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HCD
HACKNEY
CO-OPERATIVE
DEVELOPMENTS

pioneering community
economic development

**ANNUAL
REPORT
2015**

Executive Summary

Hackney Co-operative Developments CIC (HCD) enjoyed another fantastic year of growth and improvement. We saw a significant increase in our profile locally, nationally and internationally; while refining our support to meet local needs in Hackney.

Hackney's economy has grown rapidly over the past decade. The number of active businesses has increased by 40%, median salaries by 33% and average house prices by 201%. Nevertheless, many Hackney residents have not participated in this growth. The London Poverty Profile 2015 demonstrates Hackney is still performing poorly, with unemployment above the London Average and average rent accounting for 76% of lower quartile monthly earnings.

HCD has increased its support to the people who need it most, through expanded business development support programmes to co-operatives and social enterprises; an increase in into-work training and mentoring programmes for those furthest from the job market; growing our provision of affordable workspace in Hackney;

and employing a Community Organiser to help residents shape our Gillett Square events programme.

In 2015, we were accredited as a London Living Wage Employer. Unlike the compulsory national minimum wage, the London Living Wage is a voluntary commitment made by employers. It is regulated by the Living Wage Foundation, an initiative of Citizens UK, and launched in 2001 by parents in East London, frustrated that working two minimum wage jobs left no time for family life. HCD was not among the first to adopt the London Living Wage accreditation. We recognised that our commitment to providing meaningful employment had always ensured that our wages were above this standard.

However, when we looked into what the Living Wage Foundation assessed, we understood that we had lacked scrutiny in assessing the wages of employees of some of the services that we contract in, particularly as a property management company, and therefore recognised the value of undertaking an audit of all of the money that we spend on workers, whether or not

they are employed by HCD directly. Since our accreditation the Government announced the introduction of a compulsory minimum wage to be introduced in 2016, referring to it as the 'national living wage'. The Low Pay Commission is instructed that the minimum wage premium for over 25s should reach 60% of median earnings by 2020. HCD obviously welcome the move to increase the mandatory minimum wage. However we note that the government rate is based on median earnings, while the Living Wage Foundation rate is calculated according to the cost of living. For that reason, we shall maintain our accreditation to make sure that everybody who works for us is able to make a decent living.

The UK is widely recognised as a pioneer of social enterprise and the associated practices of social investment and social value. We have extended our support to overseas agencies, including governments and social enterprise infrastructure organisations, to help other communities learn from the successes of the UK's co-operative and social enterprise movements and to bring back learning from around the globe.



In particular this year we have seen a big increase in delegations from South Korea attending study visits to learn about HCD's social enterprise development work. HCD's CEO has been invited by the Mayor of Ansan City to present at a conference there this coming January. HCD has been contracted by the British Council to contribute to the pilot of their Global Social Enterprise programme, leading to two visits by our Social Enterprise Development Manager to provide support to a social enterprise infrastructure organisation in Vietnam.

In October, HCD's Chief Executive was invited to join the panel of experts at a Conference For City Makers entitled 'Players of Change' and a wider Metropolitan Field Trip to Berlin as part of 'New Europe – Cities in Transition', a programme co-funded by the Europe for Citizens programme of the European Union. Its aim is to foster European Citizenship and to improve conditions for democratic participation at EU level, which it



does by bringing City Makers from Europe's big cities, grass-roots initiatives like HCD, planning agencies and local authorities, together for inter-cultural peer-learning to form better knowledge, understanding and leadership around city transition. It was hosted by The Genossenschaft für Urbane Kreativität (Co-operative for Urban Creativity) and gave us the opportunity to learn from Holzmarkt, a 18,000 m2 co-operatively-run urban development in the centre of Berlin.

HCD is proud to have been named by Hackney Council and the Hackney Fairtrade Group as Hackney's Flagship Fairtrade Employer. Hackney is an officially recognised Fairtrade Borough. Fairtrade is a key achievement of the co-operative movement worldwide, and is about ensuring a better deal for producers in developing countries and making sure they get a good price for a good product. HCD was chosen in recognition of our local influence and relevance, and of the substantial alignment of the Fairtrade

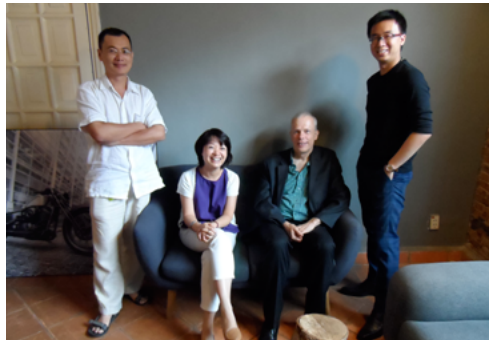


movement and HCD's core values, ethics and practices both locally and looking further afield.

HCD's continued growth and development is based on strong co-dependent partnerships with a wide range of stakeholders and we particularly thank London Borough of Hackney, Locality, Co-operatives UK, UBS, the British Council, Gresford Architects, our tenants and clients, and an increasing number of engaged local bodies who contribute to our ongoing achievements.

Dominic Ellison

**Chief Executive Officer,
Hackney Co-operative Developments CIC**



Social Enterprise Development

The government has identified around 70,000 social enterprises in the UK, contributing £24 billion to the economy and employing nearly a million people. In the 10 years since the creation of the Community Interest Company legal form, over 11,000 CICs have been formed. The last five years have seen significant development of social investment to support the growth of our movement. There are now nearly 7,000 independent co-operative businesses in the UK, contributing £37bn a year to our economy – up 15% since 2010. Co-operatives have double the survival rate of other businesses in their first five years. Social Enterprises have been growing in number and importance to the economy; their objectives and ways of operating offer a good fit with the ethos of current government policy and consumer trends – providing they can survive and flourish.

HCD is committed to inspiring the next generation of Hackney's Social Enterprise pioneers, arming them with the necessary skills and knowledge to grow their enterprises. This in turn grows the local economy, and the socially-owned share of that economy. We believe Social Enterprise in its many forms offers communities the opportunity to create businesses that are better for them and society. We are here to support those with the talent, ambition and commitment to succeed. HCD is a widely-recognised market leader in expert Social Enterprise Development advice and support. We have over 30 years experience of delivering Social Enterprises in Hackney the very best free advice, training and consultancy on how to set up, run and grow a sustainable, social business and achieve great things.

PIONEERING SOCIAL ENTERPRISE IN HACKNEY

HCD's flagship social enterprise development support programme was established in December 2013 with the support of UBS, to grow the social enterprise sector in Hackney.

Hackney is an area of economic opportunity, as a result of the increased focus on East London as an area of growth and development. But many Hackney residents have not participated in this growth, and the borough still performs poorly in areas such as unemployment, average monthly earnings and out-of-work benefits. By supporting the growth of Social Enterprises, we are specifically targeting support on the sector that provides greatest proportional job creation to the local economy. With 38% operating in the top 20% most deprived areas, Social Enterprises are heavily concentrated in areas of multiple



deprivation like Hackney. They create three times as many jobs as SMEs generally, where those jobs are needed most. Statistically, Social Enterprises recruit far more employees from the local area. In the most deprived communities, they are more likely to focus on addressing social and financial exclusion. 52% of Social Enterprises also actively employ people who are disadvantaged in the labour market.

Our ability to support this growth has expanded exponentially through UBS's funding, which has developed our Social Enterprise support capacity. In turn, this enables us to deliver further contracts in this field, including engaging more development experts and skilling up our existing workforce – for example, by gaining qualifications in assessing Community Share Offers.

Our support has targeted the key areas of need for the local social enterprise market, particularly business planning; employment and staffing; financial planning and management; legal and governance; and growth. Through this one programme, we have supported over 40 social



enterprises in the pilot 2 years. This has included establishing 30 new social enterprises over many different forms (Community Interest Companies, Worker Co-operatives, Community Benefit Societies and more). Our support has additionally produced 25 business planning strategies that have enabled social enterprises to successfully start trading, grow, access finance or funding, or move to improved premises.

TRAINING COURSES, EVENTS AND WORKSHOPS

Gaining Contracts through Good Contacts

Gaining Contracts Through Good Contacts is a series of business networking events for co-operatives and social enterprises. HCD's Pioneering Social Enterprise in Hackney partnered with Co-operatives London and Principle Six to create events which use a co-operative methodology applied to business networking that help businesses get the best out of their network and to grow it in order to make the links they need to gain new business, develop new opportunities or effectively reach their targets. Through these events, Hackney's co-operatives and social enterprises have been able to work together and develop our networks to grow as a movement and individually.

Employment through Small Business and Enterprise

HCD worked with our partners, Hackney CVS and Hackney Refugee Forum, to produce an event to inform refugees, migrants and BAME-interest organisations of the opportunities and practicalities of setting up their own social

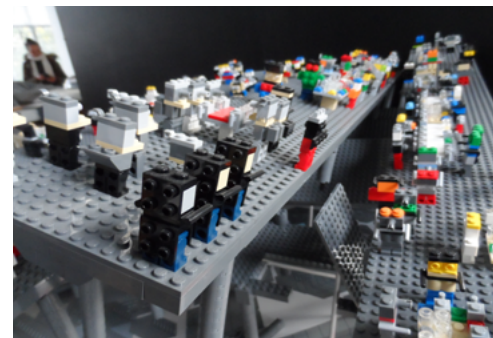
enterprise or business. Workshops on setting up a small business, creating a social enterprise and getting your business online were delivered by HCD's Business Development Team. There were presentations on real-life experience of the early stages of running a social enterprise from Pioneering Social Enterprise in Hackney clients, as well as workshops on finding employment, business finance and impacts on your benefits when starting a new enterprise.

CONSULTANCY

HCD offers support in all areas of co-operative, social and community enterprise including business planning, governance, finance, environmental sustainability, fundraising, legal advice, marketing, property management, investment readiness, decision-making and social return on investment.

We advise from over 30 years of experience of working with local authorities, government agencies and community sector organisations to deliver development and regeneration projects. This has led to a positive change in the economic development and urban landscape of Dalston. We can share the expertise we have developed in our property development and management of new public spaces. We help clients develop effective partnership work to tackle social problems, realise market opportunities and build support from the local community through outreach and engagement.

Our highly experienced trainers and facilitators have this year delivered a high volume of specialised social enterprise development support



to a wide range of clients through directly-purchased consultancy, on behalf of Locality (the national network of enterprising community-led organisations), as consultants within their Pool of Technical Associates, through contracts delivered on behalf of Hackney CVS, and through support delivered to overseas social enterprise infrastructure organisations – including delivery funded by the British Council.

COMMUNITY SHARES COMPLIANCE MARK & LICENSING

Community Shares are a great new way for people to support community enterprises they believe in. They have been used to finance community based ventures such as shops, pubs, community buildings, renewable energy initiatives and local food schemes. They use a form of withdrawable share capital unique to co-operative and community benefit society legislation. Societies serve a social purpose, but also are constructed to succeed as profitable

businesses. When the society is profitable, you stand to make a modest return, in the form of interest on your share capital.

In 2015 the Community Shares Unit (CSU) launched the Community Shares Mark, a national quality assurance scheme for community share offers. It is awarded by the CSU to share offers that meet current standards of good practice. It provides the public with an independent way of checking the authenticity of a share offer, and gives reassurance to investors. The CSU also began to licence Community Shares Practitioners to advise, support, review and accredit Community Shares offer documents. HCD's Social Enterprise Development Team is undertaking accreditation from the CSU to become licensed practitioners, able to award the compliance mark on the CSU's behalf. The Community Shares Unit is delivered in partnership by Co-operatives UK and Locality. It is supported by the Department of Communities and Local Government (DCLG).

Societies promoting the public sale of withdrawable share capital are exempt from financial promotions regulations, but are still subject to general law. In the absence of statutory regulation, it is difficult for societies to know precisely what is expected of them, or to demonstrate that they are engaged in good practice. The compliance mark fills this gap. It is a voluntary form of self-regulation, based on an independent peer review by a licensed practitioner. This review acts as a final check on the quality of a community share offer before its public launch.

The compliance mark is designed to promote public confidence in community shares. It also provides confidence to societies and their management committees, to commercial lenders, social investment financial intermediaries and public funding agencies. If you are interested in launching a Community Share Offer, please contact HCD's Social Enterprise Development Team for a consultation.



VIET SOCIAL

BY GLENN MOTTERSHEAD

As the days get shorter, we cannot help but think of warmer climes. Brian Millington, HCD's Social Enterprise Development Manager, tells of his trip to Vietnam to support social enterprise development. Brian enters the HCD Co-operative Workspace courtyard after launching from his bicycle seat and takes his first priority on entering the office, making green tea, very seriously. An energetic promoter of co-operative causes around the world, it is easy to recognize his affinity with the East.

'Ho Chi Minh City is a powerhouse of trade', Brian tells me. Everywhere there are people selling things, little shops, little stalls – a city where everything is for sale and with faster internet than we have in London'. Vietnam is in the high-tech hub of South East Asia. To the north is China, to the west India. Brian is delivering HCD's consultancy on behalf of the British Council's Business and Investment Readiness programme. The aim is to strengthen social enterprises around the world. One of Brian's enthusiasms is to provide workshops in

social enterprise development and in the future to bring about a Social Enterprise Vietnam, much as we have in the UK. Brian continues 'I understand Hanoi to be different, it is nearer to the political center. How you obtain power is by knowing the right person, saying the right thing'.

Brian is quick to discover something that sparkles, guiding the product and the owners to become more skilled and confident in what they are doing. 'I would not say that there is a huge amount of social enterprise activity in Vietnam yet, but there is a fair bit of awareness about the idea.' He aims to bring the learning from HCD's Pioneering Social Enterprise in Hackney to Vietnam, through the British Council Global Social Enterprise Programme.

Brian is not alone in his quest. There is a global take on Co-operative and Social Enterprise initiatives. King Fisher Tours brings together social and economical resolve, community cohesion, local government and local farmers. 'Local government was in conflict with the farmers, who were illegally hunting animals,

stealing plants and logging in the forests.

Officials wanted to end the farmer's activities, but supported their idea of an alternative form of income. Kingfisher Tours established an eco village within a local tropical forest talking about the history, the plants and animals and taking people on sightseeing tours. In the true spirit of social and cultural commerce they sell some of the farming and crafts products to the tourists. They are doing a small set of things and answering the needs of different stakeholders. For me, that's how the best social enterprises operate.'

Like any co-operative, its' about sharing. Having delivered his workshops, Brian comes away with an idea that inspires him. 'Many co-operatives are good at member involvement, democracy and concern for the community. They are sometimes less good at running their co-operative business entrepreneurially and effectively. Focus on the business! Don't be afraid of terms such as "marketing" and "profit"'. He plans to soon set up HCD Social Enterprise tours in Hackney.





Gillett Square

Tucked away behind Kingsland High Street, Gillett Square and our property development Dalston Culture House have injected new life into Dalston. Our development combines an award-winning public realm with HCD's vibrant workspaces, to provide a hub of cultural, creative, retail, community and third sector activities rooted in the ethnically and culturally eclectic spirit of the area.

The square blends contemporary urban design with building forms more traditional to Hackney. Our tenants' bustling businesses, our Bradbury Street shops, restaurants and bars, and our programme of community and cultural events in the Square itself, combine to create a distinct and vibrant atmosphere.

Dalston has a long history as a cultural and creative hub. Local organisations and enterprises make an important contribution to the town

centre's economy and the character, identity and urban life. Hackney Council recognised this, adopting a Community, Cultural and Creative Quarter in its planning policy. Dalston's Area Action Plan notes that 'Gillett Square provides a focus for the cultural, creative and community sector including a setting for various events. Fronting the Square, the Dalston Culture House accommodates the Vortex Jazz Club as well as being a lively hub of micro-businesses, small social/cultural enterprises, community groups and other voluntary sector organisations'.

2015 gave us further opportunities to work in partnership with HCD tenants and clients, local community groups, National Citizen Service and many others to create an inclusive programme of events, big and small.

High profile flagship events like Open Source and Dalston Music Festival were complemented by

numerous play events, including Global Games Days in partnership with Universal Board Games. We ran roller-skate and skateboard days, raising money for the Skatepal skatepark project in Palestine; Hula-Hoop discos and regular hula classes from HCD's tenants on Gillett Square 'Marawa and the Majorettes'; Dalston Connection, exploring how inclusive regeneration has been for the local community; Herbal Tea Party – working with Hackney Herbal and Pioneering Social Enterprise in Hackney clients Cordwainers Grow; and an event in collaboration with the Vortex Jazz Club & Vortex Foundation, Kaffa Coffee, Hackney Migrant Centre and performers from Women for Refugee Women to provide an afternoon of warmth and welcome to refugees coming to Dalston.

We increased the participation of local people in shaping and developing Gillett Square by establishing the Gillett Square Action Group,

made up of local residents, businesses, community groups, council officers and other stakeholders committed to the inclusive production of more events in the Square. We employed Anja Beinroth as a Community Organiser. Community Organisers are professionals who listen to the concerns of their community and help them to take action on the issues that matter and create positive change. This grew from a national training programme from Locality, now overseen by an independent organisation backed by the Department for Communities and Local Government. Anja joined us with the support of DCLG and West Hackney Parochial Charity, specifically to support local people to engage in the programming of Gillett Square.

In 2015 we piloted new regular market initiatives. As well as providing new positive activities to keep Gillett Square animated and popular, these contributed to the work of the Gillett Square Creative Producer in creating a more financially sustainable model for HCD's management of the Square, for which she is receiving support from the School for Social Entrepreneurs.

THIS YEARS HIGHLIGHTS

Open Source showcased time-based media and live events which sample, re-use, and divert mainstream and web cultures, highlighting art production as a collaborative process. Open Source was free, thanks to a grant from Arts Council England and public support from local people through the event's Kickstarter campaign. We commissioned eight curators and twenty-one young artists, filling Gillett Square

with immersive video installations, gaming, live performance and films, achieving a high level of critical acclaim in the arts media.

Dalston Music Festival took place on the Square and in eight nearby venues, including three HCD tenants. HCD also worked with Hackney Council to close Bradbury Street to traffic for the day, so a hugely successful street party involving all of the traders in the street became part of the event's footprint. This festival was a collaboration between HCD and Dalston Music Studios, supporting artists to create an event for the community and for music lovers. It was an exciting and cohesive event, offering high quality music to the largest Gillett Square audience to date, attracting around 10,000 people over the course of the day and evening.

Hackney One Carnival ran in September, and Gillett Square again played host as the official Children and Family area. Diversity, creativity, music and dance are the order of the day for Hackney One. The Square provided our ever-popular Pop-up Playground with a Lover's Rock sound system, as well as free Hula-Hoop workshops and performances by the internationally renowned Marawa and the Majorettes. There were performances by Mind Your Language International – clients of HCD's Pioneering Social Enterprise in Hackney. The Carnival gave HCD an opportunity to host a number of charities, including Prostate Cancer UK, City & Hackney CAMHS, Off Centre, and First Steps.

STORE In the Round was the third annual Summer School in Art & Architecture from

STORE School of Architects, a client of HCD's Pioneering Social Enterprise in Hackney. It challenged students from Hackney to design, construct and arrange an open air stage over two weeks in Gillett Square and culminated in a live performance.

The students, many of whom received scholarships to attend, were given the opportunity to develop a portfolio to enable them to progress to higher education in Architecture and related fields – removing the economic barrier experienced by many young people in Hackney. They rehearsed, prototyped and built in the square itself, in full view of the public. Students were encouraged to consider the potential of the entire square to act as their theatre. They conducted a number of studies, building alternative observations and creating a series of site maps charting pedestrian movement, wind flow, sound and gradients – key environmental factors which would inform their proposals and provide informative practical studies, helping HCD to develop its use of the Square.





STORE

BY GLENN MOTTERSHEAD

I have come to Studio North, home of Jan Kattein Architects, to visit architect Gabriel Warshafsky of STORE: a group of artists, architects, designers and writers who have been working with HCD over the past two years. As the door from the street opened, I am overwhelmed by this modern studio conversion of a once glorious Victorian shop. JKA specialises among many things the regeneration of the high street. Not just the cosmetic look of the facades, but the spirit of the shop keepers and the communities they serve. The idea of the shop is an important factor, a personal history. Gabriel tells me of STORE and its early transient days 'a lot of them have been old shops. We used them to run lectures, workshops and in some cases use them as making spaces'. Hence the name STORE and the reason for its foundation.

STORE is a London-based association of artists, architects and designers composed of three core elements: an educational programme of art and architecture courses, wider-ranging public

events and exhibitions, and a socially-engaged design practice. STORE is currently in the process of building a new model of affordable education – one that will integrate knowledge of spatial practice in both art and architecture and develop highly ambitious projects that are in direct dialogue with local issues and agendas. As Gabriel puts it 'through art, education and architectural education and exhibition projects, we try and inspire students to think about artistic production in a way that is ambitious, elastic and engages with a wider political discourse. It is the opportunity to get their hands dirty and to actually build something physical'.

STORE Summer Schools are 2-week intensive art and architecture workshops, focussing on highly collaborative and experimental spatial design and building projects. Following support from HCD through the Pioneering Social Enterprise in Hackney programme, STORE staged their 3rd annual London Summer School in Dalston and brought with it a new element

of outreach, not just to the learner but to the public space and the people that fill it. 'Out of a conversation with HCD, we all agreed that we do the summer school in Gillett Square. That has been really exciting for us in such a lively area, where there is a real chance to test out ideas, to have members of the general public have an actual interaction'. For Gabriel the spirit is in the students' 'ambition to build something on an inhabitable scale and very often we encourage our students to think of that in terms of events and in terms of performance as well. In Gillett Square, we made a lot of friends over the two weeks we were there'.

The summer school students were of an eclectic age, culture and character, however they all orientated towards the final goal by designing and building as a team a movable arena as well as proudly presenting a final public performance. Along the way, the very act of making, inevitably brought learning curves in the form of mistakes and other times succeeded in grand ideas. Within



such a very short time Gabriel observed 'students were processing, investigating and enquiring, that was important. It was a space to think and to try out making, seeing the ways the students explained what they were doing to passers-by had changed over the course of those two weeks, you saw that they were really developing their confidence in presenting their ideas, not to people in an art or architectural context, but just to passers by'.

As the two weeks of discussion, questioning, site testing, plan drawing, making and laying out came to an end, their final day was of construction and public judgement – The Big Day had arrived. 'What was really fantastic about the square and HCD, was just the openness and the real readiness to experiment, I think they were willing to embrace unexpected outcomes. I would also like to think there is a certain joy in what we do in all of the things we build, there is a certain festive aspect, a kind of celebration at the end of our summer schools'.

By bringing their existing knowledge and obtaining a new way of learning that was elastic the students finally built their master plan. Gabriel explains 'The students designed and built an open air stage and seating in response to a draft script, which was provided by our performance artists Firdaws Fourcroy and Paulina Lenoir. The whole stage and seating was designed in response to their work which was in any case semi-improvised'. In Gabriel's proud assessment of the day 'The stage was set up in the morning, Firdaws and Paulina had their rehearsals of 'contemporary clowning' during the afternoon and then guests started to arrive in the early evening and to open we had two musical acts'. The students having had discussions with the performers at the start of the project, realised by the end what was meant on the day. The act of making resulted in an immersive experience, making it complete for the students as they were 'introducing the acts and moving the props around for the performers, they were very much part of it'. The main performance was a love

story of burlesque and physical comedy. He mentions with delight 'they also had to adapt their performance when they finally came onto the stage because a lot of the audience were already sitting on the stage. In the end the stage formed itself within the warm and friendly crowd'.



Affordable Workspace in Hackney

Hackney Co-operative Developments has been a leading affordable workspace provider for over 25 years. We play an important role in the borough's business ecosystem, contributing to urban regeneration by delivering targeted, flexible low-threshold employment space. Our mixed ownership portfolio is comprised of wholly-owned properties and long-term head-lease holdings, ranging from purpose-built, mixed-use developments through rehabilitated derelict housing stock to new build.

Until this year, our portfolio has been concentrated in Dalston, which has increasingly become the economic powerhouse for Hackney borough and one of London's primary hot-spots for start-ups, particularly within the creative and social industries. We provide workspace for the incubation of businesses in Hackney's growth sectors, particularly in their first years of development. 52% of Hackney's businesses

have an annual turnover between £50,000 and £250,000. Premises costs are a significant outgoing, so HCD's flexible lease terms reduce their risks. Businesses incubated by HCD have higher survival rates than London as a whole. Important factors in this success are our approach to management, the design of our facilities, and the opportunities we create for collaboration. We have a track record of contributing to the goals of the Dalston Area Action Plan, in locations now designated in the Action Plan Policy as the Community, Cultural and Creative Quarter. Over the past four years we have maintained maximum occupancy across our sites.

HCD's democratic community ownership and strong legal asset lock, afforded to us as a Community Interest Company, ensure that our property portfolio remain a community-owned asset in perpetuity and will be retained or

further developed for the provision of affordable workspace, meeting the needs of our local community. In 2015 we have made significant progress in improving and expanding our property portfolio to meet the needs of the market.

DOWNHAM ROAD

HCD has entered into a partnership with a private-sector developer, London & Chelsea, to form HCD & London, a special purpose vehicle to develop our site on Downham Road. HCD's existing property at Downham Road is our oldest, and far beyond economic repair. In recent years it has been let on very low rental and short-term agreement basis due to its poor condition and HCD's long-term plans to develop the site. HCD has worked with the existing tenants to rehouse them.

The project of HCD & London is to redevelop the site to create 6 new residential units and 345



sq m of new, high quality affordable workspace over 4 floors, fit for contemporary business needs, replacing 295 sq m of substandard workspace. The purpose of developing the residential units is to fund the development of the commercial space. By offering the resulting workspace at 70% of market rate, we forecast a 160% increase in income from the site.

We are excited to be working on this development with HCD tenants Gresford Architects, an established Hackney practice. Gresford is closely allied to HCD's property development ethos, both in the design of productive, healthy workspaces and in terms of the environmental standards that new builds should achieve.

This development is a departure from previous HCD schemes. Working with a private sector developer is a new experience for us, and we have needed to balance our social objectives for the scheme with our partner's commercial interests, and our own. It is also the first time that HCD has embarked on developing residential property.

Housing provision is not a strategic area for HCD. We see our role in this area as providing support to other community-based housing specialists such as housing co-ops, co-housing groups and Registered Social Landlords; not moving into this sector ourselves. This modest residential development is aimed purely at gaining the funds needed to develop much needed new workspace. This approach chimes with our role as a community economic regeneration agency, and as holder of community-owned assets. Our purpose is to distribute the benefits of the rising tide of local economic development fairly across society, working with the market to take profit and invest it into sustainable, affordable workspace.

Local Commercial Agents have reported that demand for office space in Hackney is strong, with smaller scale office premises taking on average around six months to let, with minimal incentives required to secure lettings. HCD has a long waiting list of potential tenants at all times, and we feel there is little risk involved in terms of voids. Indeed, we are designing the scheme to meet the needs of organisations already on our waiting list.

The residential units are appropriate for the local market and location. In the opinion of complimentary reports by Knight Frank and Currells estate agents, the scale and price point will appeal to local owner occupiers. The nature of the development, providing a combination of commercial office space and private flats overlooking the Kingsland Basin, and situated within a smaller-scale private scheme, will appeal to purchasers. The location and canal outlook will be strong selling points, helping the scheme stand

out beside larger scale local developments by national house builders.

Over the past 4 years, the Kingsland Basin area to the rear of the property has been developed for mixed use, with residential flats above commercial offices, restaurants and bars. The canal-facing location has become a popular place to live. It attracts visitors for leisure, and is popular with tech, media and arts companies.

TEXTILE BUILDING

This year HCD took on a new property in Hackney Central, part of the Textile Building development. This opportunity came about thanks to a Hackney Council planning policy requiring developers creating more than 1,000 sq m of commercial space to work with an approved Affordable Workspace Provider, such as HCD, to deliver 10% of the commercial space as affordable as part of their Section 106 agreement.

A former factory and design centre for Burberry, The Textile Building is an iconic warehouse conversion in the heart of Hackney with 86 luxury loft apartments, and commercial space on the ground and lower ground floors. The Central Hackney location places the property within HCD's strategic opportunity areas for property portfolio expansion as it enables us to meet a market need for affordable workspace by a number of social and ethical start-ups who are keen to work with Hackney Co-operative Developments, including many who are already receiving governance and business development support from HCD and those who are regularly referred to us by Hackney Council.



HCD took occupation of 363 sqm (3,905 sqft) workspace in shell finish and created our three largest workspace units to date (197, 168 and 79 sq m). This enables HCD to meet a clear demand for larger spaces. They have high ceilings and large windows, producing the exciting raw working environment much sought after by creative enterprises. The development is also enhanced by a central open courtyard, illuminated at night by walkways above.

This development will also yield a financial surplus to HCD, helping us achieve our medium term strategic goal of developing a reserve that can be used as ready investment capital for when we need to move fast to take advantage of new opportunities. It has however been challenging to reach a mutually acceptable agreement between the key stakeholders – HCD, whose primary objective is to provide accessible workspace for ethical small businesses to flourish, Hackney Council, who have created policies to support the development of affordable workspace, and private sector developers, who are forced into sub-market agreements in order to get planning permission. HCD are now working closely with Hackney Council's Regeneration and Planning Policy departments, as well as key colleague organisations in local affordable workspace provision, such as the Shoreditch Trust, to look at how the delivery of these relevant policies can be better enforced to meet the needs of the affordable workspace providers and consequently, the needs of small businesses locally.



GRESFORD ARCHITECTS

BY GLENN MOTTERSHEAD

To find Gresford Architects I walk onto one of the open steel walkways of HCD's Bradbury Street Workspaces and take in the view down over Gillett Square. Tom Gresford's architectural practice is a haven of communal space, light and air. The architect explains 'The fundamentals of an enclosed space, depends very much upon how you use that space, so you have to ask yourself why you are enclosing that space and what are you going to put in it.'

Tom's studio is a thoughtful space and true to his beliefs, a gradual building outwards and upwards of sustainable common-sense. 'As an example our offices are very much a result of a found space, these were two separate HCD offices used by two separate companies, we knocked the two offices together and put in cheap board, painted grey on the floor and used cheap furniture, a kind of classic architect's way.'

Gresford Architects have a multi-faceted relationship with HCD who both provide them

a home – this beautiful studio space – and who are a client of their practice. Tom's attitude to HCD is very much in keeping with Gillett Square's social interaction between the business community and the London public. Tom admits to having his ups and downs with the good and bad of Gillett Square, but he has come to terms with his past feelings. He feels secure, 'Since Dominic took over as CEO, of HCD we have spent time getting to know each other's mutual interests in architecture, environment and social common goals. We love the principles of HCD or any organisation that is providing housing or office space for not a massive profit.' Tom has also contributed to HCD's community work, such as supporting the STORE summer school of art, education and architecture in Gillett Square.

With London's vast and rapid development of buildings from the tiny to the towering, affordability has become a massive barrier to many of us aspiring to an affordable home or workspace. HCD have been developing property

for almost 30 years to provide affordable workspace to incubate local businesses, including social enterprises, to ensure that local people are not priced out of the opportunities provided by the wider regeneration of the area. HCD are now working with Gresford Architects to create their next wave of workspace which can sustain low-cost occupation. HCD's property in Downham Road, an old building nestled into a rapidly-regenerating pocket of Haggerston, will be demolished to make way for an impressive Gresford Architects-designed new-build.

The development will comprise both of new workspace and residential, 'Its affordable office space and the flats are for market sale'. By selling the residential on the market, HCD are able to fund the development of modern workspace, fit for contemporary business needs, and cap the price at an affordable rate which meets the market needs of Hackney businesses. This will include Gresford Architects, 'we are going to be taking one of the office spaces,



for us as a practice. To be in a building that we have designed will obviously look great'. Tom, a meanderer always in search of the most appropriate materials, adds 'The key thing is building from timber, we have to be realistic and sustainable, its not just eco-type bling.'

The diamond-sheen of the outskirts of Liverpool Street and the City creates a coat that never seems to look warm. The biting edgy inner city becomes oddly desirable to city workers for their homes and to multi-national corporates to parachute-in their new office spaces, both of which placing excessive upwards pressure on local property prices. Large new builds of property unaffordable to local people can loom over our neighbourhoods like watchtowers, leaving existing local communities feeling that they no-longer belong. Tom tells me 'We are so close to the city, which is a bland expanse of wealth. I think cities need variety ...When we first moved in here, it was very much artist driven, then came this lovely new wave of independent shops which took advantage of the cheap rents and the grittiness. Lots of small interesting organisations popping

up and trying to make their own way that can only be good for the social, the economic and the physical fabric of the city ... The pace of change here is completely leaving behind families and local residents ... It's a pity because people don't see the beauty and interest in the slightly dysfunctional elements of our city. Creeping commercialism – the blandification of our city. This is exactly what HCD is working against.'

Whilst sitting at his meeting table, a clean blank expanse, Tom talks about the busyness of people in his block. 'HCD encourages interaction between its clients and its tenants and the nature of the building is one that you see people all the time and everyone has something nice to say to each other ... By promoting variety and independent thinking you are naturally creating some soul ... automatically it becomes a community. Architecture plays a really key part in encouraging those interactions ... interaction is a key part of the architect's job.'

Whilst Tom talks about his current studio and surroundings, he is eager to start work on

Downham Road. Although talking from the point of view of a mature, well behaved architect, his giddiness to get through Christmas and start unwrapping his biggest gift of all only stimulates in his mind a specific wish list. 'You cannot stress the importance of break out spaces, kitchens, toilets, seating areas that actually facilitate the running of an office in a lovely space, where you have all these great interactions and communications and all this sort of going on ... I would see the perfect space as having a reasonably a tall atrium which allows daylight and natural ventilation to draft through as well as social interaction, so you can start by seeing an almost central space that offices look out into ... You might have different offices arranged around the space which have a visual connection but not a physical connection so there is variety.'

It is clear that together Tom and HCD have established a practice in carrying culture and character, in creating new spaces or rehabilitating existing space and populating them with the ingredients that create the magic mix we call Hackney.



Training courses

HCD is an accredited training centre providing into-work skills and support to those furthest from employment in Hackney. HCD is an active member of the Hackney ESOL (English for Speakers of Other Languages) Working Group and thanks to funding from the Tinder Foundation HCD are also a UK Online Centre, part of a network of 3,000 Centre partners, and 2,000 Access Points that bring digital inclusion to the heart of communities.

Our Learn My Way courses, including English My Way and Online Basics are providing a vital service to many of those in Hackney who are furthest away from the employment market. As well as basic English Language Skills, the learners referred to us by Job Centre Plus, Hackney Council and Hackney Learning Trust have received support in personal budgeting, job hunting, interview skills, career development,

banking online, engaging with statutory services online, online safety and many more key skills for navigating contemporary life in London.

This year HCD have launched a new programme in partnership with Prevista to support people over 50 back to work. This service provides bespoke assistance to support people, who often have significant breaks in their recent employment or knowledge gaps around newer technology, to assess their existing experience, seek to up-skill where necessary and present themselves well in a competitive market.



Finance

HACKNEY CO-OPERATIVE DEVELOPMENTS COMMUNITY INTEREST COMPANY

Summary Financial Statements for The Year Ended 31 March 2015

	2015	2014
Income	654,396	601,791
Administrative expenses	(607,310)	(572,423)
Operating surplus	47,086	29,368
Interest payable and similar charges	(13,575)	(15,922)
Surplus on ordinary activities before taxation	33,511	13,446
Tax on surplus from ordinary activities	(4,141)	-
Surplus for the year	£29,370	£13,446

Statement of Total Recognised Gains and Losses

	2015	2014
Profit for the Financial year	29,370	13,446
Unrealised surplus on revaluation of properties	-	520,000
Operating surplus	29,370	533,446

Balance Sheet As At 31 March 2015

	2015	2014
Fixed assets		
Tangible assets	5,057,936	5,058,083
Current assets		
Debtors	86,949	75,902
Cash at bank and in hand	29,689	45,103
Total Current assets	116,638	121,005
Creditors: amounts falling due within one year	(302,380)	(298,517)
Net Current liabilities	(185,742)	(177,512)
Total assets less current liabilities	4,872,194	4,880,571
Creditors: amounts falling due after more than one year	(541,772)	(579,519)
	4,330,422	4,301,052
Funds and reserves		
Revaluation reserve	3,431,184	3,431,184
Capital funds	977,713	977,713
General reserve	(78,475)	(107,845)
Members Fund	4,330,422	4,301,052



Financial Summary

The summarised financial statements are not the full Annual Report and Financial Statements but a summary of information prepared from the audited Statement of Financial Activities and Balance Sheet. The full Annual Report and Financial Statements, from which the summarised financial statements are derived, were approved by the directors on 4th November 2015 and filed with the Registrar of Companies.

The independent auditors (Barcant Beardon Limited) have issued an unqualified report on the full financial statement and on the consistency of the Directors' report with those financial statements.

The full annual report and financial statements are available from www.hcd.coop or from the Company Secretary (Anthonia Onigbode, Chief Financial Officer).

The year to date 2015 has been very motivating for HCD, with new opportunities realized, creating additional responsibilities for the directors and staff of the organisation – as evidenced in the current activities of the company.

Overall result for the company compared to previous years continue to improve, with our Surplus on Ordinary Activities before Taxation showing a £20,065 improvement against the previous year results. As an organisation we are working extremely hard to reduce our negative general reserves to nil balance over the next 3 years and from there to build up working reserves. The organisation is soaring high and we hope over the next 3 years HCD would have increased its property portfolio significantly.

Lastly, I want to thank my colleagues and the board whom have worked extremely hard to continue to improve the position of the organisation. I would like to extend my sincere thanks to an excellent team at HCD including our General Council for their support.

Anthonia Onigbode

A handwritten signature in black ink, appearing to read 'A Onigbode'.

Anthonia Onigbode
Chief Financial Officer
Hackney Co-operative Developments CIC
00 7993 3636

We are

GENERAL COUNCIL

Chair	Rod Campbell-Taylor	(HCD Tenant, Rod Campbell-Taylor Solicitors)
Vice Chair	Rob Devoy	(HCD Staff)
Treasurer	Emmanuel Oloyede	(HCD Tenant, Emmanuel Stephens Chartered Accountants)
	Peter Ottino	(Co-operative Group)
	Robin Grey	(Three Acres and a Cow)
	Andrew Clough	(The Brew Co-working Space)
	Claudette Spencer	(HCD Staff)
	Eric Cato	(Co-operative Party)
	Clarissa Carlyon	(Gillett Square Creative Producer)
	Jeremy Somers	(HCD Tenant, Circleline)
	Oliver Weindling	(HCD Tenant, Vortex Jazz Club)
	Nigel Caleb	(HCD Tenant, Detention Advice Service)
	Dolly Ryall	(HCD Tenant, Working With Voice)
	Olufunmike Oyewola	(Individual Member)
	Yared Marcos	(HCD Tenant, Kaffa Coffee)

EXECUTIVE TEAM

Chief Executive Officer	Dominic Ellison	(Director – Value Structures Co-Housing; Locality (UK); Development Co-op Ltd.; Co-operatives London; London Co-op Development; Hackney CVS; City & Hackney Together; HCD & London; NTS Radio CIC)
Chief Financial Officer HCD	Anthonia Onigbode	(Director – Healthwatch Hackney. Secretary – Trust; HCD & London Ltd.; Rise & Shine ASC)
Administrator & Accounts Assistant	Claudette Spencer	



Business Development Team

Business Development Manager	Bekele Teklu	(Director – Knowledge Quarter Co-op; Action Group for Ethiopians; Solidarity Committee for Ethiopian Political Prisoners; Deans London)
Social Enterprise Development Manager	Brian Millington	(Director – Greenmarque; London Co-op Development)
Social Enterprise Development Adviser	Olivia Katis	
Social Enterprise Development Worker	Rhiannon Colvin	(Director – AltGen)
Social Enterprise Development Intern	Michele Bianchi	(Internship supported by Erasmus)
Social Enterprise Development Intern	Mariah Wilde	(Seconded from Meg Hillier MP)
Administration & Monitoring Assistant	Liya Takie	

Property Team

Property Manager	Leah Keene
Tenants Support Officer	Rob Devoy

Cultural Programming and Community Events

Gillett Square Creative Producer	Clarissa Carlyon
Community Organiser	Anja Beinroth
Production Co-ordinator	Donovan Morris



HCD would like to thank all of our partners and supporters who have helped us to achieve a great impact for Hackney over the past year, including:

UBS

London Borough of Hackney

British Council

West Hackney Parochial Charity

Department of Communities and Local Government

Locality

Gresford Architects

Tinder Foundation

Russell-Cooke

STORE School of Architecture

School for Social Entrepreneurs

Co-operatives UK

Barcant Bearden

Social Enterprise UK

National Lottery Awards for All

HCD Trust

Arts Council England

Calverts

Social Enterprise Mark

Genossenschaft für Urbane Kreativität

Bootstrap Company

Hackney CVS



We would especially like to thank Tom Gresford, James Allen and all at Gresford Architects; Sarah Craner, Patsy Francis and volunteers at UBS; Cory Defoe and the Regeneration Team at London Borough of Hackney; Sara Turnbull at Bootstrap Company; Sion Whellens and Rowan Powell at Calverts; Glenn Mottershead for photography and journalism; Kristel Jeuring, Vicki Papworth and all at Locality; Kevin Cheeseman and Chatelle Jeram at Pure Social Enterprise.

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