

A Co-operative Greater Manchester

People and Communities Working Together to Improve the Environment, Create Good Jobs and Sustainable Growth

A report of the Greater Manchester Co-operative Commission

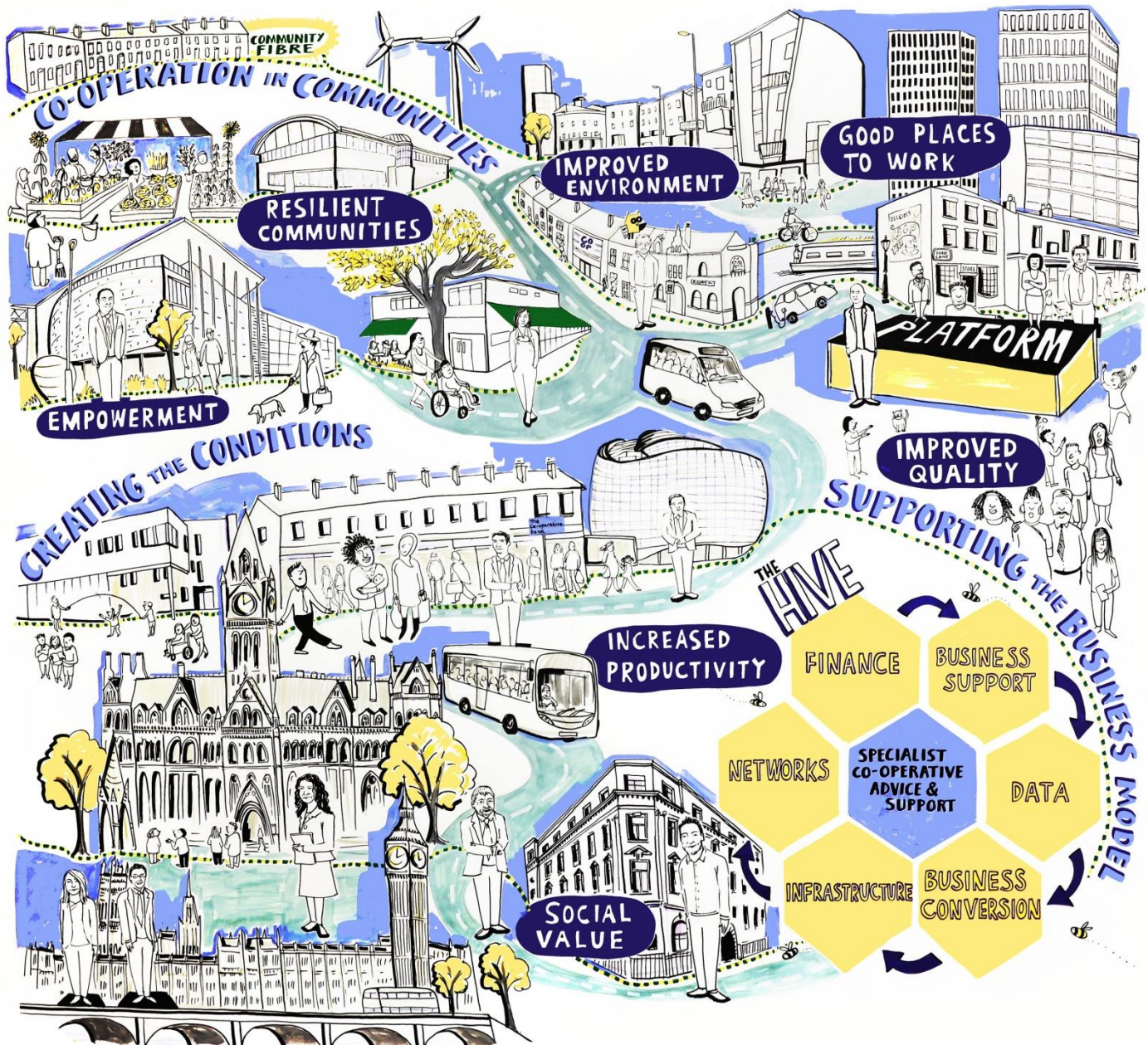


Table of Contents

Foreword3

Executive Summary4

Introduction: Background and Rationale for the Commission 19

Informing the Commission..... 35

What are the key barriers and challenges to co-operative development? 36

Creating the Conditions for Co-operatives to Thrive 38

Co-operation in Communities 45

Supporting the Co-operative Business Model..... 53

Concluding Remarks..... 74

Appendix A: Greater Manchester Co-operative Commission Terms of Reference 77

Appendix B: Commissioner Biographies 82

Appendix C: Call for Evidence 86

Appendix D: A list of individuals who presented evidence to the Commission and the titles of their presentations..... 94

Foreword by the Chair of the Greater Manchester Co-operative Commission Cllr Allen Brett, Leader of Rochdale Council



On behalf of the members of the Greater Manchester Co-operative Commission, I am pleased to present our report. We have considered evidence from across the world, as well as some of the exciting work happening closer to home, and have made recommendations which we believe will grow co-operation and co-operative business in Greater Manchester. Our vision for Greater Manchester is one where people collaborate, communities are empowered and co-operatives grow and thrive. The creation of a Greater Manchester Co-operative Zone and a supportive strategic, financial and legal environment will enable this vision. Devolution gives Greater Manchester the mandate to deliver an economy fit for the future, with prosperous communities across the city-region, and co-operation can be the mechanism by which citizens are able to take part.

The Pioneers set up their first co-operative shop in Rochdale and we believe that Greater Manchester should continue to lead the way in co-operative innovation, applying the principles and values to create an economy based in maximising impact and productivity for all. The following report provides expert guidance on how this can be achieved.

Cllr Allen Brett

Executive Summary

Background to the Commission

Rochdale in Greater Manchester is commonly credited with being the birthplace of the international co-operative movement. In 1844, a group of 28 local people founded the Rochdale Society of Equitable Pioneers and opened a store to sell food and household items at affordable prices in a time when working people were increasingly being pushed into poverty due to how business was operating in the context of the Industrial Revolution. The Pioneers developed their own set of principles which were the foundation of those followed today by co-operatives across the globe.

Today, Greater Manchester is home to almost 300 co-operative organisations across a range of industries (see case study A for some examples), including the Co-operative Group – the UK’s largest consumer co-operative. Co-operatives with their headquarters in Greater Manchester collectively have an annual turnover of more than £11.5 billion, employ over 66,000 people, and have almost 5 million members. The city-region is also home to the Co-operative College providing education for individuals and organisations, as well as conducting international research, with the Co-operative values at the heart of all projects, as well as the national association Co-operatives UK, which unites, develops and promotes co-operatives.

However, whilst the co-operative movement in Greater Manchester has a long and rich history, co-operatives make up less than 0.5% of all businesses in the city-region. Whilst the revenue and employment figures look promising, the Co-operative Group make up the vast majority of both of these figures (more than 90%).

It is clear that co-operative developments which have come about in other countries or other parts of the UK have not happened in Greater Manchester. There are examples, both nationally and internationally, where co-operatives play a much more fundamental part in the local economy than is seen in Greater Manchester. Spain, Italy and Sweden, amongst others, provide examples that Greater Manchester can learn from of how to implement a system that provides the opportunities for co-operatives to thrive.

To help to understand the challenges and opportunities to developing the co-operative sector in Greater Manchester, In July 2018, the Greater Manchester Combined Authority (GMCA) agreed to set up the Greater Manchester Co-operative Commission to ensure that the city-region stays at the forefront of co-operative development. The Commission would sit as an independent panel, making policy recommendations to support the continued development of the co-operative sector in Greater Manchester and to ensure that GMCA is drawing on the benefits that co-operatives can bring to our local economy.

The Commission was chaired by **Cllr Allen Brett**, Leader of Rochdale Borough Council and Vice Chaired by **Cllr Angeliki Stogia**, GMCA Deputy Portfolio Lead for Community, Voluntary and Co-ops. Nine independent Commissioners were appointed with the aim of bringing a wide range of experience and expertise from across the co-operative movement.

The nine Commissioners were:

- **Cliff Mills, Consultant - Anthony Collins Solicitors**
- **David Batten, Chair – Credit Unions for Greater Manchester**
- **James Wright, Policy Officer - Co-operatives UK**
- **Jo Platt - Former Labour and Co-operative MP for Leigh**
- **Kellie Bubble, Director - Unicorn Grocery**
- **Mike Blackburn OBE, Chair - Greater Manchester Local Enterprise Partnership**
- **Paul Gerrard, Campaigns and Public Affairs Director - Co-operative Group**
- **Shaun Fensom - Cooperative Network Infrastructure**
- **Simon Parkinson, Chief Executive and Principal - Co-operative College UK**

Informing the Commission

To inform the Commission, a formal Call for Evidence was launched, providing individuals and organisations with the opportunity to directly contribute on the Commission’s Key Lines of Enquiry and opportunity areas. A total of 46 responses were received, two from individuals and the rest from organisations. A wide range of organisations from a wide range of sectors provided evidence, including small, local businesses to large, international organisations.

To complement the formal Call for Evidence, a desktop review of data and research has been analysed. This included a review of both national and international literature, as well as a review of the ongoing work across Greater Manchester. For each opportunity area, a designated meeting was held to discuss and debate the evidence received and guest speakers with expertise in the area were invited to present evidence to the Commission. This information was used to facilitate discussion, debate and ultimately to inform the findings of the Commission, supporting the recommendations made.



The Commission focused on three opportunity areas:

- **Housing**
- **Transport**
- **Digital**

Plus, an additional cross cutting theme of business development. From the evidence gathered, it was clear that there are a number of overarching themes that affect all of the opportunity areas. Therefore, the findings and recommendations are grouped based on three key areas:

- **Creating conditions for co-operatives to thrive**
- **Increasing co-operation between people in communities and organisations both public and private**
- **Enabling people to see how they can play a significant part in improving communities across Greater Manchester through the co-operative approach to business.**

A number of additional considerations for the individual opportunity areas are then discussed.

What are the key barriers and challenges to co-operative development?

The Commission identified the following key challenges:

A lack of real awareness and practical understanding of alternatives to traditional business.

A perception that the challenges and complexities involved in setting up or converting to a co-operative outweigh the benefits; therefore, the option is not adequately explored.

The mainstream service provision available to businesses (advisors on finance, accounting, law, governance and regulation) are not professionally trained in co-operative approaches and are not necessarily equipped to advise of co-operative businesses

The distinct legal and organisational structure of co-operatives can create challenges for investment and lending for banks, public and private sector investors, credit reference agencies and people doing due diligence, because they are not familiar with the different purpose of such organisations, and their different strengths.

The purpose and ownership structure of co-operatives are incompatible with some established approaches to financing businesses, including angel investment and venture capital.

Often a co-operative approach is not considered as a mainstream option in strategy development, if at all.

Creating the Conditions for Co-operatives to Thrive

In order to help people to be able to play a part much more easily in meeting local needs through co-operative and social business, whether as users, workers, residents or volunteers, Greater Manchester needs to do more to

create conditions where such enterprises can not only exist but thrive. In order for Greater Manchester to effectively overcome the barriers and challenges faced, five key changes are needed:

- **Increased political leadership**
- **New approaches to public sector procurement**
- **Legal reform**
- **Increasing financial enablers**
- **Greater Manchester should be designated as a Co-operative Zone with a dedicated resource to offer business advice and support for both existing co-operatives and those who wish to start or convert to a co-operative approach**

Specific recommendations to help to create the conditions for co-operatives to thrive in Greater Manchester

1. Call for the review and strengthening of co-operative law in the UK alongside any review of company law.
2. The constitution of Greater Manchester Combined Authority to expressly recognise co-operative and social business for the benefits they bring to an economy in keeping with International Labour Organization recommendation 193; and that GMCA should encourage the 10 Greater Manchester local authorities to do likewise.
3. GMCA should establish a democratic charter articulating the values of self-help, self-responsibility, equality, equity and solidarity. The charter should promote the involvement of users, employees, volunteers and citizens in the provision of goods and services in the city-region and encourage the 10 Greater Manchester local authorities, Transport for Greater Manchester, the Greater Manchester Health and Social Care Partnership and other relevant organisations in the region to sign up to it.
4. All of Greater Manchester's local authorities should consider becoming members of the Co-operative Councils' Innovation Network.
5. All Greater Manchester and local authority strategies to include consideration of how the engagement of citizens and communities through co-operatives and co-operation can help to deliver the strategy and how this can be facilitated in associated delivery plans.
6. A 'study tour' should be organised so Greater Manchester's policy makers can learn from places where co-operative innovation is playing a large part in re-invigorating local democracy and economic regeneration – this includes both in the UK and nationally.

- 7. Support small organisations in Greater Manchester to co-operate in the delivery of public contracts, specifically by creating a legal/organisational solution for such co-operation, to be accompanied by guidance/support for organisations to make use of it.



8. An up-to-date toolkit and learning programme being devised to address this.
9. All contracting authorities in the Greater Manchester giving consideration to the adoption of the principles to place more emphasis on the added social value of a contract in their corporate strategies so that they can then be used to inform commissioning and procurement practice.
10. Procurement officers receiving training on the benefits of the co-operative as a legal form for a stable supplier of services, especially in terms of financial strength.
11. More capacity-building being provided to enable co-operatives to bid effectively in the public procurement arena.
12. The Greater Manchester Co-operative zone to work with banks and other financial organisations to help reduce the barriers to co-operatives accessing finance.
13. Actively promote the funding of community-based initiatives through community share offers, exploring the option of a Greater Manchester community investment platform.

Co-operation in Communities

To improve co-operation in Greater Manchester's communities, five key changes are required:

- **An increase in community-led, placed based approaches to community ownership and economic development**
- **Increased promotion of the benefits that credit unions can offer to individuals**
- **Improved support for communities to help them to understand their co-operative options**
- **An increased focus on evaluation**
- **Increasing the diversity of co-operative members and users**

Specific recommendations for increasing co-operation in Greater Manchester's communities

14. Actively encourage the participation of the co-operative sector and individual co-operatives in Bridge GM and the GM Enterprise Adviser Network to improve awareness and understanding of co-operatives.

15. The need for a strategic approach of the co-operative sector that includes all relevant organisations across Greater Manchester, this includes a co-ordinated media campaign between the Co-op Group, Co-ops UK and relevant partners, which is aimed at the general public about the value of co-operatives in Greater Manchester, including promoting the success of local community ownership schemes, including the benefit of credit unions.



16. The Mayor of Greater Manchester should lobby Government for the relaxation of capital requirements and to request a review of the Credit Union Act; this would enable credit unions to provide more financial services to a wider range of people.
17. Greater Manchester should develop practical ways to evaluate, understand and celebrate the benefits co-operatives generate for their members and their communities. These benefits might include decent livelihoods, access to opportunities, the availability of socially beneficial products and services and the

creation and recirculation of locally controlled wealth. They might also include being more responsive and flexible in meeting local needs, building local engagement, capacity and community aspiration. Approaches would need to assess both the quality of these benefits and also how broadly these benefits are shared.

18. In implementing the Greater Manchester Local Industrial Strategy, the GMCA should empower place-based partnerships of residents, local businesses and community organisations to design and implement initiatives for skills, livelihoods, enterprise development and infrastructure. The focus should be on nurturing, mobilising and connecting social capital alongside economic capital. This could draw in emerging practice in ‘community-led economic development’, such as the EU’s little-known ‘Community Led Local Development’ model, as well as recent and ongoing community-led economic development pilots that utilise of co-operative and community business models.
19. Greater Manchester local authorities should consider alternative forms of social provision, including strategic use of co-operatives (service user and/or staff led), local social enterprises and socially driven SMEs as part of their commissioning and provider arrangements in order to maximise social and economic benefits.
20. To enable credit unions to provide more financial services to a wider range of people, the Mayor of Greater Manchester should lobby Government for:
 - a relaxation of capital requirements
 - maintenance of proportionate regulation
 - a review of the Credit Union Act
 - investment in credit unions

Supporting the Co-operative Business Model

To support co-operative business through the whole of the business lifestyle, five key changes are required:

- **Increased support for commercial businesses to convert to a co-operative approach**
- **Increased support for co-operative businesses to understand the market and the needs of the consumer**
- **Encouraging all Greater Manchester co-operatives should work towards the principles laid out in the Greater Manchester Good Employment Charter**
- **An increase in awareness raising of co-operative ways of working, Greater Manchester co-operatives should actively engage with initiatives which teach and develop young people about business**
- **More support available to co-operatives to help to measure, understand and celebrate the impact that they have**

Specific recommendations for ways in which Greater Manchester can support the co-operative business model

21. Greater Manchester Co-operative Zone to work with the Greater Manchester Chamber of Commerce, Greater Manchester Centre for Voluntary Organisation, Manchester Digital and the Greater Manchester Growth Hub to equip business advisors with a basic practical understanding of co-operative approaches.
22. The Greater Manchester Co-operative Zone to help 'family owned' SMEs in Greater Manchester plan for ownership succession and explore conversion to co-operative ownership as a succession option; and to provide access to expert support when business leaders and their workers decide a co-operative conversion is the right option.
23. The Greater Manchester Co-operative Zone to work with the co-operative and mainstream business advice sectors to improve access to expert advice and support for co-ops in the city-region, including business planning, organisational design, culture, governance and HR capability.
24. The Greater Manchester Co-operative Zone to facilitate co-operation between co-operatives in Greater Manchester.
25. A piece of research is needed into the detailed market opportunities which exist in Greater Manchester for co-operatives, including emerging sectors, localities and communities across the city-region.

26. All Greater Manchester co-operatives should aim to work towards the principles in the Greater Manchester Good Employment Charter in order to demonstrate their commitment to employees and members.



27. Co-operatives across Greater Manchester need to be supported to offer work experience opportunities through Bridge GM and to consider the benefits of the Apprenticeship Levy to support the development of apprentices in co-operative businesses and the Greater Manchester Co-operative Zone to advertise these opportunities.
28. Greater Manchester should lead on developing a city-region version of the pioneering SMART co-operative. A Greater Manchester version could draw on the Belgian experience adapted to the unique conditions in the city-region and the UK. This could draw together 'freelancers' and people in precarious employment into a powerful economic unit.

29. The Greater Manchester Co-operative Zone must provide evaluation support so that the co-operative sector can prove its collective value. This would support individual co-operatives can use tools and business approaches, to measure and evaluate the benefits they create for their members and their communities, including 'social accounting', to 'prove, improve and be accountable' for the social value.

Co-operation in the Commission's Three Opportunity Areas

From the three opportunity areas which the Commission looked at, a number of sector specific challenges were identified which need to be addressed to enable citizens and communities in Greater Manchester to engage in finding their own solutions.

Housing

The average selling price of a house in Greater Manchester in November 2019 was just over £200,000; a 3.43% rise compared to November 2018. With fewer people being able to afford their own home, a greater proportion of Greater Manchester residents are privately renting than ever before¹. This has led to a significant increase in rental costs across the city-region as landlords seize the opportunity to increase profit margins. Co-operatives provide an ideal opportunity for tenants to have control over their housing through co-operative ownership to maintain a decent standing of living at an affordable cost. To enable co-operatives to offer the most benefit the following changes required:

- **Further exploration the opportunities that mutual based social housing offer**
- **Increased use of innovative solutions to access housing / land stock**
- **Creation of a specific Greater Manchester Community Housing Hub**

Specific recommendations for seizing the co-operative opportunities to improve Greater Manchester's housing options

30. GMCA should explore the application of mutual and member ownership in social housing, including through the Greater Manchester Housing Strategy.
31. Requirements for co-operative and community ownership of housing should be embedded into Greater Manchester and local housing strategies, including the Greater Manchester Spatial Framework and local plans. This would include consideration of strategic planning, land allocation and economic strategy to incentivise co-operative and community housing models.

¹ Office of National Statistics (2011). *2011 Census data*. Available at: <https://www.ons.gov.uk/census/2011census/2011censusdata>

32. The Commission supports the proposal of a Greater Manchester Community Housing Hub and recommends that the GMCA and all relevant housing organisations also pledge their support.

33. The GMCA, Mayor of Greater Manchester and Mayor of Salford to lobby government for continuation of national Community Housing Fund.

Transport

The Commission looked at a number of examples of where transport planning is co-operative both in the UK and abroad. The main benefits associated with community-led and co-operative transport were found to include:

- **Reducing emissions and congestion**
- **Managing demand better**
- **Enabling modal shift from polluting cars to greener and public transport**
- **Making public money go further**
- **Building local economic resilience**

There were felt to be strong opportunities for co-operative development in the following areas:

- **Around Greater Manchester's bus reform programme of work**
- **Social care transport**
- **Taxis and private hire vehicles**
- **Rail**
- **Car and cycle sharing schemes / business vehicle use**
- **Electronic charging points**

Specific recommendations for seizing the co-operative opportunities to improve Greater Manchester's transport links

34. Transport for Greater Manchester to carry out a place-based pilot programme for the development of community-owned 'total transport' business models/community transport to link up with shared modes and mainstream network as part of the ongoing work around bus reform.

35. Transport for Greater Manchester, Greater Manchester Health and Social Care Partnership, GMCA as well as wider public sector partners should create opportunities and infrastructure for co-operative and community-led transport options through mainstream integrated transport planning.

36. Transport for Greater Manchester, the Greater Manchester Health and Social Care Partnership and the GMCA explore opportunities for co-operative approaches to support Greater Manchester's health and social care transport needs.
37. Greater Manchester could be an ideal market for the creation of a co-operative taxi app, encouraging all taxi firms to join and creating a single app that works for all of Greater Manchester.

Digital

The vast majority of the digital technologies that are widely used and interacted with on a day to day basis are owned and controlled by private corporations; some of whom are very large and have significant impacts on local economies. There are good examples of co-operating at scale, however, the evidence reviewed by the Commission showed that there is huge potential in the digital sector for the development of co-operatives, both in Greater Manchester and nationally.

Specific recommendations for seizing Co-operative Opportunities to improve Greater Manchester's digital infrastructure and use of technology

38. Consult on the creation of a Greater Manchester digital umbrella co-operative to facilitate formation of consortia for collaborative tendering and SME delivery of big digital projects. This would enable 'pop-up' digital co-operatives to respond to shifting market opportunities and needs as well as facilitating resource sharing e.g. a pool of people with developer skills that companies could utilise when needed.

39. GMCA should work with public and private sector to extend the co-operative neutral host model successfully pioneered in Tameside to other parts of Greater Manchester, aggregating digital infrastructure assets for public use and sharing them with digital and telecoms businesses, including locally based SMEs.



40. GMCA should launch a Greater Manchester-wide user-investment vehicle “Fibre GM” so that communities and business clusters can invest in full fibre and make it available to Internet Service Providers, including local and SME providers.
41. Apply the ‘Digital Exchange’ notion used in Brighton and Tameside to create focal points for digital business development outside the city centre, using cooperatively-owned carrier-neutral access and hosting points based on the LINX ownership model.
42. Encourage collaboration in Greater Manchester on initiatives opportunities such as cooperative cloud - taking advantage of the lively digital sector, the strength of Coop Digital and CoTech members in Greater Manchester and wider.

Conclusions

Greater Manchester has all the growing conditions for co-operation. The *political awareness and will is there*, there are the *emerging strategic drivers* in the establishment of the GMCA and its Greater Manchester Strategy, the Local Industrial Strategy, and opportunities to develop further across health and social care, housing, transport and environmental agendas. Greater Manchester has the *markets for co-operatives* and *is a place of innovation using the co-operative model* and in addition to all of this, *Greater Manchester also has the people* who can form and benefit from the opportunities that co-operatives bring.

The Greater Manchester Co-operative Commission has created the intelligence and a learning resource from which to build. It has also raised the profile of the ambition beyond the city-region and given us contacts across the world – many of whom are willing to help achieve this ambition.

Acting upon the recommendations made in this report will only serve to strengthen the political, strategic and business environment for co-operatives to thrive.

The time is right for Greater Manchester to radically change the focus from traditional business towards wider productivity, communities and the creation of an inclusive economy. By encouraging open and voluntary membership of activities which create social impact; supporting democratic member control and economic participation in business; promoting local accountability; supporting education, training and the sharing of information, as well as co-operation amongst businesses, we can achieve our vision of Greater Manchester being the most co-operative place in the country. Most importantly, we have concern for our communities – supporting local people and giving back to our members.

Greater Manchester must seize the moment - if not now, then when?

1. Introduction: Background and Rationale for the Commission

1.1 What is a co-operative?

1.1.1 A co-operative is an independent group of people or organisations (known as members) who come together voluntarily to meet common economic, social and / or cultural needs and aspirations through a jointly owned and democratically controlled initiative. Each member has an equal share of the voting rights of the organisation, regardless of the amount of capital or resource that they put in².

1.1.2 Co-operatives take many forms, but can broadly be grouped under five categories:

- **Consumer co-operatives** – which are owned and controlled by users (consumers or customers) seeking access to goods and services
- **Worker co-operatives** – which are owned and controlled by those working for an enterprise
- **Enterprise co-operatives** – co-operatives which are owned and controlled by other businesses seeking to work together to provide themselves with goods or services including processing and marketing of members' own outputs
- **Community co-operatives** – co-operatives which are owned and controlled by a community of place and/or interest, where the purpose is to generate benefits for their community
- **Multi-constituency** - co-operatives owned and controlled by more than one interest group such as users, workers, producers, local residents and volunteers.

1.1.3 Co-operatives take their inspiration from the International Co-operative Alliance's Statement of the Co-operative Identity, which have been "the globally recognised core of co-operative philosophy since 1844"³.

1.1.4 The Principles which co-operatives work towards are not rigid rules, but are practical, ethical principles to be applied with vision and proportionately according to the national economic, cultural, social, legal and regulatory context and particularities within which each co-operative enterprise operates⁴.

² International Co-operative Alliance (2018). *Cooperative identity, values & principles*. Available at: <https://www.ica.coop/en/cooperatives/cooperative-identity>

³ International Co-operative Alliance (2017). *Guidance notes to the Co-operative Principles*. Available at: <https://www.ica.coop/sites/default/files/publication-files/ica-guidance-notes-en-310629900.pdf>

⁴ Ibid

- 1.1.5 The fundamental benefit of co-operation is that it provides an alternative basis for business from the dominant shareholder controlled, traditional profit-seeking or state provision. It therefore challenges, and potentially disrupts, business models which are working unfairly (or not at all) for some people – such as employees working in poor conditions for low pay, or because the model is failing entirely and has become unsustainable.
- 1.1.6 Co-operation is a valuable concept because it is based on self-help and solidarity. It is based in the foundation of people coming together as users, workers, producers or communities to find their own solution for mutual benefit; it does not essentially depend upon external agency such as investors, government or philanthropy.
- 1.1.7 Co-operatives are not the only type of enterprise today seeking to challenge established approaches to enterprise. The last two decades have witnessed the rapid expansion of the concept of business which aim to deliver social benefits⁵. The energy and motivation for this sort of enterprise comes from the opportunity to combine social impact with private gain. Co-operatives are formed by people within communities seeking to work together for the common good.
- 1.1.8 A co-operative, as narrowly defined, is the only form of enterprise with an internationally agreed and recognised definition and set of values and principles. However, co-operatives are part of this much wider social business sector, including sometimes overlapping concepts such as social enterprises and mission led businesses. This report seeks to promote and advance co-operative approaches in the wider economy, wherein social and economic value is co-created through the collective agency of empowered communities of interest and place.
- 1.1.9 At individual level, co-operatives provide a mechanism for ordinary people to have a voice and play a part in a joint endeavour with others for their mutual benefit. At community level, co-operatives provide mechanisms for locally-owned and locally-inspired enterprises to be catalysts alongside public and private institutions to stimulate local regeneration, to strengthen local identity, and to develop aspiration through collaborative endeavour.

⁵ Advisory Panel to the Mission Led Business Review (2016). On a mission in the UK economy: Current state of play, vision and recommendations from the advisory panel to the Mission Led Business Review. Available at:

<https://www.gov.uk/government/publications/understanding-mission-led-businesses-terms-of-reference>

1.1.10 Both in Greater Manchester and across the UK there is a strong voluntary sector and a growing social enterprise sector⁶, however the co-operative approach to business has not flourished as well as other forms of social business. Greater Manchester needs this sector to help find solutions to its current and growing needs. Co-operatives and other social business, driven by the energy and enthusiasm of citizens and communities, have an enormous amount to contribute in Greater Manchester, particularly where dominant business models, markets or the state cannot meet needs and aspirations; of which many examples are provided in this report. Citizens and communities have much to offer through co-operatives and social businesses and the Commission aimed to highlight where the opportunities are to enable more co-operation to happen and with greater ease, to best enable those communities and citizens in Greater Manchester to contribute to the common good of the city-region.

1.1.11 Businesses that operate co-operatively offers Greater Manchester something different to only-for-profit, shareholder controlled business. They are:

- **Less likely to fail in the first five years of business⁷**
- **More resilient in times of economic crisis⁸**
- **Can reduce inequalities of power⁹ and wealth^{10,11}**
- **Are very effective at meeting the common needs and aspirations of workers^{12,13}, communities^{14,15}, consumers and small businesses^{16,17}**

⁶ Vickers, I., Westall, A., Spear, R., Brennan, G., & Syrett, S. (2017). Cities, the social economy and inclusive growth: A practice review. Available at: https://www.jrf.org.uk/file/50288/download?token=-ybik_3U&filetype=full-report

⁷ Co-operatives UK (2019). *Co-operative business survival*. Available at: https://www.uk.coop/sites/default/files/uploads/attachments/co-operative_survival_1.pdf

⁸ Birchall, J. & Ketilson (2009). *Resilience of the co-operative business model in times of crisis*. Available at: https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwi25_TcMhIAhWllFwKHU6gAuMQFjAAegQIARAH&url=https%3A%2F%2Fwww.ilo.org%2Fwcm5%2Fgroups%2Fpublic%2F---ed_emp%2F---emp_ent%2Fdocuments%2Fpublication%2Fwcm5_108416.pdf&usg=AOvVaw1XlkOx0Bg4ziLwSkuENGTO

⁹ Birchall, J. (2017). *The Governance of large co-operative businesses*. Available at: <https://www.uk.coop/resBirources/governance-large-co-operative-businesses-0>

¹⁰ Pérotin, V. (2016). *What do we really know about worker co-operatives?* Available at: https://www.uk.coop/sites/default/files/uploads/attachments/worker_co-op_report.pdf

¹¹ C-operatives UK (2018). *Gender pay gap report*. Available at: <https://www.co-operative.coop/ethics/gender-pay-gap-report>

¹² Pérotin, V. (2012). *The performance of worker cooperatives*. In P. Battilani & H. G. Schröter (Eds.) *The Cooperative Business Movement*. Cambridge, UK: Cambridge University Press

¹³ Mayo E (2015). *The Co-operative Advantage: Innovation, co-operation and why sharing business ownership is good for Britain*. Manchester: Co-operatives UK.

¹⁴ Thornton, E., Litchfield, A., Brooks, S., Britt, R. & Hitchin, J. (2019). *Community Business Fund evaluation: Interim report*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2019/03/CB-funding-Evaluation-DIGITAL.pdf>

- 1.1.12 Co-operatives, as well as other types of social business have a role to play in the continuing development of Greater Manchester's economy and communities. To successfully develop the co-operative economy further, a combination of awareness-raising, active support, and the removal of barriers is required. The recommendations made in this report are measures which we believe will change things for the better, enabling co-operatives to enhance life for all living in Greater Manchester.

1.2 Co-operation in Greater Manchester

- 1.2.1 Rochdale in Greater Manchester is commonly credited with being the birthplace of the international co-operative movement. In 1844, a group of 28 local people founded the Rochdale Society of Equitable Pioneers and opened a store to sell food and household items at affordable prices in a time when working people were increasingly being pushed into poverty due to how business was operating in the context of the Industrial Revolution¹⁸. The Pioneers developed their own set of Principles which were the foundation of those followed today by co-operatives across the globe.
- 1.2.2 Today, Greater Manchester is home to almost 300 co-operative organisations across a range of industries (see case study A for some examples), including the Co-operative Group – the UK's largest consumer co-operative¹⁹. Co-operatives with their headquarters in Greater Manchester collectively have an annual turnover of more than £1.5 billion, employ over 66,000 people, and have almost 5million members²⁰. The city-region is also home to the Co-operative College²¹ providing education for individuals and organisations, as well as conducting international research, with the co-operative values at the heart of all projects, as well as the national association Co-operatives UK, which unites, develops and promotes co-operatives.

¹⁵ Plunkett Foundation (2019). *Community shops: A better form of business*. Available at: https://plunkett.co.uk/wp-content/uploads/PF_BB_SHOPS19_web-version-1.pdf

¹⁶ Dellot, B., & Wallace-Stephens, F. (2017). *The self-organising self-employed: Empowering grassroots collaboration in the new economy*. Available at: <https://www.fsb.org.uk/docs/default-source/fsb-org-uk/self-organising-self-employed---final.pdf>

¹⁷ Directorate-General for Competition (European Commission) (2017). *Study on producer organisations and their activities in the olive oil, beef and veal, arable crops sectors*. Available at <https://op.europa.eu/en/publication-detail/-/publication/de1d238b-28f9-11e9-8d04-01aa75ed71a1>

¹⁸ Co-operative Heritage Trust (n.d.) *Co-operative Heritage Trust*. Available at: <https://www.co-operativeheritage.coop/>

¹⁹ Co-operatives UK (2019). *The Co-operative Economy*. Available at: <https://www.uk.coop/open-data>

²⁰ Ibid

²¹ <https://www.co-op.ac.uk/>

Case Study A - Co-operation in Greater Manchester

Some of the local examples of co-operation and innovation within Greater Manchester's communities examined by the Commission included:

*Inspiring Communities Together (ICT)*²² was established as the successor vehicle to the New Deal for communities regeneration programme in April 2011. Since 2014 the organisation became a Charitable Incorporated Organisation using the membership model (anyone who lives, works or volunteers in Charlestown and/or Lower Kersal and neighbouring districts can apply to become a member). Core funding for the organisation comes via the payment of an annual annuity and the organisation also secures funding through grants and contracted work.

ICT has been successful in securing development funding from the Government's Community-led Housing Fund. They will partner with the Seedley and Langworthy Trust to set up a partnership or joint venture organisation, in order to develop 20 new homes across 2 sites working with Salford City Council. The model of community-led housing will focus on young people under the age of 35, who despite working, are unable to afford to rent or buy locally; Salford people living in unsuitable housing; people having a minimum of 5 years' connection to Salford; and people who feel that they belong to, participate in and will continue to be part of the local community. All tenants in the scheme will become members of ICT.

ICT and the Seedley and Langworthy Trust have both invested some of their reserves into the feasibility work, but will apply to Phase 2 of the national Community Housing Fund, supported by investment from Power to Change and the GM Housing Investment Fund. In order to repay this investment capital, ICT will take out a mortgage on completion through a social investment company.

The managing organisation is completely embedded in the community and place. ICT has an annual survey of local residents and engages continuously with local people. That gives both intelligence and builds trust. The gap in the local housing market that this

²² <https://www.inspiringcommunitiestogether.co.uk/>

project aims to address was identified by local people.

*Rochdale Boroughwide Housing*²³ (RBH) is the UK's first tenant and employee co-owned mutual housing society, with over 13,000 homes throughout the local area. By working together they aim to provide better places for members, tenants and employees to live and work.

Drawing on the area's rich co-operative heritage, this pioneering model places members at the heart of decision-making, and the values and management arrangements at RBH are aligned with the international co-operative principles. RBH is governed by a board of directors and a representative body. The board is responsible for the overall management of the society and the delivery of services, while the representative body sets the strategy and direction and is responsible for appointing (and removing) the board of directors.

The representative body is elected from and by tenant and employee members, putting members at the heart of RBH decision-making.

RBH also sees itself as an 'anchor' in the local community, leading by example in terms of generating local co-operation, partnerships and projects all with a focus on local benefit. It has formed 'Rochdale Stronger Together', which aims to bring residents, communities, local institutions and businesses together to forge a good local economy and spread community wealth²⁴.

*Unicorn Grocery*²⁵ – Unicorn Grocery Worker Co-operative based in Chorlton, Manchester was established in 1996 to provide high quality, tasty, wholesome food at affordable prices. It offers a genuine alternative to the conventional supermarkets and attempts to trade more responsibly; its range includes a huge choice of organic food, many low or no-packaging products, and fairly traded goods. Due to the success of the business in 2003 Unicorn was able to raise £350,000 from customer loan stock towards the 1 million needed to purchase their own premises and later invested in 21 acres of local land to grow produce for the store, plant 100s of meters of hedgerows to provide habitat for wildlife and produce green energy through 60 solar panels.

The store prides itself on being a hub for the community, offering opportunities for schools to learn about growing and selling decent, affordable produce as well as helping others who may wish to develop their own business with the freely available Grow a Grocery Guide.

²³ <https://www.rbh.org.uk/>

²⁴ <https://rochdalestrongertogether.org.uk/about/>

²⁵ <https://www.unicorn-grocery.coop/>

Unicorn has continued to grow in strength, was named 'Best Food Retailer' at the 2017 BBC Food & Farming Awards and 'Best Food and Drink Retailer' at the 2019 Manchester Food and Drink Festival. Last year, the co-operative employed around 70 and had a turnover of £7.5 million.

Salford Community Leisure (SCL) is registered under the Co-operatives and Community Benefit Societies Act 2014. An independent legal entity, separate from Salford City Council, Salford Community Leisure Limited is a community benefit society with charitable status which exists "to enhance the lives of people through sport, leisure and cultural opportunities"²⁶. SCL employs over 500 people, 70% of whom live in the city.

SCL is owned by its members - customers, employees and local residents - who direct and support the company mission to "get everyone active". Each member holds one membership share of 1p. All members are invited to attend the Annual General Meeting with everyone aged 16 and over able to vote. Furthermore, SCL has created an innovative way of regularly engaging with its members through an online Leisure Advisory Board, which has around 1,000 participants.

SCL has adopted social accounting techniques to publish a regular social impact report²⁷, ensuring accountability to its members and wider stakeholders.

Wigan Deal - In 2014, Wigan Council launched The Deal which is "an informal agreement between the council and everyone who lives or works in Wigan, to work together to create a better borough"²⁸. The Deal is based on a number of principles that inform its approach. One of the primary principles is creating a "new relationship" of co-operation between all members of the community - from the council, its employees, and public sector workers to residents, community groups and local businesses. This work has seen investment in Credit Unions, local co-operatives and transfer of former Council assets, for example.

Abram Ward Community Cooperative - runs a variety of projects across all ages, from

²⁶ <https://www.salfordcommunityleisure.co.uk/about-us/about-our-organisation>

²⁷ <https://www.salfordcommunityleisure.co.uk/about-us>

²⁸ <https://www.centreforpublicimpact.org/case-study/the-wigan-deal/>

dementia initiatives to developing digital projects in schools. The Deal for Communities Investment Fund has enabled them to bring together a range of social enterprises and community groups from across the borough, to tackle health and wellbeing issues via partnership working²⁹.

- 1.2.3 However, whilst the co-operative movement in Greater Manchester has a long and rich history, co-operatives make up less than 0.5% of all businesses in the city-region. Whilst the revenue and employment figures look promising, the Co-operative Group make up the vast majority of both of these figures (more than 90%). .
- 1.2.4 It is clear that co-operative developments which have come about in other countries or other parts of the UK have not happened in Greater Manchester. There are examples, both nationally and internationally, where co-operatives play a much more fundamental part in the local economy than is seen in Greater Manchester. Spain, Italy and Sweden, amongst others, provide examples that Greater Manchester can learn from of how to implement a system that provides the opportunities for co-operatives to thrive³⁰ (see Case Study B).

Case Study B - International Examples of Co-operation³¹

Spain: co-operatives schools – there is a well-developed co-operative sector in agriculture and retail in Spain, as well as co-operative schools in Catalonia. The co-operative movement in the country is thought to have benefited from:

A series of government policies designed to support the development of worker co-operatives

An established support network which facilitate the sharing of best practice, staff training and

²⁹ <https://www.wigan.gov.uk/Council/The-Deal/Deal-Communities/Big-ideas.aspx>

³⁰ Bland J. (2011). *Time to get serious: International lessons for developing public service mutual*. Available at: <https://www.uk.coop/resources/time-get-serious-international-lessons-developing-public-service-mutuals>

³¹ Adapted from Bland J. (2011). *Time to get serious: International lessons for developing public service mutual*. Available at: <https://www.uk.coop/resources/time-get-serious-international-lessons-developing-public-service-mutuals>

development and expert support (e.g. on legal issues, lobbying the Government etc.).

Italy: social co-operatives - There are over 7,000 social co-operatives in Italy that

provide a range of essential social care, health and educational services as well as create employment opportunities for disadvantaged groups who may be excluded from the labour market (such as disabled people, people with substance misuse issues or ex-offenders).

Success factors identified in Italian social co-operatives include:

A clearly defined legal structure (including tax and other incentives for the added social value co-operatives offer)

Proactive procurement policies and strong partnership relationships with local authorities

Social co-operatives pay a lower level of corporation tax

Access to finance through local authorities or specialist banks

A strong organisational model through consortia and federation bodies

Sweden: children's day care co-operatives - Co-operative provision of children's day care developed in Sweden in the 1980's as a response to the growing demand for services and the inability of local authorities to provide sufficient capacity. Success has been suggested to be because of:

Support and advice provided by specialist co-operative development agencies – which have been supported and funded by the Swedish Government

A well-established support network, which again is supported by Government funding

- 1.2.5 Greater Manchester, like other city regions, faces significant challenges to which co-operation might provide a solution. To support the continued development of the co-operative movement in Greater Manchester, Labour and Co-operative Mayor of Greater Manchester, Andy Burnham announced the Greater Manchester Co-operative Commission, an independent panel to ensure that Greater Manchester Combined Authority (GMCA) is getting the optimum benefits from the opportunities that co-operatives can bring to the local economy and communities across the city-region.
- 1.2.6 The Commission seeks to illustrate how co-operatives can effectively contribute to the achievement of the ambitions of the Greater Manchester Strategy - to make Greater Manchester one of the best places in the world to grow up, get on and grow old – by making it one of the most co-operative places in the UK.

“Greater Manchester should be the most co-operative region in the UK and the most natural place for new co-ops and social enterprises to start and thrive. This is a very strong commitment to ensure we do that to ultimately benefit the lives of people and businesses across the city-region.” – Mayor of Greater Manchester, Andy Burnham

1.3 Strategic Opportunities for Development of the Co-operative Movement Across Greater Manchester

1.3.1 Parliament’s devolution of substantial powers and budgets to the GMCA with an elected Mayor represents a significant development in local democracy and provides a powerful platform to explore and establish different ways of doing things. As in other parts of the UK and elsewhere around the world, the devolution of power to a sub-national and therefore more local level can be seen as responding to two contemporary needs:

- A place-based approach which enables statutory bodies in a region to work pro-actively together in responding to local needs and priorities
- bringing strategic and future planning much closer to where people live and work, combined with a significant degree of local autonomy through devolved powers and budgets.

1.3.2 Whilst devolution is a radical and bold legislative step to take and undoubtedly provides in its own right a significant platform for change, on its own it is only part of the story. It is only when citizens, communities, local enterprise and the public sector all engage and work collaboratively, that the opportunities provided by devolution for real and fundamental change can be maximised and driven forwards.

1.3.3 The Commission was launched at a time when there are many strategic opportunities for citizens and communities to play a part in making Greater Manchester a better place through the establishment and development of co-operatives and other social businesses. These strategic opportunities include:



- 1.3.4 ***The Greater Manchester Strategy*** – The refreshed Greater Manchester Strategy³² was published following the election of the Mayor of Greater Manchester, Andy Burnham. The overarching ambition of the strategy is to make Greater Manchester one of the best places in the world to grow up, get on and grow old. Ten priorities set out a number of ambitious targets and references the pioneering work of the co-operative movement in helping to achieve this aim. The Greater Manchester Strategy covers a wide range of aspects which affect people’s daily lives including health, wellbeing, work and jobs, housing, transport, safer and stronger communities, skills, training and economic growth, and emphasises the vital role that communities play in the success of the city-region. Organisations established by people in communities, such as co-operatives and social businesses, can play an important role in securing their engagement and contribution to the success of the region.
- 1.3.5 ***Greater Manchester Local Industrial Strategy*** – 2019 saw the publication of Greater Manchester’s Local Industrial Strategy³³ which outlines the long-term policy priorities to help guide industrial development and provides a plan for good jobs and growth in Greater Manchester. The Local Industrial Strategy sets out a commitment to “...create the optimum conditions for social enterprises and cooperatives to thrive”. The Strategy recognises that co-operative organisations sit within a wider context of other business models which are value-based and focus on creating social impact.
- 1.3.6 ***Greater Manchester’s Plan for homes, Jobs and the Environment: Greater Manchester’s Spatial Framework*** – The Spatial Framework³⁴ is a strategic plan to ensure that the right land is available in the right places to provide the homes and jobs the city-region needs. The plan will identify the infrastructure – such as transport, schools, health centres, utility networks and green spaces – required to achieve this. The Spatial Framework will ensure strong communities are being built, and are places that people want to live in, feel they belong to, and are proud to call home. To support this work, the plan needs to include appropriate provision for co-operatives. Consultation on the next draft of the framework, which is being produced by all 10 of Greater Manchester’s local authorities working together in partnership, will take place in summer 2020.

³² Greater Manchester Combined Authority (2017). *Our People, Our Place: The Greater Manchester Strategy*. Available at: https://www.greatermanchester-ca.gov.uk/media/1084/greater_manchester_summary___full_version.pdf

³³ HM Government & Greater Manchester Combined Authority (2019). *Greater Manchester Local Industrial Strategy*. Available at: <https://www.greatermanchester-ca.gov.uk/media/2132/gm-local-industrial-strategy-web.pdf>

³⁴ Greater Manchester Combined Authority (2019). *Greater Manchester’s Plan for homes, Jobs and the Environment: Greater Manchester’s Spatial Framework Revised draft – January 2019*. Available at: <https://www.greatermanchester-ca.gov.uk/what-we-do/housing/greater-manchester-spatial-framework/gmsf-full-plan/>

- 1.3.7 **Greater Manchester Housing Strategy: Greater Manchester – Doing Housing Differently** - the Greater Manchester Housing Strategy³⁵ identifies safe, decent and affordable housing as a priority so that homes fit the needs and aspirations of current and future citizens. It sets strategic actions at a city-region level, designed to maximise the impact of our collective efforts and to complement the huge amount of work and investment going on every day at district and neighbourhood level. The Strategy is built on understanding the connections between housing, people and place, the need to invest in existing homes, and the importance of building the new homes that Greater Manchester needs. The Strategy states the need to explore alternative housing models, including co-operative community ownership and community-led housing projects, with recognition of the social benefits that these models can bring to communities to increase community resilience, social cohesion and tackle loneliness as well as providing affordable and decent housing to residents of all ages.
- 1.3.8 **Greater Manchester Transport Strategy 2040: A sustainable urban mobility plan for the future** – In 2017, Transport for Greater Manchester published, on behalf of GMCA and Greater Manchester Local Enterprise Partnership, a long-term framework to improve transport across Greater Manchester focused on creating an integrated, sustainable and well co-ordinated transport system³⁶. The Strategy aims to create a cleaner, greener, more prosperous Greater Manchester, through better connections and simpler travel. In the short term, the plan aims to improve reliability and accessibility of services, transport links to key employment, education and training locations, passenger experience and facilities, cycle and pedestrian environments in towns and cities, as well as connectivity between neighbourhoods. Co-operatives and social businesses offer an alternative option in providing community transport, particularly in areas which may have lost services because the routes are not commercially viable, yet are fundamental to the people living in these communities.

³⁵ Greater Manchester combined Authority (2019). Greater Manchester housing Strategy: Greater Manchester – Doing Housing Differently. Available at:

https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=2ahUKewju2PiPo4rAhVOQEEAHT3DDEcQFjACegQIBRAH&url=https%3A%2F%2Fwww.greatermanchester-ca.gov.uk%2Fmedia%2F2165%2F16a_gm_housing_strategy_final.pdf&usg=AOvVaw1OH_wr00DH6RlmfTx6ii-O

³⁶ Transport for Greater Manchester (2017). Greater Manchester Transport Strategy 2040: A sustainable urban mobility plan for the future. Available at: https://downloads.contentful.com/nv7y93idf4jq/7FiejTsJ68eaa8wQw8MiWw/bc4f3a45f6685148eba2acb618c2424f/03._GM_2040_TS_Full.pdf

1.3.9 **Greater Manchester Resilience Strategy** – The Greater Manchester Resilience Strategy, is currently being developed and is due to be launched in late 2019. The strategy will confirm Greater Manchester as a world leading city region in the development of resilience, outlining Greater Manchester’s ambitions to become more resilient to the physical, social and economic challenges that are a growing part of the 21st century. The strategy will include response to disasters and emergencies, such as earthquakes, fires and floods, as well as the stresses that affect the day to day resilience of the city-region, such as high unemployment, an inefficient public transport system, health inequalities, or skill shortages. A fundamental aspect to resilience is the maintenance of corporate diversity; a plurality of business forms, rather than a monoculture of investor-owned corporations³⁷. Following the financial crisis in 2008, mutual financial institutions were recognised as fulfilling an important function because their shares were not traded on a stock exchange, and their business model meant they did not have the same incentives to pursue high risk financial products to generate shareholder value³⁸. Co-operative organisations have also been found to be



³⁷ The Ownership Commission (2012). *Plurality, stewardship and engagement*. Available at: <http://www.mutuo.coop/wp-content/uploads/2012/03/Ownership-commission-2012.pdf>

³⁸ Michie, J. (2010). *Promoting corporate diversity in the financial services sector*. Available at: https://www.financialmutuals.org/files/files/Corporate_Diversity_Report.pdf

more likely to be financially stable³⁹ and actually demonstrated a healthy turnover and business growth⁴⁰. This is important in helping to build economic resilience of a city-region such as Greater Manchester to not only withstand crisis but to main the livelihoods of citizens and communities in times of crisis.

1.3.10 ***The reforming of public services to better meet the needs of the people of Greater Manchester***

– Greater Manchester is committed to reshaping services used by the public, supporting as many people as possible to contribute to, and benefit from, the opportunities growth brings. It involves local services working more closely together, focussed on people and place, so that available services meet all the needs of people, are intervening as early as possible and not responding to crises. The approach moves beyond single initiatives, and service silos, to whole system reform. There is a focus on integrated place-based services at a neighbourhood level, that are able to respond to local need and build on the assets of the community. This means one front line team, knowing the area that they work in and what other services are available to communities. The reform places a greater emphasis on evaluation and generating good evidence, to track the impact that investments have on residents and on levels of demand for public services. Key priorities for reform across the life course have been identified, and include: school readiness, life readiness, homelessness and ageing well. The delivery of these priorities is underpinned by a number of system enablers, including leadership and workforce reform, shared financial resources, and digital and information sharing capability. Co-operatives need to be part of the future landscapes of public services.

1.3.11 ***The Greater Manchester Good Employment Charter*** – The city-region’s Good Employment Charter⁴¹ encourages and supports employers to develop good jobs, deliver opportunities for people to progress, and help employers to grow and succeed. The model for the charter has been co-designed by business owners, employers, Trade Unions and employees from across Greater Manchester, and involved two public consultations to develop and agree the proposals. Employers will be supported to raise standards across a number of areas, including secure work, a real living wage and excellent recruitment and progression, with a tiered approach to help them progress. Co-operative values align well with what Greater Manchester is trying to achieve through the Good Employment Charter, illustrating the natural link between co-operatives and Greater Manchester’s ambitions for improving working rights for staff and increasing the number of ethical businesses in the city-region.

³⁹ Matrix Evidence (2010). The employee ownership effect: a review of the evidence. London, Employee Ownership Association

⁴⁰ Birchall, J. & Ketilson (2009). Resilience of the co-operative business model in times of crisis. Available at: https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwi25_TcMmHIAhWlFwKHU6gAuMQFjAAegQIARAH&url=https%3A%2F%2Fwww.ilo.org%2Fwcm5%2Fgroups%2Fpublic%2F---ed_emp%2F---emp_ent%2Fdocuments%2Fpublication%2Fwcms_108416.pdf&usg=AOvVaw1XkOx0Bg4ziLwSkuENGTO

⁴¹ Greater Manchester Combined Authority (2019). *Greater Manchester Good Employment Charter*. Available at: <https://www.gmgoodemploymentcharter.co.uk/>

1.4 The Greater Manchester Co-operative Commission

1.4.1 The Greater Manchester Co-operative Commission considered:

- **Existing evidence of how the role of the co-operative and mutual sector⁴² supports the region generally and the greater benefits which it could generate for Greater Manchester**
- **How Greater Manchester can build from pioneering and innovating work in the region and beyond, and the business advice and support needed to support it**
- **How Greater Manchester can overcome the challenges and address the barriers that impede this approach to business, and deter its citizens and communities in optimising their contribution to their communities**

1.4.2 The Commission also examined how the sector can support the delivery of the Greater Manchester Strategy, exploring three opportunity sectors for co-operative business and working, plus a cross cutting theme of co-operative business development. The opportunity areas explored were:

- **Housing**
- **Digital economy**
- **Transport**

1.4.3 **The Commission's full Terms of Reference can be found in Appendix A.**

1.4.4 The Commission was Chaired by **Cllr Allen Brett**, Leader of Rochdale Borough Council and Vice Chaired by **Cllr Angeliki Stogia**. Nine independent Commissioners were appointed with the aim of bringing a wide range of experience and expertise from across the co-operative movement. The nine Commissioners were (full biographies of the Commissioners can be found in Appendix B):

Cliff Mills, Consultant - Anthony Collins Solicitors

David Batten, Chair – Credit Unions for Greater Manchester

James Wright, Policy Officer - Co-operatives UK

Jo Platt, Former Labour and Co-operative MP for Leigh

Kellie Bubble, Director - Unicorn Grocery

Mike Blackburn OBE, Chair - Greater Manchester Local Enterprise Partnership

Paul Gerrard, Campaigns and Public Affairs Director - Co-operative Group

⁴² A mutual is a private organisation that is owned by its customers, policy holders or employees. Onefamily (2019). *What is a mutual*. Available at: <https://www.onefamily.com/talking-finance/finance/what-is-a-mutual/>

Shaun Fensom - Cooperative Network Infrastructure

Simon Parkinson, Chief Executive and Principal - Co-operative College UK



2. Informing the Commission

- 2.1 To inform the Commission, a formal Call for Evidence was launched (see Appendix C for full details), providing individuals and organisations with the opportunity to directly contribute on the Commission's Key Lines of Enquiry and opportunity areas. A total of 46 responses were received, two from individuals and the rest from organisations. A wide range of organisations from a wide range of sectors provided evidence, including small, local businesses to large, international organisations.
- 2.2 To complement the formal Call for Evidence, a desktop review of data and research has been analysed. This included a review of both national and international literature, as well as a review of the ongoing work across Greater Manchester. For each opportunity area, a designated meeting was held to discuss and debate the evidence received and guest speakers with expertise in the area were invited to present evidence to the Commission⁴³. This information was used to facilitate discussion, debate and ultimately to inform the findings of the Commission, supporting the recommendations made.
- 2.3 From the evidence gathered, it was clear that there are a number of overarching themes that affect all of the opportunity areas. Therefore, the findings and recommendations are grouped based on three key areas:
- Creating conditions for co-operatives to thrive
 - Increasing co-operation between people in communities and organisations both public and private
 - Enabling people to see how they can play a significant part in improving communities across Greater Manchester through the co-operative approach to business.
- 2.4 A number of additional considerations for the individual opportunity areas are then discussed.

⁴³ A list of individuals who presented evidence to the Commission and the titles of their presentations can be found in Appendix D

3. What are the key barriers and challenges to co-operative development?

- 3.1 Co-operative and social businesses remain a small part of the business sector in Greater Manchester; suggesting that the city-region has not benefitted from co-operatives being an integrated part of the economy in the way that other cities have. Part of the reason for this is a lack of knowledge and know-how among those who could find the model beneficial, in communities as well as among entrepreneurs, workers and businesses. Another reason is that there are often barriers and challenges that are not experienced by investor-owned businesses. The key challenges identified include:
 - 3.1.1 There is a lack of real awareness and practical understanding of alternatives to traditional business, and the opportunities for co-operative and social business, among those establishing new



businesses and crucially those who advise them.

- 3.1.2 There is a perception that the challenges and complexities involved in the co-operative or social business option outweigh the benefits and, therefore, the option is not adequately explored.
 - 3.1.3 The mainstream service provision available to businesses (advisors on finance, accounting, law, governance and regulation) are professionally trained in one tradition only, namely private investor-ownership, and do not include social businesses. Therefore, they tend to advise people to develop a business based on the traditional or default route and when they work with somebody interested in social business, advisors are often not necessarily equipped to advise properly. Appropriate sources of advice are therefore limited.
 - 3.1.4 The distinct legal and organisational structure of co-operatives can create challenges for investment and lending for banks, public and private sector investors, credit reference agencies and people doing due diligence, because they are not familiar with the different purpose of such organisations, and their different strengths.
 - 3.1.5 The purpose and ownership structure of co-operatives are incompatible with some established approaches to financing businesses, including angel investment and venture capital.
 - 3.1.6 Often a co-operative approach is not considered as a mainstream option in strategy development, if at all. This results in missed opportunities to make use of the valuable alternatives which citizen and community-based engagement offer. It is effectively one of the barriers faced by co-operatives.
- 3.2 The remainder of this report aims to illustrate ways which Greater Manchester can effectively remove or reduce the impact of these barriers and challenges to open up opportunities to co-operatives that are readily available to other forms of businesses.

4. Creating the Conditions for Co-operatives to Thrive

4.1 In order to help people to be able to play a part much more easily in meeting local needs through co-operative and social business, whether as users, workers, residents or volunteers, Greater Manchester needs to do more to create conditions where such enterprises can not only exist but thrive. In order for Greater Manchester to effectively overcome the barriers and challenges faced, five key changes are needed:

- **Increased political leadership**
- **New approaches to public sector procurement**
- **Legal reform**
- **Increasing financial enablers**
- **Greater Manchester should be designated as a Co-operative Zone with a dedicated resource to offer business advice and support for both existing co-operatives and those who wish to start or convert to a co-operative approach**

4.2 Increased political leadership

4.2.1 Greater Manchester already has strong political leadership that recognises the value that co-operatives bring to both the *local* economy and the added social value achieved in communities with both the Mayor of Greater Manchester, Andy Burnham being a member of the Co-operative Party and Cllr. Allen Brett holding the Greater Manchester portfolio for the Community, Voluntary Sector and Co-operatives. However, there remain numerous opportunities to increase Greater Manchester's political leadership for co-operative development. In 2002, the United Nations recommended that Governments should support co-operatives⁴⁴, and later proclaimed 2012 as the international year of cooperatives.

4.2.2 The strongest co-operative economies tend to be those where this form of enterprise is constitutionally recognised as an approach to business⁴⁵ which can be done at national or sub-national level. By expressly acknowledging it as a distinct form of business with inherent community benefits and which aims to spread the distribution of power, wealth and wellbeing more broadly, it

⁴⁴ Resolution 193 of the International Labour Organization recognising “the importance of cooperatives in job creation ... their contribution to the economy, ... that coopeatives promote the fullest participation in the economic and social development of all people, ... recalling the principle ... that ‘labour is not a commodity’, ... that the realization of decent work for workers everywhere is a primary objective of the International Labour Organization” ... recommends that “Measures should be adopted to promote the potential of cooperatives in all countries ...” Available at:

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R193 and https://www.ilo.org/empent/Publications/WCMS_311447/lang--en/index.htm

⁴⁵ Douvitsa, I. (2018). *National constitutions and cooperatives: An overview*. International Journal of Cooperative Law, 1, pp 128-147.

provides an essential starting point for that economy to treat such businesses appropriately, and incentivise them where they could have particular benefits to that economy. This is a sure test of whether a region understands and is willing to actively and strategically support co-operative and social business.

4.2.3 The Co-operative Councils Innovation Network (CCIN) is a non-party political active hub which supports co-operative policy development, new ways of thinking and support for UK councils to find better ways of working for, and with, communities. Currently Oldham Council, Rochdale Borough Council, Tameside Metropolitan Borough Council and Salford City Council are members of the CCIN, and GMCA is an associate member.

4.2.4 It is important that co-operative, member-based and other community or social business options are considered at the stage of strategic development. Co-operatives are now starting to appear in a number of high profile Greater Manchester strategies (including the Housing and Local Industrial Strategies referred to above), and further opportunities in upcoming strategies (including the Spatial Framework, and those relating to taxi and bus reform in Greater Manchester) must be seized.

4.3 Reform of public sector procurement

4.3.1 Challenges have been identified which can negatively impact the willingness and ability of co-operatives to tender for public sector contracts. This means that the opportunity of a citizen or community-based co-operative approach is lost to the region. The Commission have identified two key areas in public sector procurement, which, if reformed, would make the procurement market more accessible to co-operatives:

- **Increased flexibility which allows co-operation, partnerships and collaboration including making it easier for a consortium to bid** – whilst procurement rules allow for a consortium of businesses to bid without a ‘lead’ bidder, the way that procurement occurs in practice making it very difficult for a consortium to bid unless it is led by a ‘prime contractor’ that subcontracts the other consortium members and ends up carrying all or most of the risk. This presents challenges for consortia made up of smaller organisations. The consortium approach helps the SME sector because smaller organisations generally do not have the capacity and capability to compete for public sector contracts alone. There is an opportunity to use the co-operative model as a legal construct to make it easy for SMEs to work together to co-operate, bid for and win, public sector procurements while sharing risk and without one-sided subcontractor arrangements.
- **Placing more emphasis on the added social value of a contract** – Good procurement does not tack on to its social value as simply an element of added value but is policy-led taking into account the contracting authority’s corporate aims for the social, economic and environmental well-being of those whom it seeks to serve as individuals, communities and society. There is the opportunity to better align the way that the public-sector commissions services and other goods in ways that embrace the Co-operative Principles, as these are aligned with such objectives. This is best

achieved by the adoption of policy that puts these principles at the heart of a public body's constitution and policies, transcribing them into the corporate strategy of that organisation. An approach that could be taken might be for the public body to:

- **adopt the values of self-help, self-responsibility, democracy, equality, equity, and solidarity**
- **promote democracy in the governance of the organisations it does business with, on the basis that this is consistent with their own governance and ways of doing things - to the extent that they have not done so, to change their own constitution so that democracy is embedded within it**
- **promote contribution of capital to business which benefits the community rather than investors, as a way of addressing social injustice**
- **encourage autonomy as a principle that enables self-sufficiency**
- **facilitate education and training for the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation**
- **work together with co-operatives in their area**
- **work for the sustainable development of their communities through policies approved by local people**

The adoption of such aims in the corporate strategy of a public body (especially all councils in the Greater Manchester city-region) can then be implemented in its procurement strategy which would then inform its practice.

The EU procurement rules are not a barrier to good practice in this arena. Instead there is cultural and practical resistance, as well as lack of expertise, to adopting processes and devising public purchasing practice that optimises opportunities for SMEs, charities, social enterprises and cooperatives. Much of this has come about with reductions in resources on the commissioning side of many authorities.

4.4 Legal enablers

4.4.1 ***Improving UK Co-operative Law*** – although the UK was one of the earliest to legislate for co-operatives, dating back to 1852, currently it lags far behind the majority of other European jurisdictions in defining, and protecting co-operative identity. Given the current interest in reviewing company law to take account of different priorities, the importance of optimising cooperative law increases. A recent important piece of work in setting down the principles of European co-operative law provides valuable assistance in this context.

4.4.2 As a result of the current state of UK co-operative law, co-operatives are treated no differently from other registered corporate entities. This means that citizens and communities have no incentive to use one of the most appropriate mechanisms for self-help and empowerment. New and small

businesses struggle to access finance to grow and develop^{46,47}, however, co-operatives face the additional challenges that:

- they are limited in how they can raise capital from external sources
- those usually providing financial advice often lack the knowledge and expertise of the co-operative way of working and funding. This can mean that advice is either simply not available, or it is not really appropriate for the context

4.4.3 **Reviewing company law** - political opinion is again seeking a review of company law in order to change its priorities. The Commission feel that is an appropriate thing to do, however, it also makes sense to turn people's attention to business structures that already set different priorities: namely co-operatives. In its Blueprint for a Co-operative Decade⁴⁸, the International Co-operative Alliance argued that co-operatives were already making a significant contribution to alleviating damaging global trends including environmental degradation, increasing inequality and an unstable financial sector, but that supportive legal frameworks for co-operatives were a priority for co-operative growth.

4.5 Improving access to sustainable finance –

4.5.1 **Increasing the number of financial and business advisors, that have knowledge of the co-operative model** – as there are few advisors who have the knowledge and expertise to appropriately give advice to co-operatives, this resource should be pooled in Greater Manchester to make it easier for co-operatives operating in the city-region to access the advice.

4.5.2 **Increased collaboration with larger or more established organisations who are able to take more financial risks** – often co-operatives are set up as the only such organisation in a region and/or sector, and could benefit from collaborating with other larger or more established co-operatives in the area. These more established organisations may be in a better position to access, or assist in accessing, finance as they are seen as less of a financial risk. A Greater Manchester Co-operative Zone would provide more opportunities for new co-operatives to look for other organisations to collaborate with and for existing organisations for opportunities to join into new ventures and support new co-operatives.

⁴⁶ House of Commons (2018). *SME finance: Twenty-fourth report of session 2017-19*. Available at <https://publications.parliament.uk/pa/cm201719/cmselect/cmtreasy/805/805.pdf>

⁴⁷ FSB (2018). *Going for growth: Helping small firms flourish through access to finance*. Available at https://www.fsb.org.uk/docs/default-source/fsb-org-uk/going-for-growth-final.pdf?sfvrsn=de620821_0

⁴⁸ International Co-operative Alliance (2013). *Blueprint for a co-operative Decade*. Available at: <https://www.ica.coop/sites/default/files/publication-files/ica-blueprint-final-feb-13-english-569977274.pdf>

4.6 **The Development of Greater Manchester as a Co-operative Zone** – to help support the development of the conditions which would allow co-operatives in Greater Manchester to thrive, Greater Manchester should become a Co-operative Zone. As part of this there should be a dedicated resource which would provide a ‘one stop shop’ for co-operative business advice (see Figure 1). It would provide financial, business and legal advice and support, as well as providing opportunities for knowledge exchange and peer learning between co-operatives. This would increase the accessibility of the right support at lower cost, facilitating the sharing of best practice and lessons learnt.



Figure 1: An illustration of what the Greater Manchester Co-operative Zone could provide advice and support on.

Recommendations to help to create the conditions for co-operatives to thrive in Greater Manchester

1. Call for the review and strengthening of co-operative law in the UK alongside any review of company law.
2. The constitution of Greater Manchester Combined Authority to expressly recognise co-operative and social business for the benefits they bring to an economy in keeping with International Labour Organization recommendation 193; and that GMCA should encourage the 10 Greater Manchester local authorities to do likewise.
3. GMCA should establish a democratic charter articulating the values of self-help, self-responsibility, equality, equity and solidarity. The Charter should promote the involvement of users, employees, volunteers and citizens in the provision of goods and services in the city-region and encourage the 10 Greater Manchester local authorities, Transport for Greater Manchester, Greater Manchester Health and Social Care Partnership and other relevant organisations in the region to sign up to it.
4. All of Greater Manchester's local authorities should consider becoming members of the CCIN.
5. All Greater Manchester and local authority strategies to include consideration of how the engagement of citizens and communities through co-operatives and co-operation can help to deliver the strategy and how this can be facilitated in associated delivery plans.
6. A 'study tour' should be organised so Greater Manchester's policy makers can learn from places where cooperative innovation is playing a large part in re-invigorating local democracy and economic regeneration – this includes both in the UK and nationally.
7. Support small organisations in Greater Manchester to co-operate in the delivery of public contracts, specifically by creating a legal/organisational solution for such co-operation, to be accompanied by guidance/support for organisations to make use of it.
8. An up-to-date toolkit and learning programme being devised to address this.

9. All contracting authorities in the Greater Manchester giving consideration to the adoption of the principles to place more emphasis on the added social value of a contract – in their corporate strategies so that they can then be used to inform commissioning and procurement practice.
10. Procurement officers receiving training on the benefits of the cooperative as a legal form for a stable supplier of services, especially in terms of financial strength.
11. More capacity-building being provided to enable cooperatives to bid effectively in the public procurement arena.
12. The Greater Manchester Co-operative Zone to work with banks and other financial organisations to help reduce the barriers to co-operatives accessing finance.
13. Actively promote the funding of community-based initiatives through community share offers, exploring the option of a Greater Manchester community investment platform.

5. Co-operation in Communities



- 5.1 Greater Manchester has taken a radical approach to reforming services used by communities within the city-region. This is to ensure that services needed and used by communities are joined up and co-ordinated in communities where the people live, and are designed in collaboration with the people who live there. This strategic approach offers opportunities for collaboration between a wider range of people, organisations and agencies than traditional centralised services allow. The co-operative approach to services provides a mechanism by which individuals and communities can take their own initiatives to meet local needs, and these can complement Greater Manchester's public service reform principles well; however, this needs to be explained to people, with sign-posting to appropriate advice.

- 5.2 Whilst there are opportunities for the further development of co-operatives across Greater Manchester, there may be a particular need for them in some of the city-regions most deprived areas. Greater Manchester has areas of great affluence and great poverty, often within a few miles of each other. 23% of Greater Manchester's neighbourhoods are ranked in the 10% most deprived neighbourhoods in the country⁴⁹. Research recently published by Power to Change and CLES⁵⁰ highlights the conditions needed for community businesses to form and thrive in deprived communities. They find that the right interconnections of social value, local activity and knowledge are essential prerequisites in the formation of community businesses in contexts of deprivation. The researchers found that while all deprived communities studied contained above average levels of one kind of social capital ("bonding capital"⁵¹) this needs to be augmented to 'bridging' and 'linking' social capitals, which in turn introduce essential skills, knowledge, and economic capitals to the mix. The researchers recommend funding initiatives that nurture, mobilise and augment social capital, in order to create more fertile conditions for community businesses to form.
- 5.3 The climate crisis is a further reason why co-operatives are becoming significantly more important and relevant at a local, national and international level. With the rapid rise in awareness of this crisis and the recognition of the need to take steps in response, there is an inevitable and necessary focus on the activities and behaviours of large corporations. Whereas previously the pursuit of shareholder value has struck many as questionable, the voices of those saying that it needs to change are growing louder⁵²⁻⁵³; co-operatives provide an opportunity to help in Greater Manchester's response to the climate crisis and the city-region's ambition to be carbon neutral by the year 2038⁵⁴.

⁴⁹ Ministry of Housing, Communities and Local Government (2019). *English indices of deprivation 2019*. Available at: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

⁵⁰ Power to Change & CLES (2019). *Building an inclusive economy through community business: The role of social capital and agency in community business formation in deprived communities*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2019/10/P2C-and-CLES-final-high-res-web.pdf>

⁵¹ Bonding capital – "Ties between individuals within the same social group, associated with local communities where many people know many other people in the group (network closure). Can have both positive and negative manifestations and implications for social exclusion." Ibid, p.5

⁵² Thunberg, G. (2019). *Speech delivered at the World Economic Forum, Davos*. Available at: <https://www.weforum.org/agenda/2019/01/our-house-is-on-fire-16-year-old-greta-thunberg-speaks-truth-to-power/>

⁵³ Breeden, S. (2019). *Speech delivered at the Official Monetary & Financial Institutions Forum, London*. Available at: <https://www.bankofengland.co.uk/speech/2019/sarah-breeden-omfif>

⁵⁴ Greater Manchester Combined Authority (2019). *5 year environment plan for Greater Manchester*. Available at: https://www.greatermanchester-ca.gov.uk/media/1986/5-year-plan-branded_3.pdf

5.4 **To improve co-operation in Greater Manchester's communities, five key changes are required:**

- **An increase in community-led, placed based approaches to community ownership and economic development**
- **Promotion of the benefits that credit unions can offer to individuals**
- **Improved support for communities to understand their co-operative options**
- **An increased focus on evaluation**
- **Increasing the diversity of co-operative members and users**

5.5 ***Demonstrating the social value that co-operatives offer to communities*** - the term 'social value' has been used to mean different things in different situations across Greater Manchester. The Social Value Act describes social, environmental and economic value which can be gained through procurement, but there is an opportunity to think more broadly about the creation of social, environmental and economic outcomes through responsible business and inclusive growth, as well as procurement, with the potential benefits to society being huge.

5.6 Enabling this 'social wellbeing' involves a way of operating whereby an organisation manages the resources that it controls, draws in investment, and acts as a responsible employer so that it achieves both value for money and generates benefits to society and the economy, whilst making positive impacts (or at least minimising damage) for the environment. The aim would be to use all the resources available to an organisation or business to increase their overall positive impact. An organisation can improve wellbeing directly through its own actions, and indirectly through its supply chain, influencing others, as well as through collaborative work with partners.

5.7 Co-operatives are a mechanism for creating this 'social wellbeing' as it is an intrinsic part of their way of working and conducting business. Their operation involves an ideal combination of community empowerment, commercial activity, and social and environmental benefit.

5.8 ***There is a need for an increased focus on community-led, place based approaches to community ownership and economic development*** – across Greater Manchester, the UK and indeed the world there are excellent examples of how beneficial co-operative options can be for communities (see Case Studies C for some local examples). Many smaller towns and suburbs have seen a decline in their local area, including a decline in shops on highstreets, of places to socialise including pubs, restaurants, sport facilities, libraries and community centres, and of affordable and decent housing. Research⁵⁵ has shown that many towns and cities across the UK have failed to host any new wealth creation following deindustrialisation; this includes some of Greater Manchester's

⁵⁵ Pike et al. (2016). Uneven growth: Tackling city decline. Available at: https://www.jrf.org.uk/file/48934/download?token=H_som823&filetype=full-report

towns and cities. Where wealth has come into towns and cities, many communities have not benefited from this additional of wealth leading to marked inequalities⁵⁶. In other places, communities have taken ownership themselves through community share offers and community asset transfer powers. Greater Manchester could also benefit from this approach, both to secure valued community assets and facilities for future generations, and to engage residents in local ownership and regeneration.

- 5.9 In Cleveland, entrepreneur Ted Howard has helped set up worker co-operatives to supply local institutions – such as hospitals, councils and universities – in order to keep profit localised. Redirecting local spending for community wealth through the use of worker co-operatives has now become known as “the Cleveland model”⁵⁷ – and cities around the world suffering the negative effects of globalisation are looking to it to help them recover.
- 5.10 In Lancashire, Preston City Council has taken this approach and applied it towards its insourcing strategy, as part of an initiative to build community wealth. Other notable local examples include Salford’s Community Leisure and Aspire for Intelligent Care and Support, and Rochdale Boroughwide Housing.
- 5.11 The Mayor of Greater Manchester has previously indicated his support for this approach, where commissioning and procurement policy drives the market development.

Case Study C – co-operation in communities

Co-operate App - Last year The Co-op Group started to look into how they could help to drive community co-operation and the initial exploration and trials showed that a combination of people and technology can make it easier for people to co-operate. Research reaffirmed the problem: people find it hard to connect and make things happen in their local community.

⁵⁶ Co-operatives UK (2019). *Shared power, shared prosperity*. Available at: https://www.uk.coop/sites/default/files/uploads/attachments/shared_power_shared_prosperity_1.pdf

⁵⁷ Community-Wealth.org (n.d.). *The Cleveland Model: How the evergreen cooperatives build community wealth*. Available at: <https://community-wealth.org/content/cleveland-model-how-evergreen-cooperatives-build-community-wealth>

The vision is to be the one place to go to make things happen in local communities. This could include tools and advice that support funding, promotion, skills development and the ability to find a space.

What has been achieved so far?

As a result of listening and observing, the Co-operate App pulls together local events and activities that benefit the local community, it's a kind of digital noticeboard called 'What's happening'. The app is currently active in four communities (Stretford, Sale, Urmston and Bollington) and expansion into Trafford is imminent.

In Stretford the app has:

Reached over 21,000 visits (with 1,000 return visitors)

Had over 150 events listed

Achieved 40 voluntary hours across Stretford and Sale

Tenant Management Organisations (TMOs) - Avro Hollows TMO, Manchester⁵⁸ or Windsor Albion Co-operative, Salford⁵⁹, and West Whitlawburn Estate⁶⁰. A tenant management organisation is made up of council or housing association tenants and leaseholders can collectively take responsibility for managing the homes they live in. Examples also exist of this type of resident-led management in the private sector. The Cypress Point estate in Lytham St Anne's for example has a residents' management company which oversees the expenditure of fees paid by residents of the estate for the upkeep of its green spaces. Having a 'stake' in the management of property and the local environment means that residents take more care of their local area.

Active travel – for example the *Bicycle Doctor*⁶¹ in Rusholme. Cycle share and hire schemes have increased in number in recent years and could offer an opportunity as part of the work of Chris Boardman, the Greater Manchester's first Cycling and Walking Commissioner.

⁵⁸ <http://www.avrohollowstmo.com/>

⁵⁹ <http://www.windsoralbion.co.uk/>

⁶⁰ <http://www.wwhc.org.uk/>

⁶¹ <https://www.bicycledoctor.co.uk/>

Infrastructure co-operatives - *Cooperative Network Infrastructure*⁶², which brings together public and private sector organisations to create and share new digital infrastructure in and around Tameside and Blackpool, using co-operative principles.

- 5.12 ***There needs to be more promotion of credit unions and the benefits they can offer to Greater Manchester's residents*** - Credit unions have almost 65,000 members across Greater Manchester, with over £28 million in savings between them⁶³; however, research suggests that they are a relatively underused resource in comparison to other European countries. Credit unions can provide access to sustainable and affordable finance and whilst they are open to everyone, because they are mutual benefit organisations, they can offer finance options to people who might struggle to access finance from more traditional routes (e.g. banks) or from finance with large rates of interests (such as payday loans). It is estimated that, in 2018, members of credit unions across the city-region saved £7.5 million in loan interest by borrowing from a credit union rather than high-cost or doorstep lending⁶⁴.
- 5.13 Communities across Greater Manchester need to be supported to understand and explore their co-operative options for work, business, local services and infrastructure – placed based approaches to ownership cannot happen if the community do not know about the co-operative model and ownership opportunities. Whilst the Greater Manchester Co-operative Zone will be an opportunity to showcase the good work already underway, there needs to be increased opportunities for members of the public to interact with co-operatives to see first-hand the way the business model works and the impact that it can have on the person's community.
- 5.14 Measure and evaluate the benefits of co-operatives in communities as well as measuring the number of people engaging with and affected by co-operatives – classic measures of the success of the co-operative sector often focus on traditional measures of economic growth such as market-share, turn-over, or numbers of co-operatives; however, these are not an effective way to measure the impact of co-operatives on individual people, communities and the wider locality. Whilst the

⁶² <https://cni.coop/>

⁶³ Association of British Credit Unions Limited (2019). *Beat the heat: Credit union awareness week*. Available at: <https://www.abcul.coop/blogs/patrick-thorpe/2019/06/28/beat-the-heat-of-high-cost-credit-say-soundpound>

⁶⁴ Ibid

simple scale of operation is an important indicator, a broader approach is needed to assess the impact of co-operatives and growth of the sector in Greater Manchester.

- 5.15 ***Increasing diversity in the co-operative movement*** – the co-operative movement in Greater Manchester does not reflect the make-up of the communities across the city-region. In order to ensure that the member-based approach can thrive and help to meet the needs of Greater Manchester’s diverse communities, co-operatives need to involve a more diverse group of people. Embedding co-operatives in Greater Manchester’s Public Service Reform principles will support this however, co-operative and social businesses need to be embedded in economic development and entrepreneurship that is community led, prioritising the participation of people in the most deprived areas of Greater Manchester. This supports the commitment in the Greater Manchester Local Industrial Strategy to *“revitalise town centres and high streets by supporting creatives, digital entrepreneurs, and innovators to start or scale a business, social or cooperative enterprise”*.

Recommendations for increasing co-operation in Greater Manchester’s communities

14. Actively encourage the participation of the co-operative sector and individual co-operatives in Bridge GM and the GM Enterprise Adviser Network to improve awareness and understanding of co-operatives.
15. The need for a strategic approach of the co-operative sector that includes all relevant organisations across Greater Manchester, this includes a co-ordinated media campaign between the Co-op Group, Co-ops UK and relevant partners, which is aimed at the general public about the value of co-operatives in Greater Manchester, including promoting the success of local community ownership schemes, including the benefit of credit unions.
16. The Mayor of Greater Manchester should lobby Government for the relaxation of capital requirements and to request a review of the Credit Union Act; this would enable credit unions to provide more financial services to a wider range of people.
17. Greater Manchester should develop practical ways to evaluate, understand and celebrate the benefits co-operatives generate for their members and their communities. These benefits might include decent livelihoods, access to opportunities, the availability of socially beneficial products and services and the creation and recirculation of locally controlled wealth. They might also include being more responsive and flexible in meeting local needs, building local engagement, capacity and community aspiration. Approaches would need to assess both the quality of these benefits and also how broadly these benefits are shared.

18. In implementing the Greater Manchester Local Industrial Strategy, the GMCA should empower place-based partnerships of residents, local businesses and community organisations to design and implement initiatives for skills, livelihoods, enterprise development and infrastructure. The focus should be on nurturing, mobilising and connecting social capital alongside economic capital. This could draw in emerging practice in ‘community-led economic development’⁶⁵, such as the EU’s little-known ‘Community Led Local Development’ model⁶⁶ as well as recent and ongoing community-led economic development pilots that utilise of co-operative and community business models.

19. Greater Manchester local authorities should consider alternative forms of social provision, including strategic use of co-operatives (service user and/or staff led), local social enterprises and socially driven SMEs as part of their commissioning and provider arrangements in order to maximise social and economic benefits.

20. To enable credit unions to provide more financial services to a wider range of people, the Mayor of Greater Manchester should lobby Government for:

- a relaxation of capital requirements
- maintenance of proportionate regulation
- a review of the Credit Union Act
- investment in credit unions

⁶⁵ Department for Communities and Local Government and Co-operatives UK (2017). *Community Economic Development: Lessons from two years’ action research*. Available at: https://www.uk.coop/sites/default/files/uploads/attachments/ced_report_2017.pdf

⁶⁶ European Commission (2014). *Community Led Local Development*. Available at: https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/community_en.pdf

6. Supporting the Co-operative Business Model

- 6.1 The Commission found evidence which highlighted the need for business support to be available throughout the life cycle of a business. Co-operatives are a distinct approach to doing business and as a result, their advice and support needs are distinct from other businesses as well.
- 6.2 As previously outlined, there is an issue with the accessibility of appropriate advice and support; especially for potential founders of new co-operatives and for smaller co-operatives, in Greater Manchester and across the UK. Most people advising entrepreneurs and businesses, whether offered for free on public contracts or selling their services in the market, lack any practical understanding of the difference types of co-operative options available.
- 6.3 Furthermore, the small number of programmes that do offer free support covering co-operative options are restricted in the type of co-operative they can help. For example, Power to Change's Bright Ideas Fund⁶⁷ only offers support to community businesses. Furthermore, the likelihood that potential and existing co-operatives will have access to the right expertise at the right time, is also hampered by the small and shrinking pool of co-operative development expertise in the UK.
- 6.4 To combat some of these difficulties, a number of national programmes have been developed to provide subsidised advice and support from expert co-operative development practitioners (see Case Study D). Such organisations provide opportunities for close working with the proposed Greater Manchester's Co-operative, as well as other established business support organisations (such as the Greater Manchester Chamber of Commerce Greater Manchester Centre for Voluntary Organisation and the Greater Manchester Growth Hub) to develop a more bespoke offer at a city-region level as well as provide additional support that this not covered in national offers.

⁶⁷ My Community (2019). *Bright Ideas Fund*. Available at: https://mycommunity.org.uk/funding-options/bright-ideas-fund/?gclid=EAIaIQobChMI0orC_of55QIVmK3tCh1Aown2EAAAYAAEgIQTPD_BwE

Case Study D – support for co-operatives

*The Hive*⁶⁸ - The Hive is a support programme for co-operatives delivered by Co-operatives UK in partnership with the Co-operative Bank. It supports people who are looking to set-up a new or grow an existing co-operative, and provides free online resources as well as up to 12 days bespoke support, training and mentoring.

There are 3 pathways of support – for start-ups and recently incorporated co-ops, for existing co-ops looking to grow and develop, and finally for existing businesses looking to convert to co-operative or community ownership. The Hive also contains a directory of Co-ops, encourages collaboration, and publishes case studies and other resources for co-operative business. The Hive has already supported 700 enterprises across the UK, created 50 new co-ops, and reached out to a huge number of new communities encouraging their involvement in co-operative working.

An example of a local business supported by the Hive is Projekts MCR⁶⁹; a skatepark based in Manchester city centre. It received support from The Hive to help with its ambitious plans to expand, making it the largest managed skatepark in the UK. In 2018, Projects MCR successfully raised £134,388 from its 70 member investors in order to expand spectator and cafe spaces and allow the skatepark to build more ramps.

Projekts MCR set up as a co-operative back in 2004, transforming a disused land under a busy flyover into a vital space for Manchester’s community of skateboarders – who until then, had nowhere else to go.

The skatepark works with all parts of the community and, as well as being open to the public through the week, there are sessions for under 16s, adults, women-only nights, beginner classes, home-schooled children and more. Coaches also go out to schools to run lunch time and after-school clubs across Greater Manchester.

The Plunkett Foundation - Founded in 1919 and with a history of nurturing co-operation in farming, today the Plunkett Foundation supports rural communities across the UK to tackle the issues they face through community businesses. To date the Foundation have supported almost 600 community businesses to reach trading stage in the UK.

These are owned and run democratically by members of the community, on behalf of the community and include shops, pubs, woodlands and anything that lends itself to community ownership.

The “More than a pub” programme, which is funded by Power to Change, is delivered by

⁶⁸ <https://www.uk.coop/the-hive/>

⁶⁹ <https://www.projektsmcr.com/>

Plunkett, to help communities who wish to take ownership of their local pub and run it for the benefit of the community.

- 6.5 No business, co-operative or otherwise, can succeed without the right skills, knowledge and knowhow. A key benefit of a co-operative approach is how it allows these inputs to be pooled from a broader community. For example, the success of community co-operatives usually depends in part on the participation, often on a voluntary basis, of members who can contribute useful skills, knowledge and knowhow, which they often transfer from another part of their life. However, like any businesses, co-operatives will benefit from receiving the right support at the right time, to enhance their skills, knowledge and knowhow and to help them adopt the tools and processes that will increase their efficacy.
- 6.6 To support co-operative business through the whole of the business life cycle, five specific areas of support are required:
- **Support for commercial businesses to convert to a co-operative approach**
 - **Support for co-operative businesses to understand the market and the needs of the consumer**
 - **All Greater Manchester co-operatives should work towards the principles laid out in the Greater Manchester Good Employment Charter**
 - **To support the awareness raising of co-operative ways of working, Greater Manchester co-operatives should actively engage with initiatives which teach and develop young people about business**
 - **Supporting co-operatives to measure, understand and celebrate the impact that they have**
- 6.7 ***Support for commercial businesses to convert to a co-operative approach*** – There are significant opportunities to grow the co-operative economy by supporting more existing businesses to convert to co-operative ownership, particularly as part of planned ownership succession. The number of ‘family-owned’ SMEs likely to undergo a transfer of ownership in the next decade could be 100,000s⁷⁰. However, evidence suggests that only one in three family businesses in the UK have a robust succession plan⁷¹. Weak succession planning risks the survival of businesses and the loss of decision-making, jobs and capital from the local economy. Yet at the same time, some business owners are motivated to secure the long-term survival of their business after they exit. This is often

⁷⁰ New Economics Foundation (2018). *Co-operatives unleashed: Doubling the size of the UK's co-operative sector*. Available at: <https://neweconomics.org/2018/07/co-operatives-unleashed>

⁷¹ PWC UK (2016). *UK family firms bullish about growth, but may underestimate the impact of short-term challenges*. Available at: <https://www.pwc.co.uk/press-room/press-releases/UKfamilyfirmbullishaboutgrowthbutmayunderestimatethimpactofshort-termchallenges.html>

cited as a motivation of business owners who choose to sell their business to their workers⁷². In Scotland and Wales, government programmes promote and support conversion to worker ownership and evidence is clear that when business owners are helped to plan for succession and explore worker buyouts as an option, more conversions happen⁷³; this needs to be explored in Greater Manchester and England more broadly.

- 6.8 ***Support for co-operative businesses to understand the market and the needs of the consumer*** – there are various reasons why people choose to do business with an organisation. One of the reasons why consumers choose co-operatives is because of the additional social value that can be offered. Research suggests that people are more willing now to pay more for sustainable goods⁷⁴ and brands with a commitment to sustainability are showing a more sustained growth than brands who do not make such commitments⁷⁵. Support to gain a better understanding of the consumer market – including competitors, gaps in market provision and an understanding of consumers will be beneficial for co-operatives to know where to target their marketing and to help inform decisions about location of business, expansion opportunities in different sectors or communities. A successful co-operative needs to achieve a balance of both being a viable business and creating wider social impact.
- 6.9 ***All Greater Manchester co-operatives should work towards the principles laid out in the Greater Manchester Good Employment Charter*** – the Greater Manchester Good Employment Charter compliments the values and principles of the co-operative way of working. There is evidence that co-operatives makes good employers, with higher levels of job satisfaction⁷⁶ and evidence of higher pay and benefit employee benefits⁷⁷. It therefore makes sense that co-operatives work towards the principles outlined in the Charter to ensure ethical practices for all employees.
- 6.10 ***To support the awareness raising of co-operative ways of working, Greater Manchester co-operatives should actively engage with initiatives which teach and develop young people about business*** – to increase the awareness of co-operatives and social business in younger people,

⁷² Co-operative Development Scotland (n.d.). *Employee ownership: A successful succession solution*. Available at: [employee ownership a successful succession solution](#)

⁷³ Co-operatives UK (2019). *One million employee and worker owners by 2030: A proposal for the 2019 Comprehensive Spending Review*. Available at: https://www.uk.coop/sites/default/files/uploads/attachments/one_million_owners_policy_proposal_1.pdf

⁷⁴ Nielson (2015). *The sustainability imperative: New insights on consumer expectations*. Available at: <https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/global-sustainability-report-oct-2015.pdf>

⁷⁵ Ibid

⁷⁶ Pérotin, V (2014). *Worker cooperatives: good, sustainable jobs in the community*. *Journal of Entrepreneurial and Organizational Diversity*, 2 (2), pp. 34–47

⁷⁷ Matrix Evidence (2010). *The employee ownership effect: a review of the evidence*. London: Employee Ownership Association

which will work to effectively diversify the people who work and are members of co-operatives, co-operatives across the city-region should engage with the opportunities offered at a Greater Manchester level to provide work experience young people, giving them direct experience of co-operative ways of working. There are already a number of established mechanisms that co-operatives can engage with, such as Bridge GM and apprenticeships.

- 6.11 ***The need for evaluation support*** – Evidence suggests that co-operative businesses are more resilient in the first five years of their life cycle compared to other types of business⁷⁸. There is also evidence linking worker ownership and control to enhanced commercial performance⁷⁹. However, small businesses including co-operatives can struggle to concretely evidence the financial and social benefits of their business model, making it difficult to evidence success to prospective entrepreneur, in bids for funding or in bids for public sector contracts. Research illustrates that traditional, capitalist based models of business have a negative effect on both people⁸⁰ and the environment⁸¹, this provides an opportunity for co-operatives to illustrate the additional benefits they offer. Support for evidencing financial, social and environmental benefits needs to be a fundamental part of the business support that is offered in the Greater Manchester Co-operative Zone. Support could be offered to help social businesses evidence value added in terms of organisation performance (including commercial performance, efficacy in meeting member's needs), productivity and wider economic, social and environmental impacts. It could also support with measuring impacts on inequalities of income, wealth and power.

⁷⁸ Co-operatives UK (2019). *Co-operative business survival*. Available at: https://www.uk.coop/sites/default/files/uploads/attachments/co-operative_survival_1.pdf

⁷⁹ Fakhfakh, F., Pérotin, V., & Gago, M. (2011). *Productivity, Capital and Labor in Labor-Managed and Conventional Firms*. Available at: https://www.researchgate.net/profile/Fathi_Fakhfakh/publication/281599834_Productivity_Capital_and_Labor_in_Labor-Managed_and_Conventional_Firms/links/55f6923b08ae63926cf5152a/Productivity-Capital-and-Labor-in-Labor-Managed-and-Conventional-Firms.pdf

⁸⁰ Coad A. & Binder. M. (2014). *Causal linkages between work and life satisfaction and their determinants in a structural VAR approach*. Available at: http://www.levyinstitute.org/pubs/wp_809.pdf

⁸¹ World Economic Forum (2019). *White Paper: Responsible ownership – reshaping business as a force for good*. Available at:

http://www3.weforum.org/docs/WEF_FBC_Responsible_Ownership_Report.pdf

Recommendations for ways in which Greater Manchester can support the co-operative business model

21. Greater Manchester Co-operative Zone to work with the GMCA, the Greater Manchester Chamber of Commerce, Greater Manchester Centre for Voluntary Organisation, Manchester Digital and the Greater Manchester Growth Hub to equip business advisors with a basic practical understanding of co-operative approaches.
22. The Greater Manchester Co-operative Zone to help 'family owned' SMEs in Greater Manchester plan for ownership succession and explore conversion to co-operative ownership as a succession option; and to provide access to expert support when business leaders and their workers decide a co-operative conversion is the right option.
23. The Greater Manchester Co-operative Zone to work with the co-operative and mainstream business advice sectors to improve access to expert advice and support for co-ops in the city-region, including business planning, organisational design, culture, governance and HR capability.
24. The Greater Manchester Co-operative Zone to facilitate co-operation between co-operatives in Greater Manchester.
25. A piece of research is needed into the detailed market opportunities which exist in Greater Manchester for co-operatives, including emerging sectors, localities and communities across the city-region
26. All Greater Manchester co-operatives should aim to work towards the principles in the Greater Manchester Good Employment Charter in order to demonstrate their commitment to employees and members
27. Co-operatives across Greater Manchester need to be supported to offer work experience opportunities through Bridge GM and to consider the benefits of the Apprenticeship Levy to support the development of apprentices in co-operative businesses and the Greater Manchester Co-operative Zone to advertise these opportunities
28. Greater Manchester should lead on developing a city-region version of the pioneering

SMART co-operative (see Case Study M). A Greater Manchester version could draw on the Belgian experience adapted to the unique conditions in the city-region and the UK. This could draw together 'freelancers' and people in precarious employment into a powerful economic unit.

29. The Greater Manchester Co-operative Zone must provide evaluation support so that the co-operative sector can prove its collective value. This would support individual co-operatives can use tools and business approaches, to measure and evaluate the benefits they create for their members and their communities, including 'social accounting', to 'prove, improve and be accountable' for the social value.



7. Co-operation the Commission's Three Opportunity Areas

7.1 From the three opportunity areas which the Commission looked at, a number of sector specific challenges were identified which need to be addressed to enable citizens and communities in Greater Manchester to engage in finding their own solutions.

7.2 Co-operative opportunities to improve Greater Manchester's housing options

7.2.1 The average selling price of a house in Greater Manchester in November 2019 was just over £200,000⁸²; a 3.43% rise compared to November 2018⁸³. With fewer people being able to afford their own home, a greater proportion of Greater Manchester residents are privately renting than ever before⁸⁴. This has led to a significant increase in rental costs across the city region as landlords seize the opportunity to increase profit margins⁸⁵. Co-operatives provide an ideal opportunity for tenants to have control over their housing through co-operative ownership to maintain a decent standing of living at an affordable cost⁸⁶

7.2.2 **Mutual based social housing** – within Greater Manchester is the first tenant and employee-owned social housing provider (e.g. Rochdale Boroughwide Housing). This is a pioneering example of a citizen, user and employee-based organisation, separate from the state in terms of ownership and control, but carrying on business for the benefit of the community.

7.2.3 **Access to land and/or housing stock** – evidence reviewed by the Commission found that there is often difficulty in accessing land or housing stock to use for community housing. This is mainly because the stock that is available and affordable is often sold to cash buyers or at auction and citizens and communities struggle to access finance quick enough to compete with investors.

⁸² Zoopla (2019). *House prices in Greater Manchester*. Available at: <https://www.zoopla.co.uk/house-prices/greater-manchester/>

⁸³ Ibid

⁸⁴ Office of National Statistics (2011). *2011 Census data*. Available at: <https://www.ons.gov.uk/census/2011census/2011censusdata>

⁸⁵ Valuation Office Agency (2017). *Private rental market statistics*. Available at: <https://www.gov.uk/government/collections/private-rental-market-statistics#2018>

⁸⁶ Sumner, K. (2016). *Building for generation rent: How a co-owned, co-operative model can solve the housing crisis*. Available at: <https://policynetwork.org/publications/papers/building-for-generation-rent>

7.2.4 **The need for a specific Greater Manchester Community Housing Hub** – in addition to the Greater Manchester Co-operative Zone, there is an identified need for additional support to be available for community housing projects. This would provide expert advice to citizens and communities on property and land purchase, development and access to financial advice. It would also provide an opportunity for organisations to collaborate on housing projects, or for larger organisations to support new initiatives.

7.2.5 Research by the Commission has identified the following broad areas of innovation where co-operative solutions provide options for filling gaps in the Greater Manchester housing market (see Case Study E):

- *Eco-friendly homes* – Many community housing schemes are also exemplars on energy efficiency.
- *Housing support for specific communities* – other schemes meets the needs of specific groups of people, for example students or older people.
- *Community-led retrofitting of existing properties* – the Commission also received evidence about the importance of retrofitting older properties, and how this was made more affordable through collective and co-operative action
- There are opportunities for co-operatives to become more involved in resident finance around housing such as investment, the underwriting of eviction prevention measures or private rent deposit loans (e.g. through services provided by credit unions).

Case Study E – co-operative innovation in the housing sector

Mutual Home Ownership Society co-operatives – *Lilac (Low Impact Living Affordable Community)*⁸⁷ – an example of a co-housing community of 20 eco-build households in West Leeds, where the homes and land are managed by residents through a Mutual Home Ownership Society, a pioneering financial model. Lilac aims to be affordable and low impact in terms of the environment. *Homes for Change*⁸⁸, in Hulme is a fully mutual housing Co-op – which means that every tenant and prospective tenant is a member of the co-op. Rather than paying rent to someone else, members of a housing co-op are both tenant and landlord as they own a share in the co-op and aims to own and manage its own property. Homes for Change also features co-operative workspaces. Both Lilac and Homes for Change are business models

⁸⁷ <https://www.lilac.coop/>

⁸⁸ <https://www.homesforchange.co.uk/>

which could be replicated.

Co-operative student accommodation - co-operative housing for students, where a group of students come together as a co-operative and are both landlord and tenant, provide opportunities for accommodation without the substantial margins charged by private landlords. *Student Co-op Homes*⁸⁹ is the national body for student housing co-op, giving students the opportunity to have affordable and decent living conditions, improve wellbeing, gain valuable life skills, learn co-operative values and contribute to building a sustainable co-operative economy. An example can be seen in *Edinburgh Student Housing Co-operative*⁹⁰, the UK's largest student-run housing co-op.

Co-operative accommodation for older people - *Older Women's Co-Housing Project*⁹¹ where a group of women over fifty have created their own community in a new, purpose-built block of flats in North London, as an alternative to living alone, they have friendly, helpful neighbours.

Community-led retrofitting of existing properties - *Carbon co-op*⁹² - A scheme based in Greater Manchester which aims to reduce carbon omissions by helping residents to make their homes more energy efficient. This may include smaller measures to help resident understand and reduce their energy consumption, such as installing smart meters, or larger scale projects, such as whole building retrofits to make older, energy inefficient building more energy efficient.

- 7.2.6 Furthermore, housing co-operative networks (for example, Radical Routes⁹³ and the Confederation of Co-operative Housing⁹⁴) have been shown to support sector growth, and should be encouraged if individual co-operative and community housing schemes were to flourish.

⁸⁹ <https://www.studenthomes.coop/>

⁹⁰ <https://www.eshc.coop/>

⁹¹ <http://www.owch.org.uk/>

⁹² <https://carbon.coop/>

⁹³ <https://www.radicalroutes.org.uk/>

⁹⁴ <http://www.cch.coop/>

Recommendations for seizing the co-operative opportunities to improve Greater Manchester's housing options

30. The GMCA should explore the application of mutual and member ownership in social housing, including through the Greater Manchester Housing Strategy.
31. Requirements for co-operative and community ownership of housing should be embedded into Greater Manchester and local Housing Strategies, including the Greater Manchester Spatial Framework and local plans. This would include consideration of strategic planning, land allocation and economic strategy to incentivise co-operative and community housing models.
32. The Commission supports the proposal of a Greater Manchester Community Housing Hub and recommends that the GMCA and all relevant housing organisations also pledge their support.
33. The GMCA, Mayor of Greater Manchester and Mayor of Salford to lobby government for continuation of national Community Housing Fund.

7.3 Co-operative opportunities to improve Greater Manchester's transport links

7.3.1 The Commission looked at a number of international examples of where transport planning is co-operative – for example taxi co-operatives in the USA⁹⁵ and Canada⁹⁷, and co-operative bus routes in Israel⁹⁸. There are also many examples of co-operatives providing fundamental transport services to communities across the UK. The main benefits associated with community-led and co-operative transport were found to include:

- **Reducing emissions and congestion**
- **Managing demand better**

⁹⁵ <http://www.rideaustin.com/#proud>

⁹⁶ <https://www.shareable.net/cabby-owned-taxi-cooperatives-on-the-rise/>

⁹⁷ <https://co-opcabs.com/>

⁹⁸ <http://www.egged.co.il/homepage.aspx>

- **Enabling modal shift from polluting cars to greener and public transport**
- **Making public money go further**
- **Building local economic resilience**

7.3.2 The Commission also examined examples of where progressive trade unions are working to support local co-operatives, for example the Drive co-operative in Wales⁹⁹.

7.3.3 Community transport across Greater Manchester provides an ideal opportunity for growing the co-operative sector.

7.3.4 **Opportunities around Greater Manchester's bus reform programme** – Greater Manchester is currently reviewing its approach to commissioning bus services. This provides a real opportunity for community-based initiatives to provide routes that are commercially viable as well as those that are needed by communities but not viable without voluntary support or other subsidisation (see Case Studies F).

Case Study F – Co-operative Community Transport

*Harwich Connexions*¹⁰⁰ provides a range of community services in the Harwich area of Essex working in partnership with other local organisations, and *West Oxford Community Transport*¹⁰¹ which works with the local community to deliver sustainable public transport services through a not-for-profit organisation. In this way, local bus services have an important role in maintaining an active and engaged community by providing the necessary links for all residents.

7.3.5 **Social care transport** – transport for social care needs is another area where individuals and communities can help to provide a local service. Non-emergency patient transport services provide eligible patients who require planned, non-emergency treatment with free transport to an NHS

⁹⁹ <https://www.cardiff-times.co.uk/new-co-operative-puts-the-power-back-in-the-hands-of-the-drive/>

¹⁰⁰ <http://www.harwichconnexions.co.uk/cms/>

¹⁰¹ http://www.woct.org.uk/#xl_xr_page_index

site¹⁰², often in the form of ambulances, taxis and minibuses¹⁰³ at a cost of over £150million to the NHS each year¹⁰⁴. There are opportunities here for community-based initiatives that could reduce costs to the public purse and provide a better experience for the user.

- 7.3.6 **Taxis and Private Hire Vehicles** - the taxi and private hire market is undergoing significant change nationally. The development of 'taxi apps' has led to a change in behaviour of how people use private hire transport¹⁰⁵. This presents an opportunity for co-operatives to provide a role in delivering private hire services that improve access to taxi services for communities but also provide better working conditions for drivers in light of wide scale criticism of the treatment of workers of large scale 'self-employed' taxi driver schemes. There are already a number of co-operatives who have aimed to bridge this gap in other parts of the UK, Greater Manchester can learn from and build on these existing models to provide a community-based taxi service for the city region (see Case Studies G).

Case Study G - Taxi co-operatives

Taxi App UK run by black cab drivers in London and *City Cabs* in Edinburgh, have been set up on co-operative principles to provide better employment conditions for drivers and also to compete with other corporate and large scale app-based taxi services.

- 7.3.7 **Rail** - Community Rail Partnerships, groups of committed and dedicated people who work with the rail industry and local authorities to promote the line and improve stations, train services, bus links and access, are co-operative arrangements to increase community involvement and democratic accountability of local rail services. Whilst currently most are located in rural communities, (Lancashire, for example, has 5 community rail partnerships), this model could be developed for use in Greater Manchester.

¹⁰² Urban Transport Group & Community Transport Association (2017). *Total transport: A better approach to commissioning non-emergency patient transport?* Available at: http://www.urbantransportgroup.org/system/files/general-docs/UTG%20CTA%20Total%20Transport%20Report%20FINAL_0.pdf

¹⁰³ Ibid

¹⁰⁴ Ibid

¹⁰⁵ Harding, S., Kandlikar, M., & Gulati, S. (2016). *Taxi apps, regulation, and the market for taxi journeys*. Transportation Research Part A, 88, pp. 15-25.

- 7.3.8 **Car and cycle Sharing and Business Vehicle Use** – to help to reduce carbon emissions, congestion and reduce the cost to the user, car and bicycle sharing schemes and bicycle hire schemes have seen a rise in the UK in recent years¹⁰⁶. Local co-operatives have started to explore the opportunities here, including Salford City Council (see Case Study H).

Case Study H – Car Sharing and Business Vehicle Use

*Co-Wheels Car Club*¹⁰⁷ which has a branch in Salford sees low emission and electric vehicles being available for use by Council employees during working hours, and also for hire by local residents in the evenings and weekends. The Council has shown both financial savings and a net reduction in carbon emissions through the use of this scheme.

- 7.3.9 **Electric vehicle charging points** - in spite of almost 60,000 new cars being sold in the UK being electric vehicles (2.5% of all new car sales)¹⁰⁸, there is a known lack of charging point, with only 28,685 charging points across the whole of the UK at just 10,381 locations¹⁰⁹; with more than 300 charge points across Greater Manchester¹¹⁰. Co-operatives may be able to support the development of the infrastructure needed and ongoing supply of charging points across the city region (see Case Study I).

¹⁰⁶ Comouk (2019). *Shared bikes*. Available at: <https://como.org.uk/shared-mobility/shared-bikes/where/>

¹⁰⁷ <https://www.co-wheels.org.uk/>

¹⁰⁸ Society of Motor Manufacturers and Traders (2019). *Car Registrations*. Available at: <https://www.smmt.co.uk/vehicle-data/car-registrations/>

¹⁰⁹ ZapMap (2019). *Charging point statistics 2019*. Available at: <https://www.zap-map.com/statistics/>

¹¹⁰ Cleanairgm.com (n.d.). *Electric vehicles*. Available at: <https://cleanairgm.com/electric-vehicles>

Case Study I - Electrical Charging Points

*Charge My Street*¹¹¹ has been a community-led crowd funding scheme to bring electric vehicle charging points into communities, which Greater Manchester may wish to replicate.

Recommendations for seizing the co-operative opportunities to improve Greater Manchester's transport links

34. Transport for Greater Manchester to carry out a place-based pilot programme for the development of community-owned 'total transport' business models / community transport to link up with shared modes and mainstream network as part of the ongoing work around bus reform.

35. Transport for Greater Manchester, the Greater Manchester Health and Social Care Partnership, the GMCA as well as wider public sector partners should create opportunities and infrastructure for co-operative and community-led transport options through mainstream integrated transport planning.

36. Transport for Greater Manchester, the Greater Manchester Health and Social Care Partnership and the GMCA explore opportunities for co-operative approaches to support Greater Manchester's health and social care transport needs.

37. Greater Manchester could be an ideal market for the creation of a co-operative taxi app, encouraging all private hire taxi firms to join and creating a single app that works for all of Greater Manchester.

¹¹¹ www.chargemystreet.co.uk

7.4 Co-operative Opportunities to improve Greater Manchester's digital infrastructure and use of technology

7.4.1 The vast majority of the digital technologies that are widely used and interacted with on a day to day basis are owned and controlled by private corporations; some of whom are very large and have significant impacts on local economies. However, the evidence reviewed by the Commission showed that there is huge potential in the digital sector for the development of co-operatives, both in Greater Manchester and nationally. There are good examples of co-operating at scale (see Case Study J).

Case Study J - Digital Co-operation on a Large Scale

The London Internet Exchange (LINX)¹¹² is a mutually owned membership association for operators of Internet Protocol networks and is one of the largest Internet exchanges in the world, connecting more than 900 member autonomous system numbers from over 80 countries around the world.

7.4.2 The internet itself is a democratising force. It is inherently co-operative in its nature, enabling individuals to connect and collaborate with very low transaction costs. The technology offers massive potential for co-operation.

7.4.3 Examples of successful co-operative models used in the digital sector include (see Case Study K):

- Co-operatives to improve the digital infrastructure
- Platform co-operatives which use the internet, in the form of a website or an app, to facilitate the exchange of goods or services, and act as a platform on which individuals or small companies can work co-operatively
- Digital based services
- Federated co-operative model - a group of co-operatives, often smaller and place-based, form and become members of 'parent' co-operatives

¹¹² <https://www.linx.net/>

Case Study K – Digital Co-operatives

Infrastructure co-operatives - *Cooperative Network Infrastructure*¹¹³, using an innovative approach, Tameside Metropolitan Borough Council is working with partner organisations, including Manchester City Council and NHS trusts, to build a new, advanced digital infrastructure to serve public sector, businesses and citizens.

The 'thin layer model' pioneered in Tameside facilitates rapid deployment of new, 'full fibre' infrastructure, while avoiding some of the complications and downsides associated with other public sector demand aggregation, leveraged and co-investment models.

The thin layer model is pragmatic and 'agile'. Tameside, Blackpool, Manchester and their public sector partners invest in new infrastructure assets where a business case can be made to meet needs. Then those assets are sewn together to form a coherent, integrated infrastructure that can be shared using a co-operative. In general, the business case for each investment stands alone. By linking assets together into a shared network, the business case is multiplied.

Tameside MBC has been working with public sector partners including Tameside Hospital, the Pennine Care NHS trust, Tameside College and New Charter - the principal Registered Provider. Following consultations, including a successful soft market test and detailed state aid advice, Tameside is extending the model to include private sector partners.

DCMS and BDUK nominated Tameside to be one of six pilot 'Wave 1' projects in its £200m Local Full Fibre Network Programme, and is encouraging other authorities to learn from and use the model.

The Tameside network is being extended as part of the 'Wave 2' funding won by GMCA. Blackpool Council and Mid Sussex District Council have also won Wave 2 funding using the

¹¹³ <https://cni.coop/>

model.

Fibre cooperatives – B4RN¹¹⁴ has extended state-of-the-art full fibre connectivity to villages and communities in Lancashire using a co-operative community ownership and investment model.

Platform co-operatives - *Fairmondo*¹¹⁵ - what began in 2012 as a website selling ethical and environmentally friendly products in Germany now has over 2,000 members and sells its products all over the world.

*Stocksy United*¹¹⁶ - a co-operative photo and video agency based in Canada

*Backfeed*¹¹⁷ - Backfeed builds tools that enable large-scale, free and systematic co-operation between thousands of people without the co-ordination of any central authority.

Backfeed develops a decentralised protocol that relies on blockchain technologies to provide an indirect coordination mechanism for people to collaborate and cooperate.

*Resonate*¹¹⁸ - a “stream-to-own” music platform driven by blockchain technology, with both artists and listeners as members

*Equal Care*¹¹⁹ – a new, co-owned social care platform that puts care givers and receivers in charge

¹¹⁴ <https://b4rn.org.uk/>

¹¹⁵ <https://www.fairmondo.uk>

¹¹⁶ <https://www.stocksy.com/>

¹¹⁷ <http://backfeed.cc/>

¹¹⁸ <https://resonate.is/>

¹¹⁹ <https://www.equalcare.coop/>

Digital based services

*Graphics Co-operative*¹²⁰ – a co-operative graphic design company dedicated to supporting Scotland’s third sector.

*Outlandish*¹²¹ - a co-operative digital agency that designs web apps, data dashboards and monitoring tools, aiding the discovery of new insights from complex data, as well as developing mass-impact campaigns and websites.

*Alpha Communications*¹²² - a co-operative design and digital marketing business.

Federated co-operative model

*Co-operative Technologists (Co-Tech)*¹²³ - is a network of worker co-operatives that sell tech/digital services. It aims to create a better technology sector in the UK that focuses primarily on worker, customer and end-user needs rather than on generating private profit.

*Federated Co-operatives Limited*¹²⁴ - is a co-operative that supports other co-operatives that serve people in Western Canada. It is a wholesaling, manufacturing, marketing and administrative co-operative owned by more than 170 independent retail co-operative associations. These retail co-ops own and operate agro centres, food stores, gas bars/convenience stores and home centres.

¹²⁰ <https://graphics.coop/>

¹²¹ <https://outlandish.com/>

¹²² <https://alpha.coop/>

¹²³ <https://www.coops.tech/>

¹²⁴ <https://www.fcl.crs/>

7.4.4 Digital platforms have become a common business model in recent years, and lend themselves to a co-operative approach to ownership and governance. Some examples of specific opportunities where Great Manchester could potentially support new initiatives (see Case Study L):

- Freelancer/gig economy support platform
- Cycle courier/delivery services
- Cleaning services

Case Study L – Platform Co-operatives

Freelancer/gig economy support platform - *The SMART co-operative in Belgium*¹²⁵ - often regarded as an inspiration for employment at scale in the 'gig economy'. SMART places the worker, bearer of economic and social value, at the centre of its mission so that the person can acquire social rights and develop their professional activities to the fullest.

Cycle courier/delivery services - *CoopCycle*¹²⁶ - is the European federation of bike delivery coops. Governed democratically by co-operatives, it enables them to stand united and to reduce their costs thanks to resources pooling. It creates a strong bargaining power to protect the bikers' rights.

Cleaning Services - *Up and Go*¹²⁷ - a cleaning service in New York uses technology to provide a high quality and reliable cleaning service run on co-operative principles which provide improved working conditions and pay for its members and employees. All cleaners are co-owners of Up & Go, and support each other.

Responsible tourism - *Fair BnB*¹²⁸ - a cooperative accommodation booking platform that promotes and funds local initiatives and projects.

¹²⁵ <https://smart.coop/>

¹²⁶ <https://coopcycle.org/en/>

¹²⁷ <https://www.upandgo.coop>

¹²⁸ <https://fairbnb.coop>

- 7.4.5 A successful platform co-operative needs access to digital development skills. While potential founders may have these skills themselves, it's not always the case, so ready access to a pool of digital developers could be a very powerful asset in supporting rapid prototyping and validation of platform business models. As an already established centre of digital skills Greater Manchester could become a centre for platform co-operative development and incubation.

Recommendations for seizing Co-operative Opportunities to improve Greater Manchester's digital infrastructure and use of technology

38. Consult on the creation of a Greater Manchester digital umbrella co-operative to facilitate formation of consortia for collaborative tendering and SME delivery of big digital projects. This would enable 'pop-up' digital co-operatives to respond to shifting market opportunities and needs as well as facilitating resource sharing e.g. a pool of people with developer skills that companies could utilise when needed.
39. GMCA should work with the public and private sector to extend the cooperative neutral host model successfully pioneered in Tameside to other parts of Greater Manchester, aggregating digital infrastructure assets for public use and sharing them with digital and telecoms businesses, including locally based SMEs.
40. GMCA should launch a Greater Manchester-wide user-investment vehicle "Fibre GM" so that communities and business clusters can invest in full fibre and make it available to Internet Service Providers, including local and SME providers.
41. Apply the 'Digital Exchange' notion used in Brighton and Tameside to create focal points for digital business development outside the city centre, using cooperatively-owned carrier-neutral access and hosting points based on the LINX ownership model.
42. Encourage collaboration in Greater Manchester on initiatives opportunities such as cooperative cloud - taking advantage of the lively digital sector, the strength of Coop Digital and CoTech members in Greater Manchester and wider.

8. Concluding Remarks

- 8.1 The establishment of the GMCA – effectively a mechanism for 10 councils to work together co-operatively with an elected Mayor – creates an important platform for change. It opens up new opportunities to promote a different way of working in Greater Manchester, adopting co-operation and co-operative values into local communities and values into business. A dual focus on (1) participation by users, workers and citizens and (2) social impact will bring benefits to the city-region beyond those of traditional business productivity; the co-operative approach to business can open up new opportunities move into the spaces left vacant by market failure.
- 8.2 Greater Manchester has all the growing conditions for co-operation. The *political awareness and will is there* – the city-region is led by a Labour and Co-operative Mayor in Andy Burnham, Co-operative Councils and Councillors, all of whom are committed to driving the movement forward. GMCA itself is a collaboration between equal partners (the 10 Greater Manchester local authorities and the Mayor of Greater Manchester) and shares some characteristics with co-operatives.
- 8.3 There are the *emerging strategic drivers* in the establishment of the GMCA and its Greater Manchester Strategy, the Local Industrial Strategy, and opportunities to develop further across health and social care, housing, transport and environmental agendas. These strategies provide the hooks for investment and activity aimed at transforming people’s lives and strengthening the economy through a different approach to service provision which is taking root elsewhere.
- 8.4 Greater Manchester has the *opportunities for co-operatives*. The original co-op shop was set up to meet a need in the consumer market – selling good quality foods at affordable prices just before Christmas during a period of mass unemployment and financial hardship. Offering butter, sugar, flour, oatmeal and candles, the shop at Toad Lane, Rochdale met a clear need in the local community. Today, areas of market need (and failure) still exist across the city-region, providing opportunities into which co-operatives could flourish in social care, transport, retail, and neighbourhood services, for example. Together with new opportunities in digital and health innovation, there is space to grow.
- 8.5 In 2020, there is also a *relevance* for co-operatives. The Pioneers wrote down a list of rules by which they would run their new co-operative society, from which we have the current co-operative principles. They recognised that it was not enough for their shop just to exist; it needed to achieve both purpose - meeting need and fulfilling a gap in the consumer market, and also values and principles, which add quality, create wider impact and gave a competitive advantage. The two are interlinked – values alone do not guarantee success.

- 8.6 *Greater Manchester is a place of innovation using co-operatives*, from the beginning in 1844 through to the creation of the Co-op Group (formally known as Co-operative Wholesale Society) and the Cooperative Bank, to digital initiatives like The Federation and Cooperative Network Infrastructure.
- 8.7 In addition to all of this, *Greater Manchester also has the people* – potential co-operators in communities, showing interest in becoming members of local organisations, investing in local projects, and owning local assets. There is leadership in abundance – the Commissioners themselves as well as many more individuals active in co-operatives across the city-region, as well as the head offices of Co-operatives UK and the Community Transport Association being placed in Greater Manchester.
- 8.8 There are the anchor businesses in Greater Manchester which want to support a co-operative resurgence. The roots of the ‘Co-op’ are in the city-region, now cared for by the Co-operative Heritage Trust for the benefit of all, as are the business leaders and members who want to drive this forward.
- 8.9 Greater Manchester has the infrastructure to build from – specialist business support through the Hive and the Federation, emerging co-operatively owned digital infrastructure, early investment in a Community Housing Hub, a Co-operative College, a Consortium of Credit Unions, and much more...
- 8.10 The Greater Manchester Co-operative Commission has created the intelligence and a learning resource from which to build. It has also raised the profile of the ambition beyond the city-region and given us contacts across the world – many of whom are willing to help achieve this ambition.
- 8.11 Acting upon the recommendations made in this report will only serve to strengthen the political, strategic and business environment for co-operatives to thrive.
- 8.12 The time is right for Greater Manchester to radically change the focus from traditional business towards wider productivity, communities and the creation of an inclusive economy. By encouraging open and voluntary membership of activities which create social impact; supporting democratic member control and economic participation in business; promoting local accountability; supporting education, training and the sharing of information, as well as co-operation amongst businesses, we can achieve our vision of Greater Manchester being the most co-operative place in the country. Most importantly, we have concern for our communities – supporting local people and giving back to our members.

8.13 **Greater Manchester must seize the moment - if not now, then when?**



Appendix A: Greater Manchester Co-operative Commission Terms of Reference

Purpose

The Greater Manchester Co-operative Commission will sit as an independent panel, making policy recommendations to support the continued development of the co-operative sector in Greater Manchester and to ensure that Greater Manchester Combined Authority (GMCA) is drawing on the benefits that co-operatives can bring to our local economy.

The approach that the Co-operative Commission will take is set in the context of enabling a more inclusive economy, in which the concept of social value creation will be an integral part. The Commission will seek to encourage an environment where values and co-operation are foremost.

The Commission will be a driver for the development of co-operative activity across the city-region, exploring whether co-operative ideas can help to solve existing problems, encouraging greater collaboration within the co-operative sector and contributing to the achievement of the ambitions of the Greater Manchester Strategy and Local Industrial Strategy. It will support on-going work as well as providing practical policy recommendations for future consideration.

Scope

Co-operatives are businesses that meet the needs and aspirations of their members, who work in, trade with, or otherwise participate in the business, and which contribute more broadly to the common good. Co-operatives are owned and controlled by their members. This includes customer, worker and producer co-operatives, as well as many community businesses and social enterprises. 160,000 people in Greater Manchester are members of a co-operative; collectively providing a turnover to the local economy of over £73million. This activity covers many sectors of business and includes credit unions providing financial services to communities, ten housing co-operatives, a social housing provider, leisure companies, and retail- including the modern home of the Co-operative Group, the UK's largest consumer owned business.

The Commission will explore how to support co-operatives and other similar organisations using co-operative approaches.

As the co-operative and mutual business model is already well established, the Commission will look how co-operative business and values can be applied to areas where the benefits are not yet fully realised, as well as exploring how they can be applied to emerging issues and sectors.

The remit of the Commission will include:

The existing evidence of particular opportunities outlined below, to develop a more co-operative Greater Manchester, drawing on proven models and promising innovations in the global co-operative economy

How Greater Manchester can build from current and recent innovations in the sector, and the business advice and support available to enable this sector to grow for the benefit of businesses, workers and communities

How Greater Manchester can help to meet and overcome the challenges and barriers that co-operatives and the wider sector faces

There is a strong history of co-operative business in Greater Manchester, and it will be important to involve local partners and local experiences in the Commission, hearing the voices of those running, setting up or trying to set up co-ops and their support.

An 'Opportunities' approach

The Commission will explore the following 4 opportunities:

Opportunity 1 – Housing

The Mayor of Greater Manchester has prioritised tackling homelessness and rough sleeping. However, long waiting lists for social housing is and the average mortgage in the city requires an annual salary of over £34,000 are not conducive to support people who are, or are at risk of becoming, homeless.

The Commission will explore the opportunities for expanding housing based co-operative ideas and principles, including social housing, community led and co-operative housing to give households and communities more control over new and existing housing. Addressing the lack of tenant voice and the current weaknesses of accountability were highlighted in the recent housing Green Paper. The Commission will take account of the evolving proposal around the [Greater Manchester Community Housing Initiative Project](#). It will also look at what actions in the private rented sector will improve the standard of rented homes and ensure landlords are appropriately monitored and put tenants at the heart of their business.

Opportunity 2 – Digital Economy

With almost 8,000 digital and digital-intense creative businesses in Greater Manchester already employing more than 82,300 people, there are many exciting opportunities to create a different way of doing business. New start-ups are forming all the time, and there is an increasing number micro-businesses and self-employed working in the creative-digital-tech sector. This sector already sees a heavy emphasis on collaboration as a way to accelerate innovation and to try and match the scale of larger businesses. There is an opportunity to take a lead in Greater Manchester on the use of the co-operative business model to accelerate and give structure to that collaboration.

At the same time, there is a need and opportunity for groups of businesses and citizens in Greater Manchester to co-operate in the ownership, development and operation of an inclusive and enabling digital layer everywhere in the city-region, including through shared passive (fibre and hubs) and active (cloud and bandwidth) digital infrastructure.

Opportunity 3 – Transport

Transport is a key priority for Greater Manchester and there is an opportunity to explore emerging markets in the transport sector in which co-operatives may thrive. These include:

Taxi and private hire provision using new technology to compete with international providers

Car-pooling, sharing, and cycle hire – which will have a positive impact on road congestion and air pollution by reducing the number of private cars on Greater Manchester's roads

'integrated social needs transport' – transport to doctors' and hospital appointments, school transport, 'ring and ride' etc – where an improvement in connectivity and effectiveness will reduce missed appointments and allow timely hospital discharge

GMCA has acquired new powers and responsibilities through the 2017 Bus Services Act, and there is an opportunity to assess and evaluate the desirability of more inclusive procurement that could create a more supportive environment for community owned transport operators.

Opportunity 4 – Co-operative Business Development

Co-operatives and mutuals of any kind across all sectors could have a role to play in helping to achieve Greater Manchester's aspirations of developing good jobs and growth. In light of this, the Commission will consider how to support co-operative development on a less sector-specific basis. The Commission will focus on two broad areas:

Creating a supportive environment for the development of new co-operatives - exploring the opportunities and the pathways for co-operative founders (entrepreneurs), within existing organisations or setting up new ones, including increasing awareness and understanding of the role co-operative ideas can have, access to advice and financing options.

Market opportunity development - exploring how current programmes, strategies and charters create market opportunities for co-operatives.

The Commission

The Commission will be chaired by Cllr Allen Brett, Leader of Rochdale Council and Greater Manchester Portfolio Lead for Co-operatives, Communities and Inclusion. He will also represent the Co-operative Councils' Innovation Network at the Commission, and be supported by his deputy portfolio holder, Cllr Angeliki Stogia of Manchester City Council.

It is proposed that there are nine appointed Commissioners who will provide a breadth of expertise and represent the following stakeholder perspectives:

Role of Commissioners

All Commissioners will be expected to be mindful of the following co-operative values in their participation in the Commission.

Self-help - In co-operatives, people help each other whilst helping themselves by working together for mutual benefit.

Self-responsibility - Individuals within co-operatives act responsibly and play a full part in the organisation.

Democracy - A co-operative will be structured so that members have control over the organisation – one member, one vote.

Equality - Each member will have equal rights and benefits (according to their contribution).

Equity - Members will be treated justly and fairly.

Solidarity - Members will support each other and other co-operatives.

The **Chair** will ensure that:

Meetings of the Commission are conducted in a fair and transparent business-like fashion;

Agreed conclusions and recommendations are clear;

That a shared culture and language, common purpose and trust are endorsed through a collaborative leadership style.

Members of the Commission will ensure that:

They make every effort to attend meetings. Substitutes will not be allowed;

They are prepared for the meetings, and have read papers circulated in advance;

They act in an independent, personal capacity, thereby bringing to the Commission's deliberations their particular knowledge, skills and experience;

They are not appointed to represent the interests of any organisations by whom they are employed or with whom they may be associated, but rather, to consider all views and evaluate them in an objective manner, contributing to the Commission's work;

They are expected to commit a minimum of six half days to the work of the Commission over a period of nine months;

They will take forward any actions that they have agreed to develop, and report back any progress to the Commission in the timescales agreed;

They endorse the collaborative and co-operative model and work to ensure its achievement;

They must not use, or attempt to use, the opportunity presented by the Commission to promote personal interests or those of any connected person, firm, business or other organisation.

Commissioners must ensure that no conflict arises, or could reasonably be perceived to arise, between the work of the Commission and their private interests – financial or otherwise. They must declare publicly any private interests which may, or may be perceived to, conflict with the Commission.

Information Governance

It should be noted that appointment as a Commissioner carries with it a duty of confidentiality in relation to the information received. Commissioners must not misuse information gained in the course of their duty as a Commissioner for personal or commercial gain or for political purpose.

Commissioners must not disclose or share with any organisation or individual outside of the Commission any information which is confidential in nature or which is provided in confidence, including Commission discussions and Commission papers. This duty continues to apply after they have left the Commission.

All Commission issued papers will be considered by Commissioners as confidential unless advised otherwise.

The papers and minutes issued by the Commission will be subject to the Freedom of Information Act 2000 and the relevant regulations regarding disclosure.

Accountability

The Commission will be convened by and is ultimately accountable to GMCA. The Commission will be convened specifically for the duration of this piece of work and there are no plans for it to meet beyond the publication of the final report.

Role of partners in the Commission

GMCA – convenor, author to final report, programme management, some administration, policy / data analysis

Co-operatives UK – expert policy support, ensuring participation of member co-ops

Co-operative Party – guidance, expert policy support, nomination of Commissioner

Co-operative Councils' Innovation Network – expert policy support, exemplar case studies and evidence, active participation in evidence hearings

GMSEN – ensuring participation of members and networks, nomination of Commissioner

Host organisations – provide a venue for the meetings and present the evidence

Appendix B: Commissioner Biographies

Chair: Cllr Allen Brett – Leader of Rochdale Borough Council

Allen is the GMCA Portfolio Lead for Community, Voluntary and Co-ops. Allen was elected to Rochdale Borough Council in 2012 and became Leader in 2018.

First elected to public office on the previous Greater Manchester Council, Allen has been a member of the Labour Party for the last 40 years and has held most senior posts on Rochdale Borough Council.

Allen started his career in teaching in 1969 having qualified at what is now Hopwood Hall College. He spent two years teaching in Uganda and ended his secondary school career in Middleton before going on to Youth Work and then lecturing at universities.

Vice Chair: Cllr Angeliki Stogia – Manchester City Council

Angeliki has been a Labour Councillor for Whalley Range since 2012 and is the first ever-elected member of Manchester City Council to have been born in mainland Europe.

Angeliki has spent years working in the voluntary and social enterprise sector across North West England. She is particularly concerned with social mobility, inclusion, equality, justice and sustainability. She is also committed to improving the lives of everyone who lives and work in the Manchester conurbation.

Angeliki serves as the Deputy Portfolio Lead for Community, Voluntary, and Co-ops at the GMCA.

Cliff Mills, Consultant - Anthony Collins Solicitors

Cliff specialises in the law of co-operatives and member-based organisation. He supports those seeking to set up new ventures trading for a social purpose, advises existing organisations on the transition from private or public into democratic, member-based arrangements and seeks to redesign structures for a collaborative and co-productive approach involving users, workers and citizens.

Cliff has more than 25 years' experience working with the UK co-operative movement, including the leading retail societies, Co-operatives UK, the Co-operative Party, and the Co-operative College; he has been involved in establishing NHS Foundation Trusts, GP co-operatives, and other member-based organisations in leisure services, youth services and housing, including the UK's first tenant and employee owned social housing providers, and the model rules for community shops and pubs.

Cliff is involved in the modernisation of UK co-operative law and the comparative study of cooperative law between different jurisdictions. He is a member of an international community of co-operative lawyers (Ius Cooperativum), is listed on their online database (World Map of Cooperative Lawyers), and has published in their International Journal of Cooperative Law. Cliff is also Principal Associate at Mutuo, the leading advocate for mutuals.

David Batten, Chair – Credit Unions for Greater Manchester

David has been the Chief Executive at Hoot Credit Union in Bolton for eight years, and prior to that he assisted credit unions up and down the country to improve their business planning skills.

David is currently Chair of Credit Unions for Greater Manchester, a consortium of the largest community credit unions across the region who have been working together for the past three years to extend their membership and develop exciting new products and services for the people of Greater Manchester.

David is a great believer in cooperation amongst cooperatives.

James Wright, Policy Officer - Co-operatives UK

James is the Policy Officer at Co-operatives UK, the national network for Britain's thousands of co-ops, which together contribute over £36 billion to the UK economy. He works closely with members and partners to promote co-operative values and principles in the current political discourse and to see them reflected in the formation of public policy at local, regional, national and international levels.

Recent policy wins include influencing farming policy with the creation of a £10 million collaboration fund and safeguarding farmers' ability to co-operate through amendments to Brexit legislation and securing commitment from government to review co-op law and winning support for community co-ops in the Civil Society Strategy.

Jo Platt - Former Labour and Co-operative MP for Leigh

Jo began her political career when she was elected as Councillor for Astley and Mosley Common in 2012. She quickly rose to the level of cabinet where she took responsibility for Children, Young People and Education in 2014, adding Skills and Employment to her portfolio early in 2016.

Her passion for her community and determination to make positive change did not go unnoticed by the wider Labour Party. She was selected to stand as the Labour candidate for Leigh and was elected in June 2017. Jo was

the first female MP the constituency had ever returned to Westminster and held the post of shadow Cabinet Minister for the Cabinet Office until the General Election in December 2019.

Kellie Bubble, Director - Unicorn Grocery Worker Co-operative

Kellie has been Director at Unicorn Grocery for over 20 years. Unicorn is a large worker owned grocery, providing wholesome and affordable food, drink and household products to a diverse Manchester customer base, with a focus on organic, fair-trade and local produce. Throughout her time at Unicorn, Kellie has worked in most areas of the business

including fresh produce buying, education and marketing, finance and commercial strategy.

Prior to her role at Unicorn Grocery, Kellie spent three years volunteering at the Citizens Advice Bureau, specialising in debt counselling and housing advice before completing a degree in Economics, Politics and Philosophy at the University of Manchester. Further earlier roles include a significant time as Editorial Assistant at the radical red and green magazine Red Pepper and working with young people at Wigan MBC.

Mike Blackburn OBE, Chair - Greater Manchester Local Enterprise Partnership

Until January 2018, Mike was Chair of BT's North West Regional Board, a role he held from 2007, and also Head of Digital Government in the UK until 2018. Mike has a number of non-executive roles including Chair of the Greater Manchester Local Enterprise Partnership which sits at the heart of Greater Manchester's governance arrangements, ensuring that business leaders are empowered to set the strategic course, determine local economic priorities and drive growth and job creation within the city region.

Mike holds a number of other non-executive or trustee roles, including Chair of the Institute of Directors in the North West, Trustee of the Lowry Theatre, Director of the Science Museum Foundation, Advisor at Snowball Alternative Finance Limited.

Mike was awarded an OBE in the Queen's Birthday Honours List in June 2015 for services to the economy in the North West.

Paul Gerrard, Campaigns and Public Affairs Director - Co-operative Group

After twenty years in the UK Civil Service Paul joined the Co-operative, the world's oldest cooperative business, in 2016 and is currently Campaigns and Public Affairs Director.

Paul is leading on the Co-operatives campaigns on modern slavery particularly supporting survivors, loneliness and violence in communities as well as leading the Co-operative's engagement on a broad range of public policy issues.

Paul is a Fellow of Institute of Environmental Management and Assessment – the Global Body of Sustainability Professionals.

Shaun Fensom – Cooperative Network Infrastructure

Shaun has over 30 years' experience working in and with co-operative businesses. Most recently he helped found the Tameside Digital Infrastructure Cooperative, which is using an innovative model to open access to a state-of-the-art fibre network in Greater Manchester.

In the late 80's Shaun co-founded Poptel, a cooperative and one of the UK's first Internet Service Providers. Working with the US National Cooperative Business Association, Poptel launched the .coop domain ending in 2001 - now used by cooperatives all over the world.

Shaun is involved in a number of other cooperatives and social enterprises. He is a founding director of Manchester Digital, a non-executive director of Ethical Consumer magazine, and a co-founder of the Customer Union for Ethical Banking.

Simon Parkinson, Chief Executive and Principal - Co-operative College UK

Simon joined the Co-operative College in 2015 having previously worked at Royal Mencap Society, the country's leading charity for people with learning disabilities. At the Co-operative College Simon is building on the strong foundations of the past whilst creating a new, vibrant, innovative and relevant heart for co-operation education.

He is also a member of the Executive Oversight Committee and Values & Principles board for the Co-operative Councils Innovation Network.

Simon grew up in Salford and attended both Salford University and Warwick University and has a Master's degree in Public Administration.

Since taking part in the Commission, Simon Parkinson has left the Co-operative College. He has been replaced as Principal by Cilla Ross, who will support the work of the Commission going forwards.

Appendix C: Call for Evidence

Overview

The Greater Manchester Co-operative Commission has been established by the Greater Manchester Combined Authority (GMCA) in order to be a driver for the development of co-operative activity across the city-region, to explore whether co-operative ideas can help to solve existing problems, encourage greater collaboration within the co-operative sector and contribute to the achievement of the ambitions of the Greater Manchester Strategy - to make Greater Manchester one of the best places in the world to grow up, get on and grow old - and to be one of the most co-operative places in the UK.

Co-operatives are businesses that meet the needs and aspirations of their members, who work in, trade with, or otherwise participate in the business, and which contribute more broadly to the common good. Co-operatives are owned and controlled by their members. This includes customer, worker and producer co-operatives, as well as many community businesses and social enterprises. 160,000 people in Greater Manchester are members of a co-operative; collectively providing a turnover to the local economy of over £73million. This activity covers many sectors of business and includes credit unions providing financial services to communities, ten housing co-operatives, a social housing provider, leisure companies, and retail- including the modern home of the Co-operative Group, the UK's largest consumer owned business.

The Commissioners sit as an independent panel, and will make policy recommendations to ensure that the GMCA is drawing on the benefits that co-operatives can bring to our city-region. It will examine:

The existing evidence of particular opportunities outlined below, to develop a more co-operative Greater Manchester, drawing on proven models and promising innovations in the global co-operative economy How Greater Manchester can build from current and recent innovations in the sector, and the business advice and support available to enable this sector to grow for the benefit of businesses, workers and communities

How Greater Manchester can help to meet and overcome the challenges and barriers that co-operatives and the wider sector faces

The Commission will focus on four identified opportunities to develop the co-operative model across Greater Manchester. These opportunities are:

- **Housing**
- **Digital Economy**
- **Transport**
- **Co-operative Business Development**

Why We Are Consulting

There is a strong history of co-operative business in Greater Manchester and the Commission is keen to hear from those involved in running, setting up or trying to set up co-operatives so we can learn from your experiences and expertise.

We are particularly keen to discover examples of success, innovation and growth potential, and enablers to success, as well as lessons learnt, and the barriers and pitfalls to avoid.

Consultation Contents

The Call for Evidence is divided in to six chapters.

Chapter 1 covers general questions about co-operatives, and Chapter 6 includes questions about you and your organisation. These chapters aren't compulsory, but we would really appreciate you answering all these questions.

Chapters 2-5 take each of the 'opportunities' in turn. You can respond to whichever chapter or chapters you're interested in, and answer as many (or as few) questions as you like.

You can submit evidence by answering the questions in the chapters, or by uploading reports or other documents to support the relevant areas of interest.

General principles of co-operative businesses

This section provides the opportunity for you to provide comments or documentation that relates to the general principles of co-operative working, or examples from other sectors that can be applied to any of the four opportunity areas.

What are the particular benefits of a co-operative approach in your sector?

What does the evidence tell us is the current picture of co-operative and mutual activity in Greater Manchester?

What are the key issues which you believe the co-operative approach can address (locally and further afield) and how will it do so?

What examples of innovation in of co-operation do you know of either in the UK or internationally? How could Greater Manchester share the good ideas emerging, already developed or existing in other sectors both locally and elsewhere and include it in the development of the four opportunity areas?

What does the evidence tell us are the barriers and pitfalls which co-operatives and mutuals face or could face? How might Greater Manchester help to overcome these barriers?

Are there any general enablers, such as mechanisms for sharing co-operative ideas and concepts, enabling their wider application, which will further develop the co-operative way of working in Greater Manchester?

How can Greater Manchester increase the diversity of people involved in the co-operation? How can we support the development of businesses led by young people, those with disabilities, as well as increasing diversity in race, and religion or belief?

Do you have any other suggestions or evidence relating to the use of co-operative ideas and principles that will help to inform the Commission's work?

Opportunity 1 – Housing

The Mayor of Greater Manchester has prioritised tackling homelessness and rough sleeping. However, long waiting lists for social housing is and the average mortgage in the city requires an annual salary of over £34,000 are not conducive to support people who are, or are at risk of becoming, homeless.

The Commission will explore the opportunities for expanding housing based co-operative ideas and principles, including social housing, community led and co-operative housing to give households and communities more control over new and existing housing. Addressing the lack of tenant voice and the current weaknesses of accountability were highlighted in the recent housing Green Paper. The Commission will take account of the evolving proposal around the Greater Manchester Community Housing Initiative Project. It will also look at what actions in the private rented sector will improve the standard of rented homes and ensure landlords are appropriately monitored and put tenants at the heart of their business.

We want to gain a better understanding of how co-operative models are being and can be applied in the housing sector. We would particularly welcome evidence that can support the following questions:

What is the role of co-operatives for people who have equity from an existing property, who may be older or isolated, and wish to move into shared accommodation?

How could private rented sector investment be incorporated to support a community-led co-operative housing model to improve both the affordability of housing and the living conditions of residents in rental properties across Greater Manchester, including those for whom social housing is not an option.

What role is member-based ownership and governance playing in social housing today? How can it give social tenants greater control of their homes and neighbourhoods?

What is the role of co-operatives for people looking to buy for the first time?

How can co-operative housing arrangements contribute to the wellbeing of residents in ways that can improve the wellbeing and social care ecosystem in Greater Manchester? Do you know of any examples where co-operative housing has been integrated into the wellbeing and social care ecosystem that Greater Manchester could learn from and take inspiration?

How could Greater Manchester develop a model of social care housing which is based on co-operative principles? Do you know of any examples where that has been tried that the city-region could learn from and take inspiration?

How could co-operative housing models be used to tackle homelessness across Greater Manchester's? Do you know of any examples where that has been tried that the city-region could learn from and take inspiration?

What is the potential scope, business model and viability for a Community-led Housing Hub in Greater Manchester?

What does a successful housing co-operative look like?

Do you know of any inspirational or exemplar community-led housing projects or any individual 'champions' from across the UK that we could learn from or potentially approach to support the development of the co-operative approach? Particularly where these can 'enthuse' what is planned for Greater Manchester.

What are the social, environmental and economic benefits of co-operative social housing, co-operative and community-led housing? Including how this may differ across a range of stakeholders and Greater Manchester as a place.

What are the barriers experienced at a local and national level which might inhibit the adoption of co-operative principles as well as the development and growth of housing co-operatives? How could Greater Manchester overcome or remove these barriers?

Opportunity 2 – Digital

With almost 8,000 digital and digital-intense creative businesses in Greater Manchester already employing more than 82,300 people, there are many exciting opportunities to create a different way of doing business. New start-ups are forming all the time, and there is an increasing number micro-businesses and self-employed working in the creative-digital-tech sector. This sector already sees a heavy emphasis on collaboration as a way to accelerate innovation and to try and match the scale of larger businesses. There is an opportunity to take a lead in Greater Manchester on the use of the co-operative business model to accelerate and give structure to that collaboration.

At the same time, there is a need and opportunity for groups of businesses and citizens in Greater Manchester to co-operate in the ownership, development and operation of an inclusive and enabling digital layer everywhere in the city-region, including through shared passive (fibre and hubs) and active (cloud and bandwidth) digital infrastructure.

We want to gain a better understanding of how co-operative models could benefit Greater Manchester's digital economy. We would particularly welcome evidence that can support the following questions:

What evidence exists that co-operative ways of working are emerging as a good fit for digital-tech and creative businesses and workers?

What potential is there for co-operative approaches to collaboration between smaller digital-tech and creative businesses wanting to achieve scale while retaining their flexibility, ability to innovate rapidly and their values?

What do co-operative approaches to work offer to people who choose self-employment in the digital and creative sectors later in life?

Can co-operative approaches to work in the digital and creative sectors make these sectors more accessible for people from disadvantaged and/or under-represented backgrounds?

What potential is there for digitally based, co-operative approaches to self-employment, short-term contracting and agency work, to be applied to other sectors in Greater Manchester (e.g. social care)?

Do you know of any inspirational or exemplar co-operative organisations in digital and creative sectors from across the UK that we could learn from or potentially approach to support the development of the co-operative approach? Particularly where these can 'enthuse' what is planned for Greater Manchester.

How can emerging digital solutions add value to co-operative approaches in the wellbeing economy? How can Greater Manchester support this synthesis further?

What evidence is there of the economic and social value created by businesses and communities using co-operative models to co-develop and co-control digital infrastructure? How can Greater Manchester incorporate the use of such models in the implementation of its Local Industrial Strategy?

What are the barriers experienced at a local, national and potentially international level which might inhibit the adoption of co-operative principles as well as the development and growth of in the co-operative digital sector? How could Greater Manchester overcome or remove these barriers?

How can co-operative approaches in digital recognise that diversity (including the need for more women and neurodiversity) are a key opportunity to fill the skills gap through a meaningful skills strategy.

Opportunity 3 – Transport

Transport is a key priority for Greater Manchester and there is an opportunity to explore emerging markets in the transport sector in which co-operatives may thrive. These include:

Taxi and private hire provision - using new co-operatively owned and controlled platform technology to compete successfully in the current market

Car-pooling/sharing, and cycle sharing – which will have a positive impact on road congestion and air pollution by reducing the number of private cars on Greater Manchester's roads

'Integrated social needs transport' such as transport to doctor surgeries and hospital appointments, school transport, 'ring and ride' etc. – where an improvement in connectivity and effectiveness will reduce missed appointments, improve health outcomes and reduce isolation

We want to gain a better understanding of how co-operative approaches could be applied to the transport sector. We would particularly welcome evidence that can support the following questions:

What examples do you know of where innovative, community-led and co-operative, 'system models' of transport planning are in operation. Do you know of any that have been integrated with wider neighbourhood-based services?

Are there any inspirational examples of co-operatives operating in the following markets either across the UK or internationally?

Taxi and private hire provision

Car-pooling, sharing and private hire

Integrated social needs transport

What are the benefits of co-operative and community-led transport models for communities and in managing costs in public services?

What are the barriers experienced at a local and national level which might inhibit the adoption of co-operative principles to the transport sector as well as the development and growth of the area? How could Greater Manchester overcome or remove these barriers?

Co-operatives and mutuals of any kind across all sectors could have a role to play in helping to achieve Greater Manchester's aspirations of developing good jobs and growth. In light of this, the Commission will consider how to support co-operative development on a less sector-specific basis. The Commission will focus on two broad areas:

Creating a supportive environment for the development of new co-operatives - exploring the opportunities and the pathways for co-operative founders (entrepreneurs), within existing organisations or setting up new ones, including increasing awareness and understanding of the role co-operative ideas can have, access to advice and financing options.

Market opportunity development - exploring how current programmes, strategies and charters create market opportunities for co-operatives.

We want to gain a better understanding of how co-operative business development could be supported locally. We would particularly welcome evidence that can support the following questions:

What steps can be taken to increase awareness, capacity and practical understanding of co-operative options among people who are not familiar with a co-operative approach, and where the development of a co-operative approach would be pioneering?

What are the experiences of Greater Manchester co-operatives accessing business support? What can Greater Manchester do to improve access to expert support and advice for co-operative formation, start-up and development?

How do current programmes, strategies and organisations support co-operative development? Are these the most effective arrangements, or are there alternative approaches elsewhere within the UK (or beyond)?

Is there a case for a Greater Manchester Co-operative Development Agency linked to the Combined Authority, to optimise opportunities for further co-operative development and take forward actions flowing from this Commission.

What are the barriers to expanding the number of co-operative businesses, and how can we help to overcome them in Greater Manchester?

Do you know of any examples of areas which have focussed procurement and collective purchasing to build a market for the co-operative business model? If so, can you explain what the project is / was, how it was developed and the benefits and difficulties that were experienced?

Do you know of any inspirational examples of co-operative businesses which demonstrate how the pursuit of co-operative values can drive business performance?

Is there anything else that you wish to tell us about co-operative working that will help inform the work of the Commission?

Appendix D: A list of individuals who presented evidence to the Commission and the titles of their presentations

Inaugural meeting

| | | |
|------------------|------------------------------|---|
| Gareth Swarbrick | Rochdale Boroughwide Housing | Overview of membership and organisation at Rochdale Boroughwide Housing |
|------------------|------------------------------|---|

Housing

| | | |
|---------------|--|---|
| Charlie Baker | RED Consulting / Homes for Change | The Story of Homes for Change |
| Mike Gaskell | Trowers and Hamlins Solicitors (retired) | Joined the Commissioners for discussion |

Transport

| | | |
|--------------|---------------------------------|-----------------------------|
| Joe Fortune | The Co-operative Party | Transport Policy |
| Bill Freeman | Community Transport Association | Doing Transport Differently |

Digital

| | | |
|-----------------|-----------|--|
| Graham Mitchell | MC3 | Co-ops in the digital tech ecosystem |
| Dan Stanley | Apparatus | Co-operative working in the digital sector |

Business Support

| | | |
|---------------|-----------------|--|
| Mark Simmonds | Co-op Culture | Co-operative development in Greater Manchester |
| Ged Devlin | Power to Change | Community Business |