

# Untold banking

Community Development Banking's quarterly journal

Summer / Autumn 2006



**Community Development Banking at NatWest & RBS works with organisations dedicated to delivering social, economic and physical renewal in marginalised communities and areas of under-investment**

 **Contents**

- 5 Telling the untold:** Andrew Robinson, head of community development banking at NatWest & The Royal Bank of Scotland, offers a welcome to the first issue of *Untold banking*
- 6 Untold digest:** the latest news and stories to emerge from Community Development Banking
- 10 Stepping up from steel:** how a development trust has become a leading force in regeneration by reclaiming local assets
- 16 A blueprint for revival?:** social housing scheme scoops prestigious national award for engaging the local community
- 22 Banking the unbanked:** Kynda Carter tells *Untold banking* about his difficult journey to becoming an award winning entrepreneur
- 28 Realising opportunities:** why a major Scottish disability charity switched to RBS



**NatWest & RBS invested £659 million in small and micro businesses in deprived communities giving them the largest share in this market**

## Telling the untold

**Andrew Robinson, head of Community Development Banking at NatWest & RBS, introduces the first issue of *Untold banking* by explaining why his team disputes the notion of a “no-go” area for investment**

**T**here are 9.6 million people of working age who live in wards that are officially considered to be “deprived”. Over 2.5 million of them are not in work and claim some kind of benefit. Even more are in very low paid jobs.

Despite this, a considerable amount of enterprise and economic activity does take place in these communities. Indeed, last year the NatWest & RBS saw a £100 million increase in loans to support the activities of small businesses located in the 5% most deprived wards, taking its total lending in these areas to more than £659 million.

This fact may come as something of a surprise to the too many people who have written off these places as “no-go” areas for investment. Indeed, the cover story in this first issue of *Untold banking* is one example where local residents have refused to accept their community was the lost cause others suggested.

The residents of the South Yorkshire town of Stocksbridge instinctively knew that attempts to tackle

problems arising from massive industrial restructuring would only ever be successful if the people most affected were given the opportunity themselves to steer the transformation of their community.

The result of this work is a strong community organisation that has launched a social enterprise capable of delivering both social and financial dividends.

It is this approach that is increasingly accepted in both the policy and practice of international development, but until recently had been rare in terms of regeneration and economic development in the UK. It is this approach that Community Development Banking seeks to encourage and support.

Such stories will also become the focus of future issues of *Untold banking*. Each issue will seek to unearth stories about the innovative ways banks, local authorities, voluntary and community organisations, charities, businesses and, of course, local people can work together to achieve real change. ■

## RBS to provide 300 new free ATMs in poorest areas

RBS is to install 300 new free cash machines in the poorest communities in the UK.

The bank is seeking advice from credit unions and community leaders to ensure the most appropriate locations benefit from the ATMs.

Gordon Pell, Chief Executive of Retail Markets at RBS, said: "By working in conjunction with local MPs, local authorities, credit unions and the communities they represent to identify potential sites, the poorest areas in the UK will soon have free access to their cash."

More than half of RBS's ATM network is situated in under-privileged areas.

To register an opinion on where a free cash machine should be located, visit [www.rbs.com/freecashmachines](http://www.rbs.com/freecashmachines). ■

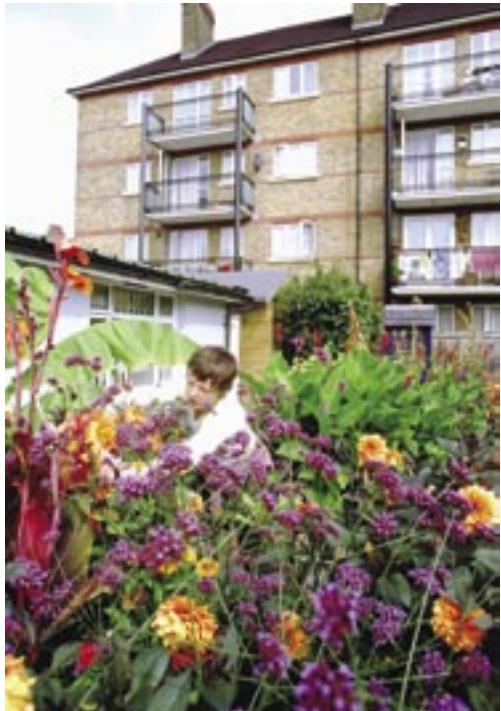
## Banking intermediaries grow in deprived areas

Specialist loan funds, known as community development finance institutions (CDFIs), which are set up to offer financial services to enterprises in disadvantaged communities, had a loan portfolio of £181 million last year.

According to research sponsored by NatWest & RBS, the CDFI sector controlled nearly £450 million of capital for onward lending in 2005.

In addition, the research undertaken by the Community Development Finance Association, found the banking sector was the third largest contributor of capital, providing 20% of the sector's income for onward lending.

The biggest markets for CDFIs were social enterprises, microenterprises and small businesses. For a full copy of the research, *Inside out*, visit [www.cdfa.org.uk](http://www.cdfa.org.uk). ■



## Treasury launches regeneration review

A major review of the impact of co-operatives, social enterprises and voluntary and community sector organisations on regeneration has been launched by the Treasury.

Ed Miliband, the minister responsible for the third sector, announced plans for a series of seminars across the country this Summer, which will consider possible roles for these organisations in both economic and social regeneration. The plans were unveiled at a meeting of key representatives from these sectors in May.

The group will work with leading trade bodies in the voluntary and community sector, including the British Association of Settlements and Social Action Centres, the Development Trusts Association and the Social Enterprise Coalition.

Community Development Banking led a session on overcoming the barriers to start up and innovation for organisations operating in the social economy. For further information visit [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk).

## Lending in deprived areas

Micro enterprise and small business lending by NatWest & RBS in the 5% most disadvantaged wards stood at £659 million in 2005, giving them a leading 39% of this market.

As the stories in this issue of *Untold banking* show, the areas once considered to be economically stagnant, offer viable opportunities for finance and investment.

In addition, the Community Development Banking team works with a wide range of partners pioneering approaches to ensure those living in these areas, who may be unable to access credit from mainstream financial service providers, are able to access the funding they need to improve their income and assets. ■



## RBS Innovate fund launched

A £100,000 fund dedicated to supporting projects that promote financial awareness and inclusion has been unveiled by NatWest & RBS and Transact, the national forum for financial inclusion.

One of the key objectives of the third round of "RBS Innovate", which is managed by Transact, is to kick-start new financial inclusion services in organisations that do not currently offer them. Existing financial inclusion projects could also benefit from the fund by working with organisations that are not solely focused on financial inclusion.

Faith Reynolds, Transact Coordinator, said: "RBS Innovate is an excellent way for organisations from all sectors to consider how they too can promote financial inclusion as part of their direct service provision. We're looking forward to applications."

For more information visit [www.transact.org.uk](http://www.transact.org.uk).







## ↗ STEPPING UP FROM STEEL IN YORKS

A development trust has become a leading force in the regeneration of a steel town ravaged by massive industrial restructuring. *Untold banking* examines its asset building and award winning approach

A development trust has launched a social enterprise which will be charged with opening a pioneering £2.3 million multi-functional community centre in a South Yorkshire town hit hard by the decline of steel manufacturing.

STEP Business Enterprise Ltd (SBEL), whose set up costs were met by a loan from NatWest & RBS, is to rebuild the centre out of the former Stocksbridge Works Victory Club, which adjoins the town's steel works.

In its heyday the local steel industry employed over 12,000 people falling to 6,500 by 1980 and now just over 1,000. This, of course, has resulted in major challenges for the town's 14,000 residents. It has since been targeted to receive Government and European support aimed at kick starting economic regeneration.

STEP was launched as a development trust in a bid to tackle the issues caused by the decline of steel manufacturing.

The Fox Community Centre project is the biggest to have

been embarked upon by SBEL, which was launched as a trading subsidiary of the Stocksbridge Training and Enterprise Partnership in June 2005. While offering the community an invaluable resource, it is hoped the centre will generate a surplus that can be reinvested into other community projects and enterprises.

Andrew Clarke, Chief Executive of STEP, says: "The centre is the best known venue in the town. When it was funded through the subscriptions of the steel workers it was a very viable operation. When many of these jobs were lost, subscriptions fell and the future of the centre was in serious doubt. It would have meant the loss of an invaluable asset for the local community."

The 17,000 sq ft centre, which will continue to operate as a local theatre and performing arts/events venue will also offer a licensed bar, catering, meeting and conference facilities. SBEL also hopes the complex will provide rented space to local community organisations, enterprises and local businesses.

Although the site and premises remain

owned by the steel company Corus, SBEL's parent organisation STEP, has acquired a long lease on the buildings, which enabled funding of £1.7 million to be levered in from European funds and the regional development agency Yorkshire Forward.

Mr Clarke adds: "The decline of steel has forced a major restructuring of Stocksbridge. We have found ourselves in the midst of a large regeneration project and we need to make sure we are placed to explore opportunities to both provide new opportunities and generate wealth."

The positive impact of the development trust movement on deprived communities across the UK has led NatWest & RBS to view it as a critical plank of successful regeneration programmes (see *A blueprint for revival?* on p16/17). Indeed, the group has supported the movement's trade association, the Development Trusts Association, since its inception in 1994. ■

- Further information:  
[www.step-online.org.uk](http://www.step-online.org.uk).  
[www.dta.org.uk](http://www.dta.org.uk).

The Stocksbridge Victory Club is to be given a new lease of life

# STOCKSBRIDGE VICTORY CLUB





**With 800,000 basic bank accounts accessible through Post Office branches,  
NatWest & RBS have the largest market share of this market**



## ➤ A blueprint for revival?

**A social housing project financed by NatWest & RBS has received a prestigious national award for engaging local residents in regeneration**

**A** radical regeneration programme, designed to revitalise the previously downtrodden Petersburn estate in Airdrie, Scotland, has scooped a prestigious award for its success in engaging local people in building a sustainable community.

The programme, undertaken by a partnership led by registered social landlord the Link Group, won the Chartered Institute of Housing in Scotland's award for Excellence in Community Regeneration. It was financed through a deal with NatWest & RBS, worth £26 million, including a Housing Association Grant worth £17.4 million.

The scheme required a complete overhaul of the estate, including a partial demolition of the 1960s dilapidated housing stock, which was then replaced by 248 new environmentally sustainable homes. The majority of the new stock is for social rent, but with provision also made for shared ownership and outright sale.

Environmentally sustainable homes and community facilities have been integral to Petersburn's renewal







Petersburn's unpopular dilapidated concrete housing has been consigned to history

## KEY FACTS

- 248 new environmentally sustainable homes
- Brand new community facilities
- Local job and training opportunities
- Support for community-led organisations to take ownership of the area's regeneration
- Chartered Institute of Housing in Scotland's award for Excellence in Community Regeneration

The Petersburn estate, which is located within the 15% poorest neighbourhoods in Scotland, has also been witness to major investment in green spaces, community safety and local facilities.

But the critical acclaim owed itself to more than bricks and mortar. Indeed, the Petersburn programme won the award because of the high levels of community engagement and partnership working it achieved throughout the redevelopment.

Link Group secured funding from Communities Scotland to help set up the local Petersburn Development Trust, which is a community-led organisation run by tenants, residents, and representatives from the local school and Airdrie United football club.

As well as overseeing the

development of the Community Park, the Petersburn Development Trust also runs programmes to tackle anti-social behaviour and provide training and employment for local people.

During the building process itself, Link Group was able to create more than 70 local employment opportunities in an area of high unemployment.

Douglas Sievwright, Chair of the Link Group, said: "We are proud to be receiving this award, which not only recognises Link's efforts, but also those of the local community, North Lanarkshire Council and other agencies, which have been instrumental in its success."

With £6 billion arranged for the sector, NatWest & RBS are the UK's leading arrangers of finance for registered social landlords. ■





**NatWest & RBS were the first banks to introduce a community bond, sold through their branches, to boost investment in deprived urban and rural areas**



## A STAIRCASE TO A NEW LIFE

Kynda Carter travelled a long way before finding himself in conversation with HRH The Prince of Wales at The Prince's Trust and RBS Celebrate Success Awards. Here, Kynda tells *Untold banking* how he has overcome a troubled past to become an acclaimed entrepreneur

In February 2006, after winning the prestigious Royal Bank of Scotland Enterprise Award, the Hertford-based entrepreneur Kynda Carter was listening to HRH The Prince of Wales' idea to promote The Prince's Trust in prisons. The Prince suggested printing Kynda's story on flyers and handing them out.

Kynda recalls: "Walking around in a suit in the same room as the Prince, Trevor McDonald, Will Young and Pierce Brosnan was quite surreal. It's a long way from where I've come from."

Kynda was born in London, but moved to Wales with his mother and step father when he was 13 year

old. Things did not go according to plan. He says: "I had problems at school and I was put into a home for children with learning difficulties. I left at 15 without any GCSEs. The first night back home, I had a fight with a family member and ended up being told not to come back in the middle of the night. I had just £5. I rang the police and they took me to a home in Brecon."

It was here that Kynda met his former girlfriend Michelle. He says: "I worked on a poultry farm and spent all my free time partying, using cannabis and ecstasy. When I was 20 Michelle had our son, Jay."

Kynda's drug use begun spiralling out of control and

he got into huge debt. He says: "I can't go into it legally, but I ended up serving two years in a Welsh prison."

It was while serving his prison sentence that Kynda went to a carpentry workshop organised by officers. He quickly developed a flair and passion for the trade.

"I knew when I was inside that I didn't want to come out to the same situation. Some officers told me about The Prince's Trust and I sent a letter to the Cardiff office."

One of the mentors helped Kynder develop a business plan and portfolio, which were ready when he was released in 2003.

Part of Kynder's bail conditions was that he lived with his sister in Hertford. He approached The Prince's Trust in St Albans with his idea for a carpentry business. He was awarded a £1,000 grant followed by a £4,000 loan, which he has since paid back .

Meanwhile, a friend of Kynda, who owned a factory building staircases, announced he was emigrating. In 2004, Kynda took over the factory.

He says: "My company is now called Simply Staircases and I employ one person full-time and two part-time." The company is now inundated with work, turning over between £6,000 and £12,000 a month.

While Kynda no longer requires the support of a business mentor, the Trust still supports Kynda. "They've



Kynda scoops a prestigious award after overcoming the odds to succeed as an entrepreneur

just put me in touch with a guy who is designing my website. That is one thing about the Trust, it has got a wicked network." ■

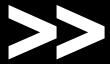


## 2006 NOMINATIONS OPEN

Nominations are now being invited for the regional and country rounds of The Prince's Trust Celebrate Success Awards 2006-07. These winners will then be put forward for the prestigious UK award, which will be announced at an Oscar-style ceremony in early 2007. The closing date for nominations is 12th September 2006. For more information call Freephone 0800 842842.

## BUILDING A PARTNERSHIP

The Prince's Trust and the RBS Group are encouraging young people to be enterprising: inspiring them to take the initiative, be bold and embark on new ventures. As part of a £5 million partnership with RBS, The Trust is working in areas of high unemployment to create enterprise and job opportunities for young people who leave school with no qualifications. More than 1,500 RBS staff also give their time to help The Trust's young people, many acting as mentors to young businesses.



**NatWest & RBS are working with HM Treasury on rolling out a radical new approach to stimulate enterprise in the UK's 2,000 most disadvantaged neighbourhoods**



A photograph showing a low-angle view of a modern residential building complex. The buildings have a unique, textured facade made of many small windows or panels. In the foreground, the dark silhouette of a person's head and shoulders is visible, looking upwards towards the buildings.

>>

**NatWest & RBS are pioneer investors in the UK's community development finance sector, which is widening access to finance for enterprises in areas of under-investment**



## ↗ Building momentum

**Community development banking seeks to finance organisations giving opportunities to marginalised communities across the UK. Scottish charity Momentum switched to RBS to take advantage of the bank's experience in the sector**

**M**omentum is a major Scottish not-for-profit organisation, which works across Scotland to enable and empower disabled and excluded people to gain greater independence, confidence and access to training and employment.

The organisation recently switched to banking with RBS, attracted by its "personal, client driven approach and its experience and knowledge of our sector."

Working in the fields of brain injury, spinal injury, mental health, learning disability, physical disability, care, social enterprise, employment and substance misuse, Momentum helped around 1,500 people across Scotland to rebuild their lives during 2005.

One such service user is Peter Elliot who has become an audio engineer with the BBC just a year and a half after sustaining a life threatening brain haemorrhage.

Peter (pictured left), who lives near Stonehaven, says: "My life changed almost beyond recognition when

I had a brain haemorrhage. My wife and I had only been married for two years and were renovating our cottage near Stonehaven. This took up most of our spare time but, above all, we were happy."

Momentum works with people like Peter to break down the barriers that prevent them from realising their full potential and encourages them to move towards social and economic independence.

The programmes on offer, together with organised work placements and job coaching, enable clients to regain a foothold in the world of work or further education. And for those people who need assistance to live independently in their own homes, Momentum's care services allow them to do so, while continuing to be active citizens within their own communities. ■

- For further information:  
[www.momentumscotland.org](http://www.momentumscotland.org)



## Contact

Community Development Banking at NatWest & RBS is striving to work with organisations capable of delivering real and tangible change to the most disadvantaged communities and deprived neighbourhoods across the UK.

The CDB team wants to learn more about any organisation wanting to build strong and sustainable neighbourhoods.

**T** 020 7427 9139

**E** [cdb@natwest.co.uk](mailto:cdb@natwest.co.uk) or [cdb@rbs.co.uk](mailto:cdb@rbs.co.uk)

**>> Contact us if you would like to receive future issues of *Untold banking*.**





This publication has been produced on recycled paper.