Overcoming the Barriers to Developing the Cooperative Economy

Meeting for Leaders, Cabinet Members and Co-operative Leads

1000 – 1130 hours, Tuesday 6 April 2021 - Zoom

<u>MINUTES</u>

Members
Councillor Louise Gittins – Leader, Cheshire West and Chester Council
Councillor Clare Penny-Evans – Cabinet Member for Climate Change & Communities, Newcastle City Council
Councillor Susan Brown – Leader, Oxford City Council
Councillor Matthew Brown – Leader, Preston City Council
Councillor Joyce Welsh – South Tyneside Council
Councillor Sharon Taylor OBE – Leader, Stevenage Borough Council (Chair)
Councillor Paul Stewart – Leader, Sunderland City Council
Councillor Swithin Long – Cabinet Member for Economic Regeneration, Tourism and Housing, Torbay Council
Councillor Keith Cunliffe – Deputy Leader and Cabinet Member for Adult Social Care | Lead for Community Wealth Building – Wigan Council

Guest
Jonny Gordon-Farleigh – Stir to Action

In Attendance
Nicola Huckerby – Operations and Communications, CCIN (Minutes)
Morgan Jones – Strategy & Innovation Manager, Cheshire West and Chester Council
Rachel Stringfellow – Policy & Research Officer, Preston City Council
Rory Sherwood-Parkin – Senior Economic Policy Manager, South Tyneside Council

Apologies
Councillor Jo White – Deputy Leader, Bassetlaw District Council
Councillor Chris Penberthy – Cabinet Member for Housing and Coop Development, Plymouth City Council
Councillor Dave Shields – Cabinet Member for Stronger Communities, Southampton City Council

1. **Welcome and introduction to the session** – Cllr Sharon Taylor, Chair
    1.1. In November last year a number of Co-operative Council Leaders met to discuss the Key Barriers that member Councils were facing in developing the Co-operative Economy.
    1.2. At its meeting on 13 January the CCIN Executive Oversight Committee agreed to establish a Subgroup of Network Leaders / Cabinet Leads who would meet on a quarterly basis to share best practice on how to overcome those barriers, and this was the first meeting.

2. **Background to the meeting** – Cllr Sharon Taylor, Chair

2.1. Some of the barriers to developing the co-operative economy will be the same across the country and others will be specific to a particular area. We are fortunate to have some councils in the Network that are leading the way in developing the co-operative economy and overcoming some of these challenges. Wherever we are located, we are all seeking to create more equitable economies for our local communities so that everyone can grow and prosper.

2.2. In July 2020 we launched the [Co-operatives Unleashed report](#), produced by Plymouth City Council. This sets out practical ways for councils to encourage and enable the start-up and growth of businesses that adhere to the Co-operative Values and Principles. Councils have a key role to play in supporting co-operatives, especially when it comes to giving local communities ownership over local assets and services.

2.3. We have a lot of combined experience, wisdom and knowledge across the Network and its our aim to share this best practice so that we can all learn from this and grow the co-operative economy in our areas.

3. **Preston City Council working with Stir to Action –** Cllr Matthew Brown / Jonny Gordon-Farleigh

3.1. Full presentation is available here: https://www.councils.coop/external-resources/coop-recovery-prog-preston-council/. Contact: stirtoaction@gmail.com

3.2. Cllr Matthew Brown explained that Preston's ambition is to expand the co-operative economy and they are seeking to do this by **establishing 10 worker co-operatives in Preston**. To do this they recognised that they needed to promote a better understanding of coops so that local people knew that a co-operative business was a viable option. This lack of awareness of the cooperative business model was across the whole community. People feel that their only option is to work for an employer or be self-employed, they do not think of 'democratised businesses' as an option to take control of their working lives. This is not the case across Europe where the co-operative model is more prolific.

3.3. As an example, Cllr Brown explained that Covid has exposed the many inequalities in our economy, where those delivering food/supplies tend to be from minority communities and how the gig economy is the most exploitative where the owners of these businesses classify workers as 'self-employed' so that they do not have to provide them with proper terms and conditions.

3.4. On Cycle Coops - Cllr Taylor mentioned Box Power in Stevenage and Cllr Susan Brown cited Pedal & Post in Oxford as an excellent local social enterprise. Rachel Stringfellow noted that CoopCycle have developed an app for other cycle courier coops to use - they are including information about this at a webinar on 21st April: https://www.councils.coop/events/preston-council-own-digital-platforms/.

3.5. Preston City Council engaged with Stir to Action with a view to undertaking a project to raise awareness of cooperative businesses in minoritised communities, particularly East European, Afro Caribbean and South Asian. This was an opportunity to explain that forming worker co-ops was part of the tradition in other parts of the world and was something that could be replicated in Preston.

3.6. Jonny Gordon-Farleigh presented the 'Community Anchors: A Co-operative Recovery' report they'd prepared for Preston City Council. He began by explaining what informed the design and development of the project:

- Community Wealth Building in the UK has focused on policy-level change (eg procurement strategies), and local authorities have only offered limited investment in democratic business development
- There's a misperception that policy changes will stimulate democratic business development
- We need to stop the decline of democratic business as well as expand it
- Downplays historical underfunding, low cultural awareness, lack of recruitment into the sector, and limited ambition
- 'Community readiness' is overestimated and fails to recognise the levels of investment needed in what we describe as '**democratic business skills, culture, and infrastructure**'
- Current approaches are currently passive and not targeted to the needs of 'minoritised' communities (BAME, young people, ex-offenders, rural communities)

- The current technocratic focus on policy change – a large part of most funder's portfolios in our sector – does not respond to the immediate deficit in democratic business culture and skills in our communities.
- Democratic business development is almost exclusively focused on 'technical' support, which excludes those with low or no exposure
- There is an urgent need to invest in the 'pipeline' for democratic business, and 'pre-technical' development activities can stimulate cultural awareness and interest
- A **'community anchor'** model can support existing social service ('frontline') organisations to develop a co-operative development function. This approach is about communities working together to develop the coop economy locally, rather than paying someone to come in and do it, and then to move away
- 'Community anchors' can effectively use 'in-reach' engagement strategies unlike external bodies
- Embedded anchors can also share knowledge and practices through culturally and locally appropriate approaches
- For co-operative development to be effective in 'minoritised' communities, it should account for personal and group development, not only business support
- Even if we lack relevant and practical examples of UK co-operatives in BAME, ex-offenders, young adults, and disability, there is access to viable models in the international movement

3.7.   At the end of the 6-week programme period, a baseline survey was carried out which showed:
- My understanding of co-operatives is sufficient for me to advance into project work in 2021. **91%** Yes **9%** No
- I'm interested in being part of a pilot project next year if there's funding to support my participation **100%** Yes **0%** No
- I have an idea for a co-operative project that I'd like advice on. **90%** Yes **10%** No

3.8.   The Outcomes to the project were:
- Monthly Meetups (working with UCLan)
- Resource Translation
- Pilots to establish food buying coops with support from the Cooperative Group and [Cooperation Town](#). They were able to fund three Community Anchors:
    ⇒ Preston Windrush Generation
    ⇒ Preston United Youth Development *(NB – [CCIN is funding a Policy Prototype](#) with this group)*
    ⇒ Fishwick Rangers Youth & Community Development *(NB – [CCIN is funding a Policy Prototype](#) with this group)*
- Translators & Interpreters Co-operative

3.9.   The Preston/Stir to Action **Pipeline Development Tool** can be used anywhere! This specific iteration is for 'community anchors' in Preston.
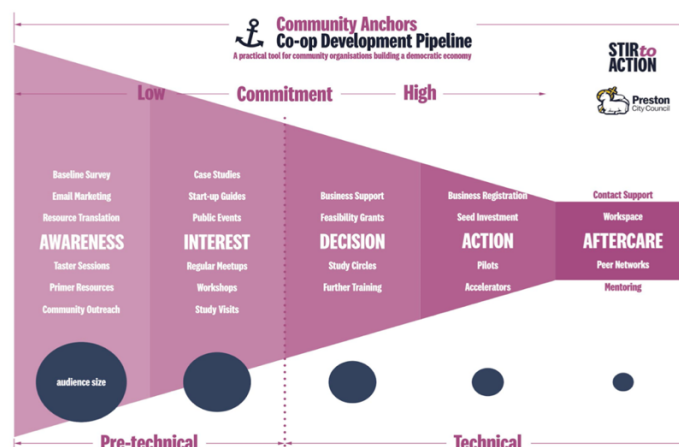
3.10. Reflections from the study:
- Policy changes are passive and will be not exploited if not supported by democratic business development programmes
- Democratic Business development is successful when local authorities recognise the importance of investing in partnerships that support awareness and interest activities, not just technical support or asset transfer
- Finally, while local authorities should continue to change procurement strategies and public sector behaviour to make it easier for communities to work with them, it's vital they work in partnership with organisations that can offer democratic business experience

3.11. Cllr Brown explained that he was really keen to see what they have done in Preston be replicated at scale across the country, hopefully this project will lay the foundations for that. Other projects have including incubating a taxi co-operative.

4. **Open Discussion on Barriers**

4.1. Cllr Taylor – barriers included: legislative, cultural and financial. Difficulty in knowing who to talk to for support. Language barriers. Lack of knowledge of coops by business support organisations.

4.2. Rachel Stringfellow – importance of ensuring that officers who work within council Community Engagement Teams are actively involved in establishing these co-operative projects so that they can share the learning with their Networks. The more you can engage officers into thinking about co-operatives, the greater the opportunity for dissemination and success.

4.3. Cllr Paul Stewart – barriers include the skills deficit. They are in the process of appointing a Community Development Officer for each of their five "area neighbourhoods" and part of their role will be to help build the skills base to develop for co-operatives using local assets.
Their Business Innovation Centre will be focussing on support to develop co-ops and social enterprise.
They have a garden centre which is a co-operative which works with adults with learning difficulties, and they are looking at taking over another site to expand their services.
Barrier: lack of understanding between a social enterprise and a co-operative.

4.4. Cllr Keith Cunliffe – Over the last 7/8 years they have invested £12m in communities, in this year's budget they have a £2m community recovery fund. This has led to the creation of lots of organisations including some very successful Asset Transfers. The Abram Ward Cooperative provides support to local people to help develop their own businesses coops/CICs/social enterprises. The Pipeline Development Tool provides them with the opportunity to apply some strategic direction to the funding that they have available in order to have a bigger impact across 'minoritised' groups.

4.5. Cllr Louise Gittins – CWaC is a very diverse Borough (rural isolation and urban deprivation). She is really interested in food coops; they have a sustainable food network called the Welcome Network which has input from organisations outside the council but there are officer leads for each area.
Barrier: Officer training on understanding what a co-operative is so they can promote the business model.
They also have Council Farms, and there is an opportunity for to look at co-operatizing one of them.
Hoping that through their Health & Wellbeing Board they can work with the NHS Trusts as Community Anchors.

4.6. Cllr Taylor – suggested that in the same way that 'Covid Champion' links have been created across communities we could establish something similar to promote the power of cooperatives.

4.7. Cllr Matthew Brown – as well as working with UCLan they are working with the Co-operative College to incubate a cooperative education centre as one of the coops they are seeking to establish.

4.8. Jonny Gordon-Farleigh – it is very difficult to get funding for coops. They are in the process of putting in a bid to Power to Change with the UBELE initiative, based in North London who work with the Afro-Caribbean community and have secured some other funding, but it doesn't include any resource for the pre-technical stage, hence the bid!

5. **Next Steps**

    5.1. To organise an 'open webinar' on the new Regional Co-operative Banks. Suggested speakers:
- Ken Skates MS or Mark Hooper from 'Banc Cambria' the new [Community Mutual Bank for Wales](#) due to launch this year
- Jules Peck – [Avon Mutual](#)
- Tony Greenham – [South West Mutual](#)

    Action: N Huckerby

    5.2. To organise an 'open webinar' in June to highlight best practice across the Network. Suggested speakers:
- Jonny Gordon-Farleigh – Stir to Action
- Coops Unleashed report – Plymouth City Council
- Members of this group to be invited to speak

    Action: N Huckerby

    5.3. It was agreed to hold Quarterly meetings (July – October – January – April)

    Action: N Huckerby

    5.4. Establish a WhatsApp Group for members of this group

    Action: N Huckerby

    5.5. Speak to the Cooperative College about a training requirement to explain the difference between co-operatives and social enterprises.

    Action: N Huckerby

    Is there other training required for Officers/Members that can be built into the [Policy Lab on Accredited Training](#)?

    Action All

    5.6. Seek to map out Entry Points in local communities to show residents where they can find out more about cooperatives and coop development, which might include Monthly Meetups in the community, lectures, VCSE, Business School. And if you can put numbers against the people using these routes, it will give an idea on where to focus future investment.

    Action: All

    5.7. Stir to Action offer Workshops on the Co-op Development Pipeline Tool and offered to talk to councils about identifying the Entry Points as part of that.

    Action: J Gordon-Farleigh/N Huckerby to work on a proposal to offer this to councils

    5.8 Reserve Contracts – Future Procurement Strategies

    Action: N Huckerby - For Future discussion – to share ideas

    5.9 A Special Edition of the CCIN Newsletter to highlight some of the innovations.

    Action: Cllr Taylor and Nicola Huckerby.

Preston City Council is running two sessions this month:

2pm-3.30pm – 14th April [The Preston Model Goes Digital: Digital Coops – Now!](#)

2pm-3.30pm – 21st April [The Preston Model Goes Digital: Let's Own The Digital Platforms!](#)

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