



Key Barriers to Developing the Cooperative Economy

Member and Officer call on Zoom

1100 – 1200 hours, Wednesday 18th November 2020

MINUTES

Present

Councillor Sharon Taylor – Stevenage Borough Council
Councillor Paul Stewart – Sunderland City Council
Councillor Matthew Brown – Preston City Council
Councillor Richard Howlett – Oxford City Council
Councillor Chris Penberthy – Plymouth City Council
Anna Peachey – Plymouth City Council
Kate Spencer – Torbay Council
Rob Gregory – Stevenage Borough Council
Mena Caldbeck – Stevenage Borough Council
Conrad Parke – CLES (representing the Birmingham Anchor Network) (from item 3)
Helen Peverley – Sunderland City Council (from item 3.5)
Nicola Huckerby – CCIN

1. Welcome and introduction to the session – Cllr Sharon Taylor, Chair

- 1.1. At its meeting in October 2020, the CCIN's Executive Oversight Committee agreed that we should set up a call for interested parties with a view to establishing pulling together a group of Members who were actively involved in developing the co-operative economy and community wealth building. The idea was that these Leaders would meet periodically to discuss the 'Key Barriers to developing the Cooperative Economy' and the actions they were taking to overcome these. The Group could then provide support to other Co-operative Councils who were starting this journey.
- 1.2. As a learning and inclusive organisation, we have invited all councils interested in this policy area to this first meeting.

2. Background to the meeting – Cllr Matthew Brown – Preston

- 2.1. The background to this meeting was that Cllr Matthew Brown, Cllr Sharon Taylor and Nicola Huckerby had met with David Bright (Open Society Foundation) in September 2020 with a view to establishing a group of Local Authority Leaders who were actively engaged in developing the co-operative economy. The OSF is working with an economic justice programme and are keen on expanding 'shared ownership models' eg worker owned coops or employee owned businesses putting more democracy into the local economy.
- 2.2. There are also conversations about Community Banks taking place across the country which would also help keep more funding local.
- 2.3. Several local authorities have launched Community Wealth Building strategies this year including Sandwell, Kirklees, Newham and North Ayrshire and each of these are looking at how

to spread worker and employee ownership across local economies. There is an opportunity now to share 'best practice' and we need to decide how to practically do that.

- 2.4. In Preston they're continuing to issue procurements contracts locally. There is also the '[One million owners](#)' campaign supported by Co-operatives UK working with the Employee Ownership Association which aims to increase the number of worker and employee owners to 1m by 2030.
- 2.5. There is also the opportunity to link together incubator units, universities as anchor institutions, business schools, student start-ups etc and how we can scale this up.
- 2.6. There is also some exciting work taking place in the US supported including New York when worker coops are tackling inequality in the Bronx.
- 2.7. Developments in the US and the growth of the CCIN spreading cooperative notions, ideas, values and principles into the economy make this the perfect time to increase the number of worker and employee-owned businesses.
- 2.8. Cllr Taylor explained that Stevenage would be launching its Inclusive Economy Charter on 19 November and that in future they would be publishing a statement of social value achieved from spend alongside their accounts every year.
- 2.9. The Greater Manchester Cooperative Commission also looked at strengthening the cooperative economy who might also be interested in participated in this work.

3. **Barriers identified in the Coops Unleashed report** – Cllr Chris Penberthy and Anna Peachey – Plymouth

- 3.1. CP explained that one of the ideas they'd had when submitting the Bid for this project was to establish a Network of some kind, and whether this something that we should be doing anyway outside the Policy Lab process.
- 3.2. It was interesting to note that a couple of the potential Policy Lab projects for 2021 were around education (links to universities and coop development) and business support (eg what are your LEPs doing to coops as mainstream).
- 3.3. There is also an opportunity to share successes for example the Preston Construction cooperative could be replicated in other areas.
- 3.4. AP explained that there were nine recommendations coming out of the report: <https://www.councils.coop/coops-unleashed/>, some of which were 'quicker wins' for councils to implement. What she felt was missing was 'where were the big incentives to develop the cooperative economy' eg State Aid exemptions which could have a bigger impact particularly where these could be related to regeneration that was innovation focussed where the public sector can spend money in a way which does not compromise competitive law.
- 3.5. What didn't come out of the research was: Where was the incentive to regenerate in deprived communities in a way that empowers those communities? Where's the money? Where's the national policy? Where are the business support mechanisms so that people really see employee and worker owned businesses as a mainstream solution?
- 3.6. AP has begun conversations with Peers about what kind of projects/sites are available for development, but they are progressing up the priority list because they are 'too difficult' or not commercial enough. Should we be bringing these projects forward for consideration on how we move them forward and undertaking feasibility studies on them. What are the common links that stop them being feasible in delivery?
- 3.7. Is there an issue about securing Infrastructure Funding for complex sites?
- 3.8. New employee and worker owned businesses in Plymouth aren't seeking capital funding.
- 3.9. Forward planning of Procurement Frameworks (3 – 5 years).
- 3.10. Supporting cooperatives in succession planning / life cycle support.
- 3.11. Stevenage BC has been working with the University of Herts on its Community Wealth Building (CWB) Strategy engaging with other anchor institutions. Cllr Taylor sits on the LEP Board where she was able to get the principles of CWB built into the Local Industrial Strategy. One of the gaps identified was that the local enterprise agency which runs the business support work has no knowledge of cooperatives.

4. Open Discussion

- 4.1. Cllr Richard Howlett - Oxford: supported the idea of an on-going Forum and the sharing of best practice. Particularly interested in asset transfer and community-led housing. They have a funding bid in with Friends Provident which seeks to work with deprived communities to start coops. How to encourage cooperative jobs on the zero-carbon agenda.
- 4.2. Helen Peverley & Cllr Paul Steward – Sunderland: their Business Innovation Centre (BIC) has a focus on social enterprise. They have been recently awarded Smart City Status and are thinking about how they can use social enterprise to deliver jobs in areas of deprivation. They are actively looking at generating interest in the cooperative model and establishing community champions for coops. Typically, coops are developed because someone takes the lead and there is a need to clarify how a cooperative differs from a social enterprise.
- 4.3. Regional Banking – Cllr Matthew Brown gave an overview of where they were with their Regional Bank. They are going through their due diligence at the moment and will be appointing a chief executive to take the Bank forward by applying for the banking license.
- 4.4. Finance – Jules Peck is working with the University of Bristol which could mean that these banks are potentially lending up to £400m after a 5 – 8-year period.
Cllr Joe Cullinane at North Ayrshire is also looking at setting up a Regional Bank.
- 4.5. Preston is looking at:
 - 4.5.1. 'reserved contracts in procurement' as it is much easier for a local authority to give a contract to a social cooperative if you have eg 30% of workers are former prisoners/ vulnerable groups.
 - 4.5.2. Preston is also looking at 'community business agreements' where they are looking at local businesses to support the cooperative supply chain.
 - 4.5.3. Supporting cooperative colleges which are coming out of the cooperative university working alongside the local university (UCLAN).
 - 4.5.4. Conversions - where you have small business owners who retire and are unsure about whether they should sell or wind-up their businesses (links to the One Million Owners campaign).
 - 4.5.5. Unison have launched a campaign in the NW "Stand Up For Social Care" and there are conversations taking place about how to set up social care coops backed up by Trade Unions.
 - 4.5.6. They are also working with Stir to Action to engage with minority ethnic groups including the South Asian, Caribbean Communities and refugees etc to develop cooperatives.
 - 4.5.7. **Vision: Banking working with Procurement, Community Engagement & Unions (and cooperative training) – challenge is how to bring this to scale.**
- 4.6. Rob Gregory from Stevenage explained how their approach now was to use their Inclusive Economy Charter to as a focus for their Recovery efforts in the wider economy to grow the cooperative sector. What is clear that significant time and effort needs to take place 'behind the scenes' to support cooperative development and with councils engaged in Covid-recovery efforts we might need to think creatively about how to unlock some of the potential that our land and buildings might hold. The issue of how 'Economic Mapping' on future demands for assets might support development at a grassroots level.
- 4.7. Cllr Chris Penberthy – updated on the South West Mutual where PCC now hold a £120k investment, other local authorities had also contributed. They are heading towards Banking License now.
CP felt we needed to be clear on the difference between social enterprises and cooperatives.

5. Next steps

- 5.1. It was agreed that there is an appetite for a Network (Subgroup) within the CCIN to look at Developing the Coop Economy.
- 5.2. That we would issue a Special Edition of the CCIN Newsletter to outline some of the areas we wanted to look at. Action: Cllr Taylor and Nicola Huckerby.

- 5.3. To organise a longer session where Councils that are doing this work can present to other interested members.
- 5.4. Ideas for consideration included:
 - 5.4.1. How do we engage the bigger organisations in supporting the cooperative supply chain?
 - 5.4.2. Training of Economic Development and Community Development Officers – delivered by the Cooperative College.
 - 5.4.3. Focussing support on deprived communities.
 - 5.4.4. Bringing in other councils like North Ayrshire, GMCA, and Bristol.

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