



Robert Owen Community Banking

www.rocbf.co.uk

REconomy Project

Mission

Banking services are essential for working local economies. At Robert Owen Community Banking (ROCB), our intention is to provide community banking as an alternative to the big banks, providing local and fair finance to homes and businesses in Welsh communities.

Is there a link with Transition?

Not directly, but Mick Brown has participated in REconomy events and has given informal input as well.

Your product or service – how much does it help improve resilience in your local community or elsewhere?

ROCB takes in local investments enabling it to provide loans. Some of these loans help homeowners to make their properties more sustainable, and some of these loans help new or existing businesses wishing to grow. Recycling local money is a fair way of financing our local economies and is what we call community banking. ROCB services the whole of Wales either directly (for business customers and local authorities) or in partnership with credit unions (for household and personal loans).

Robert Owen Community Banking can help with:

- finding ethical and local ways of investing savings
- raising finance for projects through ethical investments
- providing loans to local people and businesses (Enterprise Loans & Green Energy Loans)
- other services including consultancy, training, special Projects and share Issues

Employees

1 full time manager 3 part time staff, 6 volunteer officers.

Are you in profit? If not, when do you anticipate being so? How long have you been trading?

ROCB was established in 2006 and we had to become sustainable after only 3 years of trading. This is faster than most similar not for profit companies in our sector. Last year our turnover was £600k.

What is your company structure and why did you choose it?

ROCB is a not-for-profit company working to build better communities based on sustainable businesses, and is a CDFI (Community Development Finance Institution) and a member of the Community Development Finance Association. It provides a complementary legal and regulatory partner to credit unions and IPS's.

What about financial sustainability? Are you trading or part-trading without money?

£100k from Welsh Government towards revenue costs during the first 3 years. We have service level agreements with local authority for renewable energy lending, and income from interest on our lending.

Are you looking to build more common wealth & ownership and is priority your profit sharing and/or community benefits versus more traditional investor returns?

Any profits go back into the company to support further development, as legally mandated by CDFI rules. We are supporting new start up businesses who cannot get capital investment elsewhere, to try to generate new enterprise, turnover and wealth into local communities, especially in rural Wales. We have set up a sister company – Robert Owen Renewables, established as an energy coop to encourage local share ownership into this sector. Linked to this, we are developing an energy backed local currency – NEWTs (Newtown Economic Wealth Tokens) which is convertible through the community bank. This project is supported by the New Economics Foundation (<http://www.neweconomics.org/>) and is one of the first attempts to model a genuine energy currency. We are currently forming partnerships into a local consortium of social enterprise and ROCB will be the banking partner within this intended micro-Mondragon model.

Localisation – are you sourcing, distributing and interacting locally?

We contract all our services locally, such as outsourcing loan assessment work to local credit union teams. We work with local social enterprises that invest their surpluses with us rather than through the banking system, thus keeping their capital invested within local enterprise.

We have persuaded the Newtown Town Council (home of Robert Owen) to partly disinvest from the banking sector and lodge their reserves with us, which is now used for local investments. We have helped to create dozens of new local jobs that could not have been financed otherwise.

Climate impacts – negative, beneficial or neutral?

Hugely positive! We finance sustainable businesses and renewable energy projects, both of which aim to reduce carbon emissions and environmental impacts. We have financed over £1m in new small-scale renewable installations locally, where micro-finance has helped householders who otherwise would not have been able to afford to green up their homes. We are financing the new hydro scheme here on the river Severn with a £.75m construction. And, we are a founder member of Community Energy Wales, and working on a new revolving loan fund for new community schemes to try and unlock the financial barrier to small scale renewables.

Anything else you want to share with us?

We are a CDFI with the emphasis on the CD – community development and we are committed to “providing fairer local finance.” This sums us up.

