



Co-operative Councils

Innovation Network

Tackling the Key Barriers to Developing the Co-operative Economy

Meeting for Leaders and Co-operative Leads

1400 - 1530 hours, Wednesday 13 October 2021 - Zoom

MINUTES

Members

Councillor Sharon Taylor OBE – Leader, Stevenage Borough Council (Chair)
Councillor Matthew Brown – Leader, Preston City Council
Councillor John Cotton - Cabinet Member Social Inclusion, Community Safety & Equalities, Birmingham
Councillor Susan Smith - Cabinet Member for Communities and Co-operation, Rochdale MBC
Councillor Paul Stewart – Deputy Leader, Sunderland City Council
Councillor Joyce Welsh – South Tyneside Council

Guest

Helen Kerrigan – Lead Specialist – Policy, Newcastle City Council

In Attendance

Nicola Huckerby – Operations and Communications, CCIN (Minutes)
Helen Peverley – Area Arrangements Strategic Manager, Sunderland City Council

Apologies

Councillor Joyce McCarty – Cabinet Member for Inclusive Economy, Newcastle City Council
Councillor Jo White – Deputy Leader, Bassetlaw District Council
Councillor Arooj Shah – Leader, Oldham Council
Councillor Susan Brown – Leader, Oxford City Council
Councillor Louise Gittins – Leader, Cheshire West and Chester Council
Councillor Paul Davies – Kirklees Council
Councillor Peter Bradbury – Cardiff Council
Councillor Keith Cunliffe – Deputy Leader and Cabinet Member for Adult Social Care | Lead for Community Wealth Building – Wigan Council

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

Cllr Taylor began by stating that this was probably one of the most important pieces of work being undertaken by the CCIN, as it was a very uncertain time to predict how our local economies will fair post-Covid. Cllr Taylor referenced the session on Community Wealth Building held at the Labour Party Conference that she and Cllr Matthew Brown had attended. She explained that it was Network members that were leading the way in supporting and growing the co-operative economy.

2. Matters Arising from the last meeting 19 July 2021

2.1. Pipeline Development Tool session on 14 October – Nicola Huckerby

The CCIN had agreed to fund 25 places at a Taster Workshop delivered by Stir to Action to explore how their Pipeline Development could work in Member Councils. There were still places available for anyone else that was interested.

2.2. New Economic Thinking / Regional Banking Session – Nicola Huckerby

We'd agreed to deliver a Session looking at progress across the UK in developing Regional Community Banks. Unfortunately, the session had been postponed whilst we sought to get a gender balance for the Panel. NH reported that the responsibility for the Welsh Community Bank had transferred to another Minister and talks were ongoing regarding their involvement. She gave a full update on all the potential speakers for the session.

Nicola suggested that if some of the women who were leading in this area agreed to support the session over the next few weeks there would be an opportunity to hold this event during the CCIN Annual Conference this year.

Cllr Matthew Brown praised the CCIN for the work that had been done in pulling together an impressive line-up of people for this piece of work. It was important that all members were aware of what was being done across the UK to deliver a more democratic and inclusive banking system.

3. Future Procurement Strategies / Reserve Contracts

Preston City Council

3.1. Cllr Matthew Brown introduced this item. In Preston they had been working for some time with Anchor Institutions encouraging them to think of new ways of delivering progressive procurement including buying from locally based companies, paying the Living Wage, local supply chains and apprenticeships. And they were keen to do more by learning from others and **to scale up these ideas and projects.**

3.2. Preston was particularly interested in how they can encourage either existing or newly incorporated co-operatives, and particularly worker coops, to win more public sector contracts. They have incubated four worker cooperatives, one in the digital sector has begun to win work from an anchor institution, and another working in the food sector has also been successful in securing contracts. However, these aren't working at the scale that he would like.

3.3. They are also working with former prisoners, the justice system, and charities to develop several worker coops. Cllr Brown explained that there was a legal mechanism where if 30% of employees in a cooperative or social enterprise are ex-offenders or have a disability, then they have a better chance of winning public sector contracts. This was an area that they were looking to scale-up. He referenced the experience of the Evergreen Cooperative in Cleveland Ohio where 'returning citizens' (former prisoners) made up the workforce.

3.4. In Preston they were also building a cinema where there is a Community Benefit Agreement which encourages the contractor to work with locally based businesses in the supply chain, however, the challenge was to ensure that these smaller businesses existed in the first place to bid for the contracts.

3.5. Cllr Brown explained that there was also an important role for the Trade Unions and whether they can encourage their members to get involved in this process around unionised cooperatives.

3.6. Cllr Taylor reiterated that the challenge was that the market was under-developed and that there weren't the co-operatives in existence for officers to be confident that council contracts could be delivered by the sector. It was therefore vital that we supported the growth of coops. Establishing regional community banks was part of the solution along with tackling the legal and technical barriers. There was also the need for us to provide the necessary training so that officers were fully aware about what cooperative businesses are and why they are important. Cllr Brown explained there was an opportunity for anchor institutions, through social value, to help develop co-operatives.

3.7. Cllr Paul Stewart gave an update on what was happening in Sunderland:

- He talked about 'Sunderland First' which had been in existence for 10-12 years, where they look to signing contracts with local firms, but that there is nothing in place to work specifically with cooperatives. They do have an expanding social enterprise sector.
- They are now looking at their Procurement System and how they can use 'social value' to access cash from the businesses that they are working with and assign that as a donation to their youth and community alliance.
- They are also trying to encourage social enterprises to become co-operatives. Where the council has a degree of control on bigger projects, they are also seeking to get some of the activities contracted out to coops.
- Sunderland Council has started to build some social housing and they have been working with SMEs, where the SMEs buy the land, build the housing, and sell the housing on to the council. He sees no reason why a cooperative cannot be supported to do the same.

It was agreed that: Helen Peverley share info on their innovative approach to funding local projects, once the idea that been through Sunderland's Cabinet.

Newcastle City Council

3.8. Helen Kerrigan Lead Specialist - Policy had been invited by Cllr Joyce McCarty to present Newcastle's approach to social value and procurement, and some of the challenges. Newcastle's journey began ten years ago when they sought to agree joint priorities for designing and buying services. Council wide commitment was **championed by the council leadership with community engagement**. These principles were embedded across the entire contract portfolio which led to a Social Value Outcomes and Measures Framework, which was launched in 2020. They are now at the stage of joining their experiences with other anchor institutions in the city to work out how they can work together to target activities.

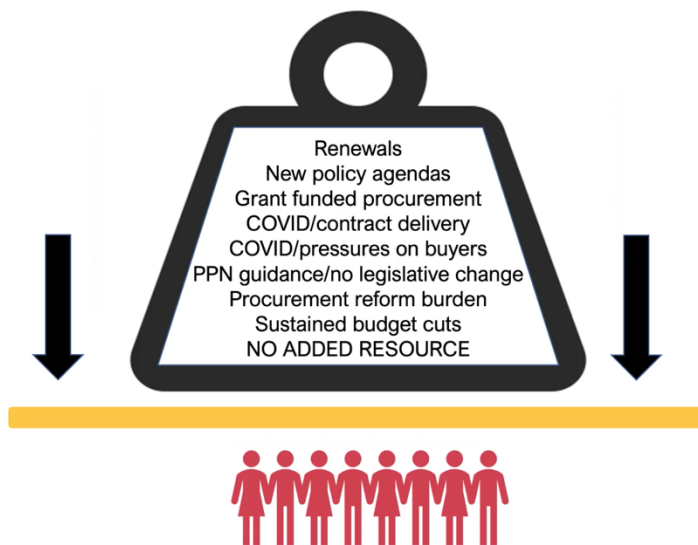
3.9. Helen explained that Social Value is built into the whole commissioning and procurement process through planning, design, and delivery. The outcomes and measures are all published in a Design Tool on the Newcastle website.

3.10. Re the Government's Green Paper on Procurement, there has been the strongest Government steer to date on the importance of considering Social Value in our decision-making. Cabinet Office have said that considering Social Value will better enable the awarding of contracts based on their 'full value' to society. Several areas consider social value:



3.11. However, there are real challenges for commercial teams in considering procurement reform when expectations are high and there is no added resource for service delivery. There is a huge emphasis from government on commercial skill, and with that comes innovation and creative thought, but that is harder to come by why everyone is under pressure.

There are also implications on designing services effectively when services are outsourced.



- 3.12. What can we do to ensure that our organisations adapt and respond effectively to new procurement legislation?
- Recognise these pressures in our organisation
 - Set our priorities for procurement at the highest level, so they can be endorsed and therefore resourced
 - Improve communication across teams, to make procurement everyone’s business – understand service areas’ requirements of commercial teams
 - Understand our legal position and how we manage risk – share across organisation. For example, Procurement Policy Notes (PPN) can guide us to pursue activity that directly contradicts existing legislation ie specifically preventing LAs from procuring goods & services locally is not allowed under the Local Govt Act but they are mentioned in the PPNs. Or where reserving contracts for SMEs might not specifically be allowed under the

legislation. What we need to do is invest in commercial teams so that they can learn how to mitigate the risk and what that risk looks like when designing the services.

- Build social value into every part of the commissioning and procurement process, ensuring buy in and participation across the organisation.

It was agreed that: We invite Rose Marley to the next meeting to discuss their Cooperative Development Programme and where the support lies in developing the sector.

Action: NH

- 3.13. NH suggested inviting Cliff Mills from Anthony Collins Solicitors who had worked for the International Co-operative Alliance on their [Blueprint for a Co-operative Decade](#) and GMCA on their Co-operative Commission. *There was also Gus Della Porta from Bates Wells, who sits on our Values & Principles Board.*

It was agreed that: We invite legal expertise to advise on how we overcome the challenges councils are facing in managing procurement to grow our local economy **now** and to look at what changes we need long-term, with a view to legislative change.

Action: NH

- 3.14 NH reported that Stir to Action has asked for volunteers from five councils to do a piece of work on how councils can work with democratic business. It's a follow on from their latest report: [Building democratic culture, skills, and partnerships in policy-led regions](#) which focuses on how we reduce the gap between policy-making and democratic business and provides ten recommendations for the future. The next phase of research is interviewing council employees about their experience of working within democratic business initiatives and developing new policy frameworks to support the sector. If you'd like to share your experiences for the report, email jonny@stirtoaction.com.

4. **Being a Co-operative Council - What is a Co-operative Council?** – Chair and Nicola Huckerby

- 4.1. Cllr Taylor began by explaining that the time was right for us to pull together a list of some of the tangible and practical projects and campaigns that Co-operative Council's did, which could be useful in describing what being a Co-op Council means. Cllr Taylor thanked NH for pulling the presentation together.

- 4.2. NH went through the presentation and several amends were made. **The final document has been attached to the minutes.**

It was agreed that: The report be presented to the EOC with a recommendation for ratification and adoption for members to use in their own authorities.

Action: NH

5. **Accredited Training Programme – update** – Nicola Huckerby

- 5.1. NH explained that this item was an update on where the Cooperative College were in terms of preparing a programme of training and development opportunities for members and officers to undertake. **The presentation has been attached to the minutes.**
- 5.2. Cllr Taylor reiterated how important it was for member councils to get behind the training programme and encourage members and officers to follow the modules so that they can better understand the co-operative sector and what it means to be a co-operative council.

6. **2022 meetings – January, April, July, and October**

Main items for January:

- Discussion with Rose Marley, Cooperatives UK on their co-operative development programme.
- Discussion with legal experts on how we overcome the procurement challenges faced by councils.

7. Any Other Business

- 7.1. **It was agreed:** to report back on actions agreed in the November Newsletter.
Action: NH
- 7.2. Cllr Matthew Brown suggested that the CCIN should organise a visit to Mondragon so that members could see for themselves what a fully immersed co-operative region looks like.
Action: NH to put forward as a Policy Lab

Contact:

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Operations and Communications

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20.10.21 - NH