



September
2020

Dear Friends and Supporters

Since the last newsletter, we have all been coping with the impact of Covid-19 and the fall out of the lockdown. Perhaps the first thing to say is that Purple Shoots and most of its borrowers and groups have all survived!

With the advent of lockdown, most of the businesses and all the SRGs had to close down. Frustratingly, large numbers of our borrowers did not qualify for any of the support announced by Governments – I wrote at length to a range of Ministers and was active on social media but to no avail – it demonstrated a real lack of understanding of microbusinesses and a failure to value them in any way. (There is a blog on the Purple Shoots website about this) As a result, our borrowers had to resort to Universal Credit which gave them just about enough to live on but contributed nothing to their business commitments. One of those commitments was of course our loan and many of them approached us for repayment holidays – which we granted and, unlike most lenders and banks, froze interest charges so that they won't face an enlarged loan to repay when they are back on track.

Those repayment holidays created a large hole in our income and could have left us in difficulties – however, we were rescued by the prompt intervention of the Waterloo Foundation who have funded us previously, and we are very grateful to them. We also successfully raised funds from WCVA, the Community Foundation in Wales and the Big Lottery to enable us to keep going into the Autumn and beyond and to build back the ground that has been lost, particularly with our SRGs.

As thoughts turned to economic recovery, we looked for funds focussed on this, convinced that our resilient microbusinesses will be at the vanguard of recovery because they are small, flexible and local, committed to their communities. We anticipated a big surge in demand for lending as people looked to seize new opportunities as lockdown ended or to make new beginnings following redundancy or just a rethink whilst on furlough. In the last month or so we have seen demand for our lending double compared with a normal month – so we were delighted to be able to announce the new PURPLE MOON FUND – a loan fund provided by the Moondance Foundation to help us help our borrowers to lead economic recovery in Wales. We are extremely grateful to them for their commitment to and belief in what we are doing.

Lending

Our borrowers have shown remarkable resilience through the Covid crisis and many have already restarted their businesses, others have adapted what they do to fit the regulations, and others have been planning new things for when lockdown ends. And all that in the face of not insignificant financial hardship. Some of the many examples:



Tiff's Cleaning Angels, a cleaning company in Cardiff normally working with the elderly and in places requiring specialist cleaning like doctors' surgeries, was not able to work but Tiffany is planning big things for when she is open again, redesigning her website, focussing and building on her strengths in deep cleaning and developing her own line of cleaning goods.



Lisa runs a cake shop in Pen y Graig, also forced to close for the lockdown. This was one of her Facebook posts. "I have been thinking of the way forward for Lisa's Cake Station. My passion is higher than ever, my passion is my beautiful, loyal customers who are now friends. After learning yesterday that I am not entitled to any help via my business I need to make it work on my own. This will be a challenge BUT a challenge I will BEAT." She has been baking and delivering throughout lockdown around her community and recently received a letter of thanks from her local politician for her services to local people. She has big plans for when she reopens.



Sarah Kift of the Gower Seafood Hut on the Mumbles – re-opened as soon as she could and has done a brisk trade ever since. She has repaid her loan to us in full early.



The Purple Moon Fund has enabled us to support a number of new businesses already including: Beauty therapists, holistic therapists, aesthetics practitioners, caravan cleaning specialist, taxi driver (in Harlech), fitness instructor, kitchen refurbisher and decorator, soap manufacturer, candle maker, gardener and a company, staffed entirely by people with disabilities who have designed a facial recognition facemask – to enable lip-reading. They have sold hundreds in their first week.

SELF RELIANT GROUPS

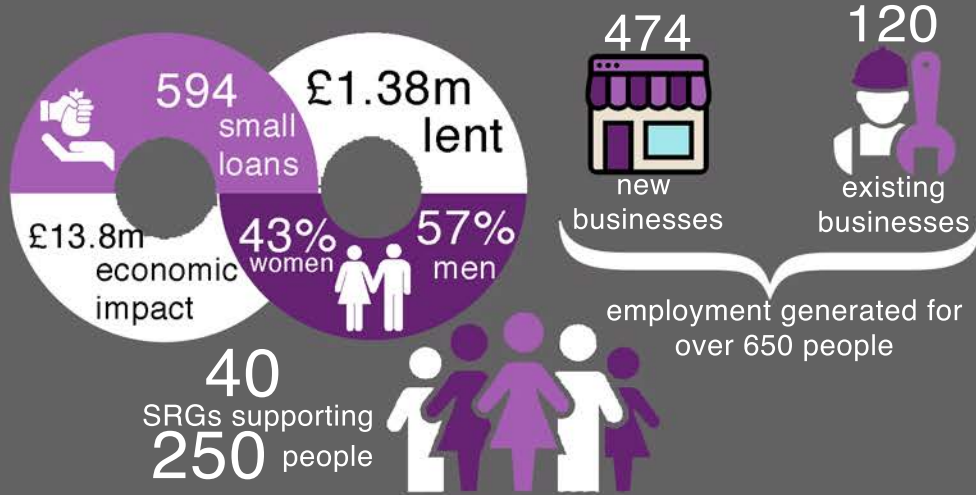


Although the groups can't meet, they have kept in touch with each other through Whatsapp, Facebook, Zoom and phone calls. The lockdown has exposed issues around Internet connectivity and access to devices for some of them which has posed a challenge for us. We have been running weekly chats and information/demonstration sessions on zoom for any of the groups who want to join in and for 3 weeks in the summer, we ran a "Virtual Village Fair" for our groups but also involving partner organizations running SRGs in Manchester, Leeds and Scotland which introduced some inter-regional competition. There were a wide range of activities and competitions – from skittles and fancy dress to baking, cooking, gardening, best pet and handcrafts of various types. We had independent judges – although Wales did win! Hundreds of people entered via Facebook and thousands were engaged. In fact it was so successful we think we will run it every year, lockdown or not.



Our Community Cafes run by our Miss Tilley's groups also had to close – we kept the groups together through regular competitions and baking, sometimes delivering the results, and working on a recipe book. Tentative steps towards re-opening the Fire Station Canteen have started – the Fire Station have added an outside area so we can provide outside seating, but we have also developed a gardening group who are growing produce for the café. We hope we can get back to the sort of thing pictured above soon. There are big plans to grow these groups as they are so successful in providing proper opportunities for their members.

We passed our 7th Birthday in July – here are some of our achievements in those 7 years:



The Citi UK Microentrepreneurship Awards were virtual this year, as everything else – but Purple Shoots won runner up in the Resilience category. We were delighted with this recognition from a panel of judges which included representatives from Citi Community Development and Inclusive Finance and the Financial Times.

These next few weeks will be critical as the Government seeks to nurture the economy back to life. We are joining the calls to “build back better” – to rebuild a more just economy. We need to be asking fundamental questions like “what is the economy for?” and “Who do we want it to benefit?”, and to resist a return to the status quo, where growth and profit were the things that were valued. There is an article about this on our website too <https://purpleshoots.org/building-back-better-some-suggestions/> where I suggest a few fairly straight forward changes to Company Law and to the benefits system which would enable some things to change immediately.

Thank you for your support of Purple Shoots.



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