declining</td>
<td>Minor</td>
<td>Declining</td>
<td>Emerging</td>
</tr>
<tr>
<td>1950</td>
<td>(except WWII)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(except WWII)</td>
<td>(USA only)</td>
</tr>
<tr>
<td>1960</td>
<td>Rebuilding</td>
<td>Dominant</td>
<td>Dominant</td>
<td>Rebuilding</td>
<td>Emerging</td>
<td>Minor</td>
<td>Emerging</td>
</tr>
<tr>
<td>1970</td>
<td>(subsidized)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>Declining</td>
<td>Declining</td>
<td>Rapidly Declining</td>
<td>Linked to retail</td>
<td>Dominant</td>
<td>Emerging</td>
<td>Important</td>
</tr>
<tr>
<td>2000s</td>
<td></td>
<td></td>
<td></td>
<td>dominance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000–2010</td>
<td>Returning?</td>
<td>Uncertain</td>
<td>Minor</td>
<td>Squeezed</td>
<td></td>
<td></td>
<td>Important</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: authors, informed by von Schirach-Szmigiel (2005).
UK foodbank use continues to soar
Number of emergency food parcels given to people in the UK

- 2013/14: 913,138
- 2014/15: 1,084,604
- 2015/16: 1,103,300
- 2016/17: 1,182,954
- 2017/18: 1,332,952
- 2018/19: 1,583,668

Source: Trussell Trust
FFCC On the Road

Food, Farming & Countryside Commission

Follow the adventures of the RSA Food, Farming and Countryside Commission as we travel the UK, talking to people who live and breathe food, farming and rural issues everyday.
“The Conservatives are trying to scrub out the 1947 agriculture act”

“The world is as dangerous today as it was in 1914 and 1939”

“We need a lifestyle to be able to go on a skiing holiday”

“The public don’t understand – they don’t have a connection to where food comes from. But we do”

“Ordinary people want the land to look nice”
Stuart Roberts, NFU Vice President

Hertfordshire farmer Stuart Roberts is a third generation arable and livestock farmer who has also worked for Defra and the Food Standards Agency and held senior management roles within the meat supply chain.

Stuart farms in a family partnership with his wife Emma and his father Howard. Hammonds End Farm supplies grain to more than 50 artisan mills and bakers throughout the UK.

Stuart served as Hertfordshire NFU County Chairman from 2015 to 2018.
Stuart Roberts, NFU Vice President

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Figure 1: The Making Local Food Work portfolio

- Local Shops
- Farmers’ markets
- Home produced food
- Food Co-ops & Buying Groups
- CSA’s

Steps:
- Primary production
- Processing
- Distribution
- Retail/Food service

Supports:
- Enterprise Support
- Food Mapping
- Governance and Legal Structures
- Local Food Systems
FoodSmiles St Albans
Local food for local people
Stockwood CBS and Hillsdown Farm
"Stockwood Community Benefit Society operates a thriving farm and business park, powered by renewable energy, and delivers an exciting programme based on strong economic, ecological and social principles. We aim to demonstrate that our model can be used in other rural locations. Please join us on this journey."

Sebastian Parsons, Stockwood CBS
Making a sexy democratic investment proposition
WITHDRAWABLE SHARES

Student Co-Op Homes

Student Co-op Homes is helping three student housing co-ops acquire properties in Glasgow, Nottingham and Brighton, enabling students to live affordably, lead healthy lives and develop new skills.

Potential returns of 4%

#nomorelandlords

WITHDRAWABLE SHARES

BHESCo

BHESCo's share raise will install renewable energy systems to nine properties in Brighton and Hove, including five schools and a housing co-operative that will provide affordable housing for low-income families. Altogether, BHESCo's projects will generate savings of £345,000 over their lifetime and save 1,200 tonnes of CO2.

Potential return of 5%

WITHDRAWABLE SHARES

Yorspace

Yorspace's ambition is to create truly community-led housing that harnesses funding from the community to improve accessibility to home ownership for local people.

Potential return of 2.5%

#affordableforever

WITHDRAWABLE SHARES

St Ives CLT

St Ives CLT will provide six vital, permanently affordable homes for key workers and other local people, secured under an asset lock for future generations.

Potential return of 4%
What is social investment?

Social investment is the use of **repayable finance** to help an organisation achieve a social purpose.

1. Borrowing (debt)
   Taking out a loan which you agree to repay over a set period of time. Most debt investments are paid back with interest - a fee you pay to the investor for the use of their money.

2. Shares (equity)
   Selling shares in your organisation to an investor. Equity investors receive a share of any profits paid out by the organisation and get to have a say in how the organisation is run.

**Blended – part grant, part loan**

A package of funding that is a mixture of investment, that needs to be repaid and a grant that doesn’t need to be repaid. For example, a grant of £20,000 alongside a loan of £50,000 that needs to be repaid over 5 years with 10% interest.
Arts & Culture Finance
Arts & Culture Finance uses social impact investment to support arts and cultural organisations that benefit the lives of individuals, communities and society through their work. We believe...

Big Issue Invest
We are the social investment arm of The Big Issue. We extend the mission of The Big Issue by providing finance and support to social enterprises and charities seeking to dismantle poverty and...

Bridges Fund Management
The Bridges Social Impact Bond (SIB) team specialises in helping social sector organisations to design, bid for and deliver outcomes contracts (sometimes called payment by results contracts). We...

CAF Venturesome
CAF Venturesome is the social investment arm of the Charities Aid Foundation, and is one of the most established and active players in the UK social investment market. CAF Venturesome aims to...

Charity Bank
Charity Bank was always going to be different. What drives us isn’t profits, but a shared idea about the world we want to live in. We were founded to support charities with loans that they couldn’t...

Co-operative and Community Finance
CCF is the Lender for Social Purpose lending to ethical businesses since 1973. We provide loan finance to a range of organisations and community businesses that are democratically controlled by...

Community Impact Partnership CIC
The Community Impact Partnership, CIP, is a joint initiative between four of the UK’s leading housing associations. We provide social investment in the form of blended grants and loans to help...

Ethen
Ethen brings together on one platform the best positive savings and investment opportunities to make it easy to make money do good. Through Ethen people can invest and save with businesses that...

First Ark Social Investment
First Ark Social Investment get money to people and projects that make a positive and long-lasting social impact. We enable charities, voluntary groups, or social businesses to get the backing...

FSE Group
FSE Group is a Community Interest Company that provides flexibly-structured loan finance of between £100,000 and £1,000,000 to ambitious, “regulated” social sector organisations. We will consider...

Fundsurfer
Fundsurfer.com is a UK based crowdfunding and investment platform. Our mission is to make funding accessible for all. We work with social enterprises, CIC’s...

GM Social Investment Fund
GMCA is the voluntary, community and social enterprise (VCSE) sector infrastructure organisation for Greater Manchester. The organisation’s aim is to strengthen the sector, build bridges with...

Homeless Link
Homeless Link is the national membership charity for organisations working directly with people who become homeless in England. We work to improve services and campaign for policy change.

Investing For Good
Investing for Good, founded in 2004, is a social investment intermediary that mobilises investment capital into VCSIs to tackle major social issues. We have significant experience deal arranging...

Key Fund
Key Fund provides loans, sometimes combined with grants, between £5,000 and £50,000 to support the development and growth of community and social enterprises operating in the North...

Lincolnshire Community Foundation
We are the leading independent grant-maker in Lincolnshire and work with community businesses to develop and sustain themselves. We work with funders (grant and loan) to support impact bonds...

Loans for Enlightened Agriculture Programme
The Loans for Enlightened Agriculture Programme ("LEAP"). The Real Farming Trust is a model for financing and supporting farming enterprises that puts people and the...

Northstar Ventures
Northstar Ventures is a venture capital and social investment North East of England. Currently managing the North East Social Impact Fund (NISIF), Northstar supports high...

PICNIC
PICNIC Investment Limited is a social and environmental business that manages the £3.3m Banks Enterprises Impact Fund. The Fund was established to support existing charities, social enterprises and individuals with projects and opportunities that put people and the environment first.

Resonance Ltd
Resonance is a social impact investment company. For more than 10 years we have been helping social enterprises, prepare for and raise the funds of investors who value both their impact ambitions...

Social and Sustainable Capital
Social and Sustainable Capital is an FCA authorised and regulated manager and social enterprise providing finance to charities and social enterprises. Our mission is simple: to help social...
## Summary of the key features of the different legal forms

<table>
<thead>
<tr>
<th>Legal form</th>
<th>Does its members have limited liability?</th>
<th>What is its governing document called?</th>
<th>Can it issue shares?</th>
<th>Can it pay a return on shareholdings?</th>
<th>Does it have to register with a regulatory body?</th>
<th>Is it suitable for charitable status?</th>
<th>Does it have an asset lock?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnerships</td>
<td>No</td>
<td>Deed</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Associations</td>
<td>No</td>
<td>Constitution</td>
<td>No</td>
<td>No</td>
<td>No (unless a charity)</td>
<td>Yes</td>
<td>No (unless a charity)</td>
</tr>
<tr>
<td>Trusts</td>
<td>No</td>
<td>Deed</td>
<td>No</td>
<td>No</td>
<td>No (unless a charity)</td>
<td>Yes</td>
<td>No (unless a charity)</td>
</tr>
<tr>
<td>Limited Liability Partnership (LLP)</td>
<td>Yes</td>
<td>Agreement or Deed</td>
<td>No</td>
<td>No</td>
<td>Companies House</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Company Limited by Guarantee</td>
<td>Yes</td>
<td>Articles</td>
<td>No</td>
<td>No</td>
<td>Companies House</td>
<td>Yes</td>
<td>No (unless a charity)</td>
</tr>
<tr>
<td>Company Limited by Shares</td>
<td>Yes</td>
<td>Articles</td>
<td>Yes</td>
<td>Yes</td>
<td>Companies House</td>
<td>No*</td>
<td>No (unless a charity)</td>
</tr>
<tr>
<td>Community Interest Company (limited by guarantee)</td>
<td>Yes</td>
<td>Articles</td>
<td>No</td>
<td>No</td>
<td>Companies House &amp; CIC Regulator</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Community Interest Company (limited by shares)</td>
<td>Yes</td>
<td>Articles</td>
<td>Yes</td>
<td>Yes – although it is subject to a cap</td>
<td>Companies House &amp; CIC Regulator</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Charitable Incorporated Organisation</td>
<td>Yes</td>
<td>Constitution</td>
<td>No</td>
<td>No</td>
<td>Charity Commission</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Industrial &amp; Provident Society (trade co-operative)</td>
<td>Yes</td>
<td>Rules</td>
<td>Yes</td>
<td>Yes</td>
<td>Financial Services Authority</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Industrial &amp; Provident Society (society for the benefit of the community)</td>
<td>Yes</td>
<td>Rules</td>
<td>Yes</td>
<td>Yes</td>
<td>Financial Services Authority</td>
<td>Yes</td>
<td>Yes (optional)</td>
</tr>
</tbody>
</table>
Questions?
Understanding the Positive Investor Report 2017

What type of positive investor are you?

http://bit.do/ethexpi

- The Well-Informed
- The Progressive
- The Receptive
- The Unsure
- The Sceptic
<table>
<thead>
<tr>
<th>FINANCES</th>
<th>Financial Model</th>
<th>Financial Model</th>
<th>Financial Model</th>
<th>Financial Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detail</td>
<td>A spreadsheet that shows forecasts on the term of the investment on P&amp;L Balance Sheet Cashflow The cashflow should be able to show investment arriving, interest payments being made, plus the initial investment being returned</td>
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</tr>
<tr>
<td>Examples</td>
<td>Exchange</td>
<td>Solar for Schools</td>
<td>Spare Fruit</td>
<td>Loanstock</td>
</tr>
<tr>
<td>Examples</td>
<td>Stockwood</td>
<td>Electric Blue</td>
<td>Connected Energy</td>
<td>LRS</td>
</tr>
</tbody>
</table>

### Loanstock

<table>
<thead>
<tr>
<th>Term</th>
<th>Size</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan 1</td>
<td>10 years</td>
<td>£5000</td>
</tr>
<tr>
<td>Loan 2</td>
<td>5 years</td>
<td>£2000</td>
</tr>
<tr>
<td>Loan 3</td>
<td>2 years</td>
<td>£500</td>
</tr>
</tbody>
</table>
Ecological Land Cooperative

Donate land.
They don’t make it any more...
What issue are you most interested in addressing through positive investment?

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving health and social care</td>
<td>31%</td>
</tr>
<tr>
<td>Old age support</td>
<td>26%</td>
</tr>
<tr>
<td>Protecting the environment</td>
<td>24%</td>
</tr>
<tr>
<td>Generating renewable energy</td>
<td>23%</td>
</tr>
<tr>
<td>Social and affordable housing and homelessness</td>
<td>20%</td>
</tr>
<tr>
<td>Supporting community projects</td>
<td>18%</td>
</tr>
<tr>
<td>Improving opportunities and services for the disadvantaged in society</td>
<td>17%</td>
</tr>
<tr>
<td>Improving education services</td>
<td>17%</td>
</tr>
<tr>
<td>Sustainable agriculture and food distribution</td>
<td>17%</td>
</tr>
<tr>
<td>Improving access to employment or training</td>
<td>14%</td>
</tr>
<tr>
<td>Savings and investments that address several issues</td>
<td>14%</td>
</tr>
<tr>
<td>Sustainable transport</td>
<td>13%</td>
</tr>
<tr>
<td>Improving access to financial services</td>
<td>10%</td>
</tr>
<tr>
<td>Crime prevention and prisoner rehabilitation</td>
<td>8%</td>
</tr>
<tr>
<td>The provision of arts and culture</td>
<td>7%</td>
</tr>
<tr>
<td>Promoting or advancing religion</td>
<td>6%</td>
</tr>
<tr>
<td>Animal welfare / rights</td>
<td>0.6%</td>
</tr>
<tr>
<td>International aid / development</td>
<td>0.2%</td>
</tr>
</tbody>
</table>
Organic agriculture in the twenty-first century
John P. Reganold* and Jonathan M. Wachter
Is it time we get more involved with our local farms?