

# A co-operative agenda for **local government**



## the co-operative party

# A Co-operative Agenda for Local Government

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## 4th Edition

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## Introduction

Local councils have a special place in our economy. They are the providers and commissioners of the services that sustain our local infrastructure – homes, schools, roads – and how they choose to do this has a direct impact on the local economy. Councils have a responsibility not just to provide the best services they can, but to do this in a way that enhances the social, economic and environmental well-being of their communities.

150 years ago the first co-operative and mutual societies were formed to enable ordinary people to have access to good quality food at a fair price, purchase their own homes and insure themselves against sickness and unemployment. In contrast to other businesses of that era, they were designed to provide mutual self-help for their members, rather than create wealth for investors.

**This is still their core purpose today.**

## A Co-operative Agenda for Local Government

The size and scope of the co-operative movement in the UK cannot be overestimated. It provides financial services ranging from the Co-operative Bank and large mutual Building Societies to local credit unions; and retail shops from the Co-operative Group – the largest retail co-operative in the world – to local community co-ops. Co-ops run farms, funeral services, travel agents, social housing, home care, energy, childcare, residential care and all forms of new and traditional employee owned businesses.

**All have the same in common: – they provide jobs and create wealth in local communities, and are controlled by the people they serve.**

Over 19 million individuals, or one in three of the population, are members of one or more mutual society. Co-operatives and mutuals differ from privately owned businesses in one crucial respect, they exist to provide a service rather than to generate profits for shareholders. This means that there are no conflicts of interest between the claims of consumers and owners, and no incentive to exploit customers for short term gain.

Coming out of the deepest global recession this side of the Second World War, there has never been a time in which the co-operative and mutual ideal has been more important. We need to build an economy that serves our collective needs, placing social returns ahead of short term private gain.

Just as in the 1930s, when Labour local government played a crucial role in developing a model of municipal socialism aimed at protecting and empowering their communities, the opportunity exists once again to remake our local economies in tune with our socialist and democratic values.

Co-operatives and mutuals have a role to play in almost every aspect of local government, including community regeneration and economic development, housing, leisure, social services and education.

Co-operative & mutual models:-

- ✓ Work
- ✓ Retain jobs and profits locally
- ✓ Are ethical
- ✓ Are flexible
- ✓ Can make a contribution to all aspects of the local economy: from food to finance, jobs and services.

# A Co-operative Agenda for Local Government

## Using this document

This document is a toolkit for Labour and Co-operative councillors and activists to influence their local district, borough, county or unitary authority manifestos.

Councils vary widely in their functions and circumstances. Some of the ideas here will not suit your type of council, or they may be only appropriate in England or Wales or Scotland. Please pick and mix as necessary.

Local Government faces the most challenging time in recent memory, and the content of this document will evolve as councils face new challenges and opportunities, and as our case studies continue to grow.

Please send your feedback, case studies, and ideas to us at [party@councillors.coop](mailto:party@councillors.coop).

## Co-operative Councils

The Co-operative Party is working with councillors across the country to develop a new model for councils based on our intrinsic values.

Co-operative councils will draw on co-operative values to give power to all of us - as residents, service users, carers and staff. We will use whichever models are most appropriate to different services and different communities, including co-operatives, mutuals, or services with greater involvement from service users and the community.

Such services must embody public-sector values, and we will ensure that where public money is spent, organisations are run in the interests of the whole community rather than the narrow sectional interests of one stakeholder group against another; and with the highest levels of financial probity under public scrutiny.

Co-operative values will also shape the way that we seek to rebuild our local economies, ensuring that they serve our collective needs as people, putting long term social benefit ahead of short term private gain.

While not every council will take this holistic approach, there is a wide range of co-operative initiatives appropriate to every type of local authority.

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### Case Studies - Lambeth and Oldham

Two Labour Groups who have taken in the co-operative council initiative are Lambeth and Oldham.

Between May and November 2010, Lambeth council consulted residents on becoming a co-operative Council. The Council is now pioneering this approach as a way of continuing to deliver services in spite of the cuts, and doing so in a way that involves local people. There are a number of preliminary plans, which are placing co-operative values at the heart of local projects. These include the Lambeth Resource Centre - a day centre that works with people with disabilities - which will soon become a mutual enterprise. The Council is looking at handing over ownership of some adventure playgrounds to trusts or social enterprises.

Oldham Labour Group has also made great strides towards becoming a co-operative council after this May's elections. They have a number of exciting plans, including a community dividend programme where council staff could take two days leave to assist in community projects. A Co-operative Charter will also be developed for all companies and groups that deliver local services. This charter will make sure that co-operative values are embedded in everything that the council does.

Both these projects will lead the way in showing how co-operative values can be entrenched at a local level.

### Local Economic Development

Mutuals and co-operatives are the ideal vehicles for local economic development. They generate wealth and employment; their profits are retained locally to the benefit of local businesses or – often - used for the benefit of the community. Co-operative businesses mean co-operative ethics.

There is now a greater demand in the media and by the public for businesses that are ethical and transparent. Witness the dramatic increase in business with financial mutuals and credit unions. In the eyes of the public, profit is no longer seen as the primary measure of a good business. Local councils must take account of this when determining the types of business that they nurture, encourage or support.

Mutual organisations are often catalysts for local economic regeneration. For example, football supporters' trusts provide community support that extends beyond the club and its fans. Rhondda Cynon Taf Homes, the UK's first community housing mutual, are committed to driving economic regeneration by developing skills training and generating local jobs. They have established a regeneration-focused social enterprise with subsidiary social businesses that employ tenants as volunteers to help boost their skills.

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## Business Support

We have already seen the growth of secondary co-ops as a way to make small and medium size enterprises stronger by working together. Agri-co-ops are a prime example: farmers have known for years that they have to co-operate – in buying and in marketing - to survive<sup>1</sup>. In France, 9 out of 10 farmers belong to an agricultural co-operative.

For small businesses to thrive in the current climate, they need support to work together to achieve economies of scale and to procure contracts. There is massive scope for the development of co-operative consortia, particularly in the building trades and tourism.

Giving employees a stake in their business provides workers with economic gains and creates companies that are responsive to their frontline staff. Evidence shows that firms where staff has a big ownership stake and a say in decisions do not just create happier workers, they also make more productive businesses.

The degree to which employee ownership boosts productivity can be seen in the performance of co-owned companies, which have consistently outperformed their plc rivals. In cash terms, an investment of £100 in the EOI (Index of Employee Owned Companies) in June 1992 would have been worth £453 at the end of December 2008; the same amount invested in the FTSE All-share would have been worth £172. This superior financial performance is the little known story of a sector worth a combined turnover of £20-25 billion annually, and going from strength to strength.

The Co-operative Party believes that the achievements of the co-owned sector should be recognised and built upon. We believe that both employees and employers could equally benefit from a more participative form of employee share ownership and that there is a need to extend employee share ownership schemes, particularly those that give employees a collective, democratic voice.

More needs to be done though to ensure that the right environment exists in which co-operatives and mutuals can thrive. Mutual forms of business still suffer from a lack of support, despite being robust and proven business structures. The majority of business support providers do not have the capacity or expertise to provide services for those seeking to set up co-operatives or social enterprises.

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<sup>1</sup> For example, the Anglia Pea Growers Co-operative, which in October 2010 secured a contract worth £20,000 to each of its 150 members (source: Processed Vegetable Growers Association Ltd [www.pvga.co.uk](http://www.pvga.co.uk)).

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### Procurement

Co-operatives and mutuals are often small and medium enterprises - local businesses and members of the local community; so any assistance given to them can also bring benefits to community.

In both national and local government, more needs to be done to support smarter and more strategic commissioning and procurement of both goods and services. The current and future financial pressures on the public sector and the desire for efficiency savings make getting the most from public resources essential.

Mutual and social enterprises provide services that tend to be more focused on the end user. Their structures are generally established in order to balance the appropriate importance of different stakeholder groups. Co-operative and social enterprises can rightfully claim to be popular with end users because their services are influenced by them. They also tend to provide added value by meeting social, environmental and economic development goals, and often deliver services to hard-to-reach groups and work in areas of market failure.

These ownership considerations are rarely taken into account when tenders for public services are being offered. Yet they can have a profound effect on the manner in which services are provided. Ultimately, it surely has to be important that public services operate in the best interests of the public.

When contracts to provide services are put out to tender, local authorities should have processes that ensure that co-operatives and mutuals are able and encouraged to bid. Wherever permitted, the long-term value and local impact of a contractor's offer should be taken into account in the bidding process, including its track record and inherent expertise, its customer satisfaction or its likely social and environmental impact and contribution towards local economic development.

Where local authorities decide to externalise services, they should provide employees, service users and the wider community with a 'right to try,' which would give them the option and a time frame of six months to consider taking over the service through the creation of a co-operative or social enterprise. Councils should also ensure that these schemes are given sufficient support through the feasibility stage to enable them to compete with established private sector companies.



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### What councils can do

- ✓ Examine the size and extent of the Co-operative and Mutual sector of the economy in their area and its potential for growth; and make recommendations for practical action for the authority to implement.
- ✓ Develop proposals, together with the co-operative, community owned and mutual partners in the area, to ensure healthy growth of the sector.
- ✓ Develop co-operative solutions to policy initiatives on economic development, employment, childcare, housing, rural poverty and community development
- ✓ Recognise worker co-operatives as locally owned, democratically controlled organisations that retain jobs and profits within the locality
- ✓ Continue to fund and support Co-operative Development Agencies where appropriate or provide support and funds for specialist co-op development advice
- ✓ Recognise the geographic stability of socially and mutually owned businesses, and, because their profits and assets will not migrate, prioritise them for business support. Ensure that the additional long-term benefit of this 'Capital Anchoring' effect is recognized in future economic policy.
- ✓ Including co-operative models in advice to new businesses provided by the council, Business Link/Gateway/Connect and other partners.
- ✓ Promote marketing and buying secondary co-operative models to sustain existing local businesses
- ✓ Review procurement contracts to ensure that co-operatives and SMEs are not excluded by expensive and time-consuming procedures
- ✓ Encourage secondary co-operatives that enable small businesses to achieve economies of scale and secure procure contracts
- ✓ Increase the awareness, knowledge and skills of council officers with regard to co-operative initiatives

## Communities

### Transferring power and assets

Local Government should do much more to deliver power and ownership of local services to the communities that depend on them. We believe that community-based and new mutual organisations have a vital role to play in running local services, tackling crime and anti-social behaviour, supporting families, engaging young people and regenerating rundown neighbourhoods.

We endorse the recommendations of the Quirk Review, and believe that local authorities should accelerate the process of asset transfer. This will enable community groups to own

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and run anything from swimming pools, markets, disused shops and pubs, to major leisure facilities and land.

Yet it is important that any assets transferred by local authorities remain in the public interest, and accountable to the community that they serve. It is therefore suggested that community benefit societies would provide the best legal structure to enable such a transfer as:

- They are democratically accountable to a widely defined and open membership, thus ensuring that community-based organisations act in the public interest.
- They have an 'asset lock' which can guard against dissolution and ensure that resources can only be transferred to other organisations with a similar commitment to serving the community.

Where assets are transferred, it is also important to ensure that they continue to operate in the interests of the community being served. Local authorities should make asset transfer conditional on community benefit societies placing in their articles a duty for the organisation to seek to ensure that it recruits and maintains a membership that is representative of the whole community that it serves.

Communities can take on redundant land and buildings, and transform them from potential liabilities into income generating assets for social good. Asset acquisition could create a foundation for a self-help enterprising approach that will enhance resilience in our communities and create the foundations of a much strengthened community enterprise sector as we come out of the recession.

In some cases, asset acquisition in the recession will facilitate informal social and cultural uses for redundant high street offices and shops, thereby avoiding boarded up premises and a spiral of decline. We welcomed the commitment of the Department of Communities and Local Government under the Labour Government to explore this, and believe that local authorities should assist this and other schemes through the creation of community asset acquisition funds.

A number of local authorities have already used Compulsory Purchase Orders to acquire under-utilised land or other assets in partnership with community organisations. The Co-operative Party calls upon all local authorities to use their compulsory purchase powers where real gains can be brought to residents and local businesses.

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### Protecting local services

The decline in the availability of services in both rural and economically marginalised areas has been well documented, with pubs, shops and other services closing at a faster rate than ever before. Co-operatives and social enterprises, such as community-owned rural shops or post offices, are often the only viable option for communities looking to retain or re-introduce a service.

In underserved areas, essential services are generally run as private businesses. When the proprietor decides to retire, close the business or move from the community – the availability of these services is often at risk.

Increasingly, mutual social enterprises – including community owned shops, pubs and post offices, community bus services, credit unions, housing cooperatives, childcare co-operatives and community land trusts – are filling the void left by retreating public and private sector providers, and often offer the best solution for sustaining and developing local economic activity.

Each of these organisations places as much emphasis on efficient & dynamic management as any proprietary business. But, in contrast with most businesses, they have explicit social aims – such as job creation, training or the provision of affordable services. Their defining characteristic is social ownership, with governance and ownership based on partnership between users, employees and the wider community.

Whether services are closed by the public or private sector, communities should be given every assistance to take control of the services that impact on their everyday lives. Establishing a new generation of mutuals to tackle the decline in local services will require a range of start up support mechanisms. These would include business planning, legal, community engagement and specialist sector support. Councils should actively consider the creation of a community mutual unit, which would provide the necessary support to enable communities to create mutual and social enterprises to fill areas of local need.

Whether it's a question of people saving their football club, their local post office, or even the planet, co-operative and mutual organisations can provide a means through which people can collectively meet their aspirations and help change behaviour for the better.

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### Case Study – Winster Village Shop Association



With a large number of elderly people, and 15 per cent of households not having a car, the closure of the local shop would have had a devastating effect on the Derbyshire villages of Winster and Elton. So when the shop owner decided to leave the business after 20 years, the local community immediately began a campaign to buy it.

Eighty residents attended an open meeting chaired by the parish council and a steering group was elected to investigate the possibility of acquiring shop on behalf of the community.

Five years later the community enterprise is still trading successfully, providing a valuable local service, and vital support for local produce suppliers. The village Post Office has since been incorporated.

Sources: The Plunkett Foundation & Winster Village Shop Association

[www.plunkett.co.uk](http://www.plunkett.co.uk)

<http://www.winster.org/shopAssociation>

### Access to Broadband

The shift to next generation broadband is essential to our competitive future and requires building dependable systems for all urban and rural communities.

Across the UK there are locally-led projects to experiment and build FTTP networks, which vary in size between local projects and those that have the potential to be large scale. Most of them are Open networks – utility-style networks that can be used by multiple businesses to supply services to customers in competition with each other. These projects often require public funding, but their biggest strength is that they help build the confidence and framework to underpin other forms of funding.

Experience in Scandinavia, the Netherlands and the USA shows that mutual and co-operative forms of ownership are ideally suited to this utility style investment. And they offer a perfect platform for open competition and innovation between technical suppliers and service providers. The existence of multiple projects – forming a patchwork quilt – is a strength not a weakness, offering scope for maximum innovation from both smaller and larger businesses.

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### Case Study - Angus Glens

The Angus Glens are an area on the edge of the Highlands with limited access to telecommunications of any kinds. Community Broadband Network is working with the community to find solutions to their telecommunications needs; today many of the community have only dial-up access to the internet at speeds below the current universal service obligation of 28.8kbps with telephone cables looped along the grass verges.



To make sure that the solution doesn't just help them catch up with other rural areas, but positively solves the issues in a way which supports and enhances their community and area, CBN is helping the people of the Angus Glens to develop solutions from lessons learnt by rural Scandinavian communities.

With some additional help from C-Plan and Emtelle, both Scottish specialists in fibre-optic networks, they hope to have plans for their area which will deliver super-fast broadband to homes and businesses in this idyllically rural part of Scotland, bringing not just fast Internet and digital television but also eHealth. Some members of the community are already helping Dundee University to develop solutions for independent living and tele-medicine; the development of a reliable and fast community network will create a unique environment for taking these experiments to new levels.

Source: Community Broadband Network  
[www.broadband.coop](http://www.broadband.coop)

They also could potentially allow public service providers, such as Local Authorities or the NHS, the ability to provide services at a local level directly to any customers of a local network company rather than having to transit across individual Internet Service Providers. This would mean that these public service providers would be able to provide high speed services to ordinary members of the public at no additional bandwidth cost.

Councils should actively consider what measures and financial support that they can undertake to encourage community broadband projects in their area. They should also actively consider allowing community-owned broadband networks to automatically qualify for rate relief if they have a charter which ensured the benefit and profits were retained for the community.



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### Case Study - West Whitlawburn Housing Co-operative

**West Whitlawburn Housing Co-operative (WWHC)** is a progressive housing charity on the outskirts of Glasgow. They are embarking on a project to build a further 100 new homes alongside their existing apartments, and are keen to offer the tenants the kinds of services being enjoyed by their counterparts on the continent.



Having visited Niemen and seen for themselves the impact that Next Generation Broadband is having on the community, WWHC have appointed CBN to design and deliver a solution for their new homes with the aim of fitting it to the existing homes soon after the building work is complete.

Source: Community Broadband Network

[www.broadband.coop](http://www.broadband.coop)

### Engagement

Participatory budgeting is a mechanism designed to bring local communities closer to the decision making process around the public budget. It relies on a flexible set of community engagement techniques, adaptable to local circumstances, but which share a common principle – that power and responsibility lies with those who decide how new money is to be spent. Pioneered in Porto Alegre in the late 1980s, it is now practiced in over 300 cities around the world, involving more than 12 million people. Common practice throughout all of these cities has included:

- Holding city wide forums to involve local communities in discussion of their priorities and targets, as well as to evaluate and monitor ongoing activity
- Clearly setting out the annual cycle of dialogue and decision making, linked to the council's internal budget setting processes.
- Supporting people through the provision of information and advice, including budgetary literacy workshops

Where participatory budgeting is successful, it is likely to both devolve power and responsibility to local people, as well as proceed on principles that are not in conflict with best value.

With the increasing access to the internet in homes and libraries, it is also likely that software can be created to give members of the public the tools to take part in some of the decisions traditionally dealt with through representative democracy.

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The Co-operative Party commends the Department of Communities and Local Government's pilot programmes for participatory budgeting. All local authorities should take greater measures to involve citizens in decisions that affect them.

### **Case Study - Manton Community Alliance**

**Manton Community Alliance runs neighbourhood management in Manton and has been using Participatory Budgeting (PB) since 2007. Manton is a very deprived neighbourhood in Bassetlaw, Nottinghamshire. Only 20% of residents vote in local elections, compared to the regional average of 35%. MCA is using PB to increase local election turnout amongst other benefits. Using around £50,000 of their own funds to lever in support from other partners including the local NHS, police and local authorities, MCA have developed a highly participatory process.**

**It starts with local residents identifying the local priorities for the year. They then vote for their top ten priorities, the five with the highest scores are then selected.**

**Using ballot boxes, residents decide how much money should be allocated to each priority. Organisers then ask voluntary, community and public organisations to come up with projects that meet the priorities.**

**Residents hear and see about each of the projects through a short video clip, which is displayed online and in local meeting places. Residents then vote on which projects they want to see funded by postal and ballot box voting and those with the most votes are funded.**

**The successful projects are then delivered throughout the remainder of the year with regular feedback to residents.**

**Source: Manton Community Alliance**

**[www.mantoncommunityalliance.org.uk](http://www.mantoncommunityalliance.org.uk)**

### **Sustainable Communities Act**

The Co-operative Party commends the passage of the Sustainable Communities Act (SCA), during the last Labour Government, providing communities, through the councils that represent them, the opportunity to break down barriers to tackling important local issues and challenges.

We believe that the aims of the Act resonate strongly with the values and principles of the Co-operative Movement, representing a bottom up initiative for social and economic initiatives. Councils should adopt the SCA, consult their constituents for ideas of what in the local area needs investment and draw together an action plan for further rounds of activity.

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## What councils can do

- ✓ Ensure that assets transferred from the local authority are to asset-locked bodies such as community benefit societies
- ✓ Create community asset transfer funds
- ✓ Create a 'community mutual unit' and give business and practical support to community co-operatives

## Finance

### Investing in a co-operative future

At a time when public sector borrowing remains high and private sector capacity to invest remains limited, councillors should explore the creation of new mutual organisations to build desperately needed local infrastructure. Because they are owned by their members, rather than shareholders, mutual organisations have the capacity to finance investment over the life of the asset and to do so at a significantly lower cost than infrastructure investment funds. The way they are owned also means that there is no incentive for them to have an exploitative relationship with their customers, and that consumers are likely to receive reduced prices and better customer service.

Whether building a stronger and more diverse financial sector, a new energy infrastructure, new transport links or next generation broadband – the co-operative movement is in a unique position to build public assets that are held and operated for a public purpose.

Clearly raising capital from communities can play a large part in this. In the nineteenth century the co-operative movement was built through a self-help model of funding, where investment was not only focused on what it could generate for individuals but also for the service that it could provide for the community. As we seek to build the next generation of public assets, it is perhaps time to return to these self-help principles. Mutual societies would not only offer a safe and robust investment for individuals, but also provide us with services that can collectively improve our lives.

Yet local authorities can also play a significant role in providing capital to build the capital infrastructure needed in their communities. Substantial council reserves are held in random and uncoordinated funds worldwide, which could be better applied to more productive benefit here at home. With estimates of total council reserves of between £15-20 billion, even a fraction of this sum invested in a co-operative manner could yield millions of pounds of capital, regardless of the state of mainstream financial institutions.

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The Co-operative Party supports the development of a Local Authority Mutual Fund whose purpose would be to provide a safe vehicle for reserve deposits, which in turn could be lent in support of regeneration or infrastructure capital schemes.

Local Authority pension funds currently account for over £154 billion invested in the UK economy. Mostly these invest in similar profiles to other institutional funds, which instead of taking a responsible long-term view to ownership, often rely on their ability to trade out when prices change in the short term. This is self-defeating for those charged with delivering pensions over many decades, but it remains the predominant form of behaviour.

Through investing in a new generation of local infrastructure mutuals, beneficiaries of local authority pension funds would be able to benefit from long-term sustainable investments, as well as new infrastructure and services within their community. Even if only a small proportion of these funds were invested in this manner, the potential remains to release significant amounts of capital to build public assets that are held and operated for a public purpose.

### **Credit Unions**

For many, the credit crisis did not begin in 2008 or even 2007; but has been growing out of changes within our banks that have occurred over the last thirty years. For small businesses, the high street banks' gradual abandonment of relationship lending and small business specialisation has caused major difficulties. The Bank of England's quarterly trends in lending reports have shown that although the stock market and banks' share prices have recovered, credit to small and medium sized enterprise (SMEs) is still rationed and costly.

The impact of personal financial exclusion, affecting almost two million people in the UK, is also well documented. Essential services become more expensive, for example, by paying for utilities without direct debit, and periods of financial difficulty drive people to predatory and very expensive credit.

We need to do more to ensure that everyone has access to the basic financial services that most of us take for granted. Financial mutuals have much to offer in this regard as their structure of governance has traditionally allowed them to lead the way in providing services to many who are often excluded from mainstream products.

In the UK, it is primarily credit unions that offer affordable credit and banking services to thousands who would otherwise be unbanked. The last ten years have seen tremendous growth in the credit union movement. Between 1995 and 2006, the number of credit union members in the UK more than tripled to approximately 500,000, with deposits growing almost nine times to just over £500 million. We welcome the support that the UK

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Government has given the credit union movement, both in improving the legislative framework in which they operate, as well as the significant financial assistance that they have given the sector.

Community Development Finance Institutions (CDFIs) also provide vital consumer credit and finance for small businesses, including social enterprises, using the personal, supportive and advisory approach that banks once provided. They help those who cannot access finance from banks, providing sustainable economic prosperity to some of the most disadvantaged areas of the UK.

Whilst credit unions can support the aims and objectives of local authorities' social and economic inclusion agendas, poor and grant dependant credit unions cannot help poor people. We must aim for strong, economically viable credit unions, with a mixed socio-economic membership – able to offer increased, quality services and making a real difference in communities. This requires adequate seed funding for new credit unions and an appropriate amount of support for existing credit unions to make them economically viable within a few years.

Councils should lead from the front by establishing payroll deduction facilities for credit unions and to promoting them to their staff. Payroll deduction facilities for credit unions should also be specified in all procurement contracts entered into by local authorities. This should be supported by generic publicity materials produced by councils in consultation with the credit unions, and promoted through all services that come into contact with the public.

### **Case Study - Cardiff Credit Union**

**The credit union is a non-profit, ethical organisation that is supported by the Welsh Assembly Government and Cardiff County Council. It was established in 1994 for the benefit of employees of South Glamorgan County Council, and now covers anyone living or working in Cardiff or the Vale of Glamorgan.**

**It has a central aim of being a social enterprise where members are encouraged to approach financial matters responsibly. It works by allowing members savings to provide the funds for the union to offer loans to other members. Crucial to its success is the fact that it has had high level political support and is very firmly rooted in the community that it serves. It offers a wide range of benefits to its members and is clearly focused on delivering a high quality service.**

**Source: Cardiff School of Management**  
[www.cardiffcu.com](http://www.cardiffcu.com)



## A Co-operative Agenda for Local Government

### What councils can do:-

- ✓ Provide incentives, support and guidance to promote all forms of rural and agricultural co-operative.
- ✓ Encourage the development of strong, sustainable credit unions
- ✓ Support and encourage the development of childcare co-ops, breakfast clubs and food co-ops

## Environment

Our continuing reliance on fossil fuels places an unsustainable and dangerous burden on our environment, as well as aggravating international tensions and jeopardising progress towards social justice. At the same time, it is estimated that there are currently close to 5.4 million people in Britain (1 in 5 households) who are officially classed as ‘fuel poor’ – which the government describes as those households having to spend over 10% of their annual income in order to heat their home. We are also fully aware that the geopolitical landscape requires us to reduce our reliance on foreign reserves. Despite the falling price of oil, it is unlikely to stabilise at its current levels.

Mutual ownership structures have the potential to unite sustainable production with energy conservation to combat fuel poverty as well as global warming. They can also generate profits for use in other community regeneration projects.

Evidence from pioneering energy markets, such as California, Denmark or Sweden, suggests that these technologies are best deployed where policies and measures are directed at bringing together communities of households and businesses. In the UK there are also a growing number of instances where co-operative energy schemes have provided the scope for engagement, genuine community benefit and economic participation.

### Case Study - Limburg

**In the Belgian province of Limburg, citizens came together collectively with the common purpose of addressing rising fuel costs that came as an unexpected but direct result of the liberalisation of their energy market in 2003. The case of Limburg is particularly relevant since the Belgian and UK energy markets share many similarities and as such, provides a robust example of best practice for collective purchasing schemes.**

**Inspired by the savings made by a number of large companies through their commercial buying power, the residents of Limburg banded together to boost their purchasing power and broker a deal with existing energy suppliers. Led by a few prominent community members, they felt strongly that if these savings were already being**

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delivered to commercial enterprises, domestic end-users and the residents of the local community should equally be able to access the same rights and reap the benefits from lower negotiated tariffs for bulk purchasing of energy.

They partnered with the reputable charitable organisation ACW to further their campaign for the collective purchase of natural gas and electricity. ACW's recognisable and trusted brand gave the campaign credibility and pamphlet posting and door-to-door knocking sessions saw huge responses. A number of community meetings were also held to raise the profile of the campaign and explain the operational processes and steps that residents would need to take in order to take part in the scheme.

Once enough support was secured they recruited a number of volunteers who gathered all the bills and information from the residents, and painstakingly calculated the savings for each individual household. The scheme saw a 75% take up and savings of up to 15-20% were successfully delivered over the year. By this time, the campaign had spread gathering popular support quickly in neighbouring provinces and the past year has seen the successful roll out of the model across Belgium.

In total, Limburg has seen 15,000 families save, on average, €250 per year. In addition to collectively purchasing gas and electricity, they are now working with communities to collectively purchase insulation, solar thermal and photovoltaic installations.

### Collective Power

The Co-operative Party's 'Collective Power' model allows residents, local businesses and public sector organisations to come together to save money and help tackle the threat of climate change through collectively pooling their purchasing power. Banding together in this way, energy co-operatives are able to purchase their own energy on the wholesale markets and negotiate affordable deals for state of the art smart metering technology.

While these organisations may begin as a practical expression of self-help, they have the capacity to revolutionise the way in which we purchase and produce energy. Once established, the co-operative forms a framework through which ordinary people can build and own an infrastructure that will reduce their long-term energy costs and manage the reduction of their carbon emissions.

We welcome the announcement by the Welsh Assembly Government to make over £8million available to help community organisations invest in new technology to generate clean, renewable energy. The Community Scale Renewable Energy Generation project will provide finance of £100k to £300k per project to support the development of community based renewable energy schemes such as wind, biomass and hydro power. Around 135 small grants of up to £3,000 will be available to help communities to undertake feasibility

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studies into potential renewable energy schemes followed by 35 grants of up to £20,000 to help them develop their projects.

Establishing a new generation of energy co-operatives will require a range of start-up support mechanisms. These would include business planning, energy market, community engagement and legal support. While we are calling upon the Government to create a community energy and climate change unit to provide much of this support – local authorities should also consider using their own expertise to provide practical support to community groups that wish to create community energy co-operatives.

The growth of the transition towns movement will lend support to and act as a catalyst to collective schemes to tackle the issue of climate change<sup>2</sup>. Local authorities should work with both the transition towns and established co-operative movements to ensure that they share best practice between them and encourage opportunities for each movement to learn from the other.

Local authorities should view the offer of community ownership as a benefit in terms of planning consent. This would reduce the upfront costs of development for community energy groups. It would also have the knock on benefit of encouraging developers to offer local communities a share or part-ownership of schemes in return for a fast-track planning process.

Local authorities should actively consider investing in renewable energy co-operatives and support renewable energy schemes on their land. This would provide a revenue stream for the council while providing economic benefits for the entire community.

Overall, councils can take a clear lead in making this happen, acting as a supporter, cheerleader and facilitator. While local government cannot create movements around climate change; through help and encouragement they can allow them to thrive.

### Local Food

Much of the produce that is available to consumers has travelled unnecessary distances to the point of sale, driving up costs, impacting negatively on the environment and threatening the livelihood of small-scale producers. Co-operative and social enterprises are also at the forefront of the development of robust and sustainable food systems, an alternative to the global supply model. These include farmers markets, which are enabling producers to sell direct to consumers, taking back their role in the supply chain.

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<sup>2</sup> [www.transitionnetwork.org](http://www.transitionnetwork.org)

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Councils should recognise the achievements of these local food systems and further support their development. Wherever possible, local production should be encouraged through additional financial support for farmers that demonstrate high standards of environmental stewardship.

### Case Study - Thames Valley Farmers' Market Co-operative

**The co-operative exists to manage and promote Farmers' Markets, enabling farmers and small producers to sell their produce directly. They began operating in the Thames Valley area in 1999. Since then their markets have flourished and they now operate in 14 towns.**

**Buying at farmers' markets helps to support local farmers and producers. There are no middlemen involved, and no profits for supermarkets and their shareholders.**

**The funds that they raise through membership fees and stall fees are ploughed back into the co-operative. All the producers at their markets are voting members of the co-operative who can share in the way the co-operative is run.**

### What councils can do:

- ✓ Support and encourage community energy schemes
- ✓ Invest in renewable energy co-operatives
- ✓ Support and promote local food co-operatives

## Housing

The Co-operative Party believes that everyone should have access to a decent and attractive home, at an affordable price, whether to rent or to buy in rural and urban areas. We commend Labour's commitment to build three million new homes by 2020 – homes which are desperately needed by young families, older people, key workers and first time buyers across the country.

The shift that has occurred in the global financial markets means that the housing landscape in the UK will never be the same again. The major outcome will be a new risk averse, resilient and more regulated approach to lending. This will mean that many thousands of UK households will be caught in the gap between affordable rent and home ownership.

In the aftermath of the financial crisis, ensuring that these new and emerging households have access to a decent home they can afford is a major political and electoral challenge. In addition, increasing the supply of homes is vital to ensure the long term stability of the

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housing market, ensuring that it does not continue to drive volatility in the rest of the economy.

The post crisis landscape presents all concerned with affordable housing supply with new challenges: new challenges that demand new solutions.

The role of Community Land Trusts (CLTs) is crucial. They work in rural and urban areas, and are a flexible tool to meet a variety of community needs. They not only offer a number of options for rent and low cost home ownership, but can also provide a mechanism for generating an income stream for reinvestment by the community. In areas where a rising population, economic investment and limited stocks of affordable homes threaten to exclude local people from the areas in which they live and work, CLTs are able to ensure a supply of affordable housing through the control of housing costs and resale prices.

In particular, the 'New Foundations' model can make a significant contribution in the supply of homes. It separates the cost of the land from the purchase price, by taking it out of the marketplace through a Community Land Trust. It ensures affordability through flexible monthly payments that are based on an affordable percentage of income. Any public subsidy is locked in and preserved for future generations, due to the structure of equity arrangements.

Unlike individual home ownership, where residents have a personal mortgage loan to buy a home, the homes are financed by a corporate loan borrowed by the co-operative. The value of the buildings is divided into shares and when members leave the co-operative, they are entitled to take the equity that they have built up with them. The net value of the shares is calculated by reference to a fair valuation formula set out in the departing member's occupancy agreement or lease, which is the same for all members. The rent is geared to be affordable at 35% of net household income, so the more residents earn the more they pay and the more equity shares they are able to own and finance.

The valuation formula in the lease requires resident members to look on property ownership in a new and different way. Rather than viewing a home as a speculative capital investment, the value of which rises and falls in line with unpredictable housing market cycles, it will see a home as a consumer durable, just like a car, or a fridge. This formula will not give mutual home owners high risk speculative house price growth when it may happen again, if ever. However mutual home owners will also be at far less risk of falling into negative equity where their houses are worth less than the outstanding mortgage loan. They will also have the benefit of lower transaction costs when they move into and out of their home.



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'New Foundations' housing schemes can be developed within the existing legislative and administrative arrangements, but can be supported by action from local government. Councils should ensure that their local development frameworks include reference to the development of CLTs and Co-operative Mutual Home Ownership as a means of increasing affordable housing supply and creating a presumption in favour of change of land use being granted where the uplift in land value is to be captured for the benefit of the community by a CLT.

### Building Stronger Communities

Through housing co-operatives and other mutual organisations, tenants and residents have taken real control over decisions that affect their lives and created strong and cohesive communities. All the available evidence shows that co-operative forms of housing perform well on value for money terms compared to housing association and local authority provision of housing. Additionally, they have proved themselves to be a successful model of genuine community empowerment, providing a range of social and community benefits due to the local frameworks of mutual support that they create.

Councils should embed co-operative and mutual housing solutions at the heart of their housing strategy. Where local authorities hold ballots on stock transfer, residents should have the option to vote for community-led stock transfers, under the following models:

- **Community Mutual** – developed by the think tank Mutuo and endorsed by the Welsh Assembly, the Community Mutual offers active membership opportunities to all tenants. There are currently Community Mutuals in Rhondda Cynon Taff and Torfaen, and others underway.
- **Community Gateway** – developed by the Confederation of Co-operative Housing and Co-operatives UK. There are currently Community Gateway housing mutuals in Preston, Watford, Lewisham and Braintree.

#### Case Study: RCT Homes

**RCT Homes was the first Community Housing Mutual in Wales.**

**In December 2007, RCT Homes became Wales's largest social landlord when it took over the ownership and management of the entire housing stock of nearly 11,000 homes from Rhondda Cynon Taff County Borough Council. RCT Homes is responsible for homes on more than 60 housing estates and in 27 sheltered housing schemes.**

**Five tenants sit on the RCT Homes Board and tenants play a key role in scrutinising new policies and procedures and in overseeing RCT Homes' major decisions.**

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RCT Homes is not just a landlord; it is a major local social enterprise. As well as raising the standard of homes, they are working with tenants and their local communities to create a sustainable legacy of increased employment and higher skill levels.



RCT Homes' Rules commit the organisation to supporting 'social inclusion' – driving the economic regeneration and development of the communities it serves by working with other organisations to develop local skills training and to generate jobs through the procurement of local labour. The Welsh Assembly Government has held up RCT Homes' procurement process as a 'model approach' that other social housing landlords can follow to help regenerate some of Wales's most disadvantaged communities.

They have employed a unique tender process to recruit contractors and suppliers to deliver RCT Homes' £170 million programme to bring its tenants' homes up to the Welsh Housing Quality Standard (WHQS) over the next five years. The tender process developed by RCT Homes enabled local businesses to bid for and win major contracts against competition from national companies, leading to the creation of a total of 59 new local jobs. In addition, RCT Homes has tied its main contractors into using locally-based suppliers who will generate a total of 61 new jobs and training opportunities. RCT Homes has been working with the Heads of the Valleys JobMatch initiative and Manpower – the New Deal provider in Rhondda Cynon Taff – to maximise the impact that the new job and training opportunities will have on the local employment situation. In addition, RCT Homes itself has created 53 new jobs since it began operations at the end of 2007.

RCT Homes will continue to maximise the opportunities offered by its massive investment to deliver real results with the creation of new jobs, new training opportunities, new business contracts and major new investment in housing and related regeneration work. Taken together these strands provide a strong platform to drive forward sustainable community and economic regeneration and improve the quality of life for thousands of people living in communities throughout Rhondda Cynon Taff.

Source: RCT Homes

[www.rcthomes-jobs.co.uk/about-us/the-uks-first-housing-community-mutual](http://www.rcthomes-jobs.co.uk/about-us/the-uks-first-housing-community-mutual)

Local authorities, housing associations and housing mutuals could also convert to a mixed tenure version of the 'New Foundations' model. Residents in this type of Mutual Home Ownership development would be able to start on a standard rented tenancy with the right to buy equity shares as and when their income permitted them to do so. They would have the right to participate in the democratic governance of their home just as any other member of the mutual. The 'Right to Buy Equity' would not mean that the home would

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become unaffordable for future generations of occupants or that it would move to the open housing market.

As a 'New Foundations' community becomes wealthier (as can be expected in any stable sustainable community), initial capital subsidy is released over time as member's incomes rise and they buy more equity shares. This capital subsidy could be used by the Community Land Trust to provide more affordable homes, thereby increasing the supply of socially rented homes.

In some areas tenants will prefer their housing to remain under local authority control. Where this is the case, tenants should be encouraged and assisted to form tenant management co-operatives to take over the control of management of the council-owned housing in their neighbourhood. The right to manage should also be extended to housing association tenants, who should also be given support and encouragement to take over the control and management of their homes through management co-operatives.

In the last ten years the landscape of social housing has been transformed, with more arms-length management organisations (ALMOs) responsible for managing social housing and changes to the number and operations of registered social landlords (RSLs). We welcomed the creation of the Tenant Services Authority<sup>3</sup>, and the duty that it places on registered providers of social housing to ensure that tenants have the opportunity to be involved their management. There is currently a wide variation in how RSLs are interpreting this. As part of the work that it is doing on behalf of residents, the Tenant Services Authority should launch a review of governance in the RSL sector, to ensure that all RSLs are able to learn from best practice across the sector.

### What councils can do

- ✓ Facilitate the 'New Foundations' model for affordable housing
- ✓ Consider the CHM model when reviewing options for stock transfer.
- ✓ Ensure that these mutuals are given all necessary support and encouragement not just to succeed as examples of best practice in tenant participation and housing management but as catalysts for change and development in their communities.
- ✓ Actively support and develop tenant participation programmes

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<sup>3</sup> [www.tenantservicesauthority.org](http://www.tenantservicesauthority.org)

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### Tackling Crime

The role of local crime fighting partnerships, known as Crime and Disorder Reduction Partnerships (CDRPs) in England and Community Safety Partnerships (CSPs) in Wales, has been crucial in making the reduction of crime a key priority for local authorities and other partners as well as for the police.

Many partnerships have been effective in representing the community's interests to the police and enabling them to respond to public concerns. By engaging their communities, understanding their crime concerns, sharing intelligence, information and tasking to deal with local issues, and giving feed-back to the public, these partnerships have often succeeded in making a real difference to how the public feels about crime and the agencies who tackle it.

These partnerships form one of the unsung successes of the Labour government and are considered to have played a major part in reducing crime generally across the country. However, as with most good news stories – they rarely have a high public profile.

Yet we are still a long way from fully engaging communities in the fight against crime and from giving them ownership over the local strategy. In some cases the community is unaware of the work of the partnership; accountability mechanisms can be fragile, and the methodology that should help make their area safer for everyone is not always applied consistently. “Best practice” has shown excellent results but performance varies across England and Wales.

Councils should ensure that they learn from “best practice” principles from CDRPs across the country, making use of the experience of “co-operative governance.” These should be revised to take account of the wider partnership approach at a local level, with an emphasis on the triennial “baseline audit” and the development of a scientific approach to analysing both “crime and the causes of crime” in order to bring about change.

#### **Case study - The Cardiff Violence Reduction Programme**

**This is an outstanding example of the value of co-operation. Fewer facial injuries were being caused by motor accidents but more were being caused by violence in the city – so the lessons from improving road safety were applied to violence. Police and medical staff shared (non-personal) data to analyse violent incidents and design strategies for prevention. Over 10 years this resulted in a 40% drop in the number of people presenting at Accident & Emergency for treatment following violence.**

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There is also much more that can be done to ensure the active engagement of the community and the application of a well designed methodology to crime reduction. The introduction of mutual structures, with broad based and open membership can make a real difference in the effectiveness of local crime and disorder reduction partnerships, and drive further reductions in the levels of crime within our communities.

### Planning

To preserve and protect our environment we must protect local communities from the devastating effect of unregulated development. Co-operatives, because they are responsive to the whole needs of a community, offer a sustainable alternative that takes account of the environment. Retail co-operatives have a long history of pioneering environmental production and development.

More also need to be done to ensure the vitality and vibrancy of local high streets, which can often be central to the vitality and vibrancy of communities themselves. It is important that, where possible, communities have local access to a diverse offering of retail goods and services. Labour should encourage local authorities to provide a more consistent application in England of Planning Policy Statement 4 to ensure that this occurs.

We must also ensure that the increased level of house building is done in an environmentally sustainable manner. In 2005, over a quarter of our carbon emissions came from our homes. The House of Commons Environmental Audit Committee has estimated that this figure could rise to as much as 55% unless drastic changes are made to the way in which homes are built and designed.

More needs to be done to ensure that the desires and wishes of local people are met through the planning process. At present, there is often too little discretion for elected members and local communities to take decisions on a local basis, based on local need. Councils should campaign for a national review of the national policy framework on planning policy and guidance to ensure that there are mechanisms to allow the voice of local communities to be heard in planning issues.

### What councils can do

- ✓ Develop plans and adhere to planning policies that reflect the importance of town centre and rural community services.
- ✓ View the offer of community ownership as a benefit in terms of planning consent



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### Developing People-Based Public Services

Public ownership does not have to mean top-down management from Town Halls. Local communities must be given the right to participate in decisions that affect their lives through partnerships with councils.

We believe that co-operative and mutual models offer a good model for public service delivery. They provide efficiency gains whilst providing real democratic accountability, giving users, employees and other stakeholders with a real say in how their organisations are run.

This way the quality of service is not dependant on the commands of producer interests or the whims of market forces, but on frontline expertise and the needs of the people that they serve. Public assets are locked into community ownership, providing further protection against privatisation and asset stripping.

### Social Care & Health

The Co-operative Party supports the principle that users and carers should be given as much control as they want over the services that they require. We welcome the movement towards direct payments and individual budgets, which have been extremely successful in changing the quality of care and quality of life of the people receiving them.

Through coming together collectively, direct payment and individual budget recipients can improve the quantity and quality of the services that they receive, and ensure a decent working environment for the carers which they rely on. The Co-operative Party welcomed the Labour Government's pilot programme of direct payments mutuals<sup>4</sup>. These have brought together service users, informal carers and personal care assistants to ensure that both users and employees can benefit from a more formalised system of care and economies of scale. This means that recipients are able to remain in control of the day to day provision of how their care is provided, while personal care assistants of the co-operative are able to ensure that they receive appropriate employment conditions. Service users in receipt of individual budgets and their employees could receive the similar benefits from joining a similar or existing mutual organisation.

Councils should ensure that all service users and carers have access to a direct-payments mutual within their local community, through using their organisational capacity to help develop direct payments mutuals. It is also important that the move to direct payments and

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<sup>4</sup> See [www.mutual-advantage.co.uk](http://www.mutual-advantage.co.uk)

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individual budgets is not used as a means of reducing overall budgets, and ensure that pay rates reflect the cost of being a responsible employer to high quality staff.

### What councils can do

- ✓ Help to develop direct payments mutuals
- ✓ Ensure that direct payments and individual budgets are not used as a means of reducing overall budgets, and pay a rate that reflects the cost of being a responsible employer to high quality staff.

## Children & Young People

To be effective in a modern global economy, young people need to be equipped not only with individual skills, but the knowledge and understanding to effectively work in teams – to learn to co-operate. In order to give young people a well-rounded education, it is equally important that education also focuses on developing ethical values and social responsibility. Through its involvement in education, the co-operative movement has demonstrated that it can provide a values-led, inclusive environment and curriculum for the future citizens of tomorrow's global economy.

Reports from OFSTED and the results of pupils have shown the benefits of using co-operative values as a framework to deliver the breadth of curriculum areas and personal development undertaken in schools. Co-operative values and skills can empower young people as active citizens. They should be embedded in the curriculum across early years, primary and secondary education.

It is also important to ensure that young people develop an understanding of the depth and breadth of the co-operative movement, both in the UK and across the world. As it stands, a very small proportion of young people leave school with an understanding of co-operatives and mutuals, compared to other economic models. Councils should seek to ensure that knowledge of co-operative practice and principles are fully incorporated into the national curricula for economics, enterprise, geography and citizenship, as well as in other subjects, where appropriate.

The Co-operative Party welcomes the Department for Children, Schools and Families' target to create 200 co-operative trust schools by September 2010. Moving to a co-operative model provides a framework in which everybody with a stake in the school's success - parents, teachers and support staff, local community organisations and even pupils - the opportunity to be involved in running it.

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To an increasing number of schools, it provides a strong mutual 'root' and a clear mechanism for involving parents more effectively in their children's education.

The co-operative model also ensures that the school becomes more accountable. The structure is designed to ensure that those in positions of responsibility will have to remain sensitive to the needs, views and aspirations of the different groups of interested people, and that the respective views of stakeholders can be balanced in an appropriate way to suit the needs of the organisation.

There is significant potential for co-operative trust schools to provide an important contribution to the overall diversity of state education. A national network of co-operative trusts is developing, actively supported by and engaging with the huge and diverse co-operative and mutual sector. Whether bidding for new schools or responding to national challenge issues, councils should actively consider the co-operative trust model for future school provision.

### Case Study - Reddish Vale Co-operative Trust

Reddish Vale Technology College was the first school in England to become a co-operative Trust school, with the Reddish Vale Co-operative Trust established in March 2008.

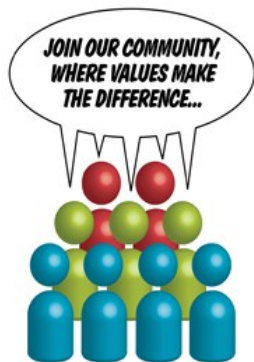


Reddish Vale is a large secondary school, with 1,320 learners. The school's most recent Ofsted Report in 2007 described the school as good with some aspects, such as provision for care, guidance and support, outstanding.

The Co-operative Trust has given the school a solid platform on which to build partnerships and continue to develop to meet the changing needs of our local communities. The 'My Place' programme, for example, has offered young people hands-on opportunities to develop and manage a youth co-operative. They have come together through membership of the Trust to bid to deliver sport, leisure, information, advice and guidance, and a safe place to be in the heart of their community. Their bid "Our Space" has a co-operative enterprise – run by young people for young people – as its centrepiece.

The Trust has offered not only the school but a wide range of partners and stakeholders a way in which to continue to drive up standards and create a transformational platform to address wider issues of education, training, employability and regeneration.

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Sustainability is provided through the membership and co-ownership of the physical environment. The school's community has a continual throughput of potential new members and a strong connection within the community to bring stakeholder groups together at a grassroots level. Drawing on this they are able to grow support and capacity in and across the community for regeneration and transformation.

Source: Reddish Vale  
[www.reddish.stockport.sch.uk](http://www.reddish.stockport.sch.uk)

More needs to be done to ensure that all schools become more accountable to parents, pupils, staff and their local communities. Councils should create parent and teacher associations in every community school, and these should each have responsibility for appointing at least one school governor. Every community school should also be required to have an elected body for students, which will play an important role in setting its ethos and overall direction. Councils should also use their local leadership and advisory roles to advance this agenda in all schools.

Co-operative trusts have not only transformed the relationships of schools with parents, staff, pupils and other stakeholders, but they have also formed a framework for co-operation between a number of different schools in the same area. As we move towards a more integrated service for young people, from early years through to further education, it is important to identify structures that encourage collaborative working across different providers.

One solution to this would be the creation of social co-operatives, which could act as the local delivery agent for the Children's Plan. These can be commissioned by Children and Young Person's Trusts (CYPTs) to provide a range of services within their appropriate communities, particularly in relationship to the Every Child Matters and Extended School agendas.

### Sure Start/Flying Start

Sure Start Children's Centres are one of this Labour Government's finest achievements, and remain at the forefront of endeavours to transform the way services are delivered for young children and their families. We can take much pride in the fact that almost 3,000 centres are up and running, with over 500 more in the pipeline.

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Yet more can be done to ensure that Sure Start delivers to all those in need of its services, particularly 'hard to reach' groups. For many people, engaging with statutory bodies and agencies is problematic. To them, state or local authority run organisations can seem intimidating, remote and make little or no connection with them at a personal level.

Giving communities a sense of ownership and involvement over Sure Start services can play a significant role in either addressing 'us and them' attitudes or simple alienation from authority. We welcome the way in which this has been addressed through the development of a 'community mutual' Sure Start centre at Millmead in Kent. Through involving local residents in its membership structures, the centre has been able to design services around the needs of its users, as well as developing increased satisfaction, support and loyalty. Community ownership can help remove barriers and develop trust, so that the organisation is accessible to people who otherwise would be less likely to use the services.

Councils should recognise the advantages of the 'community mutual' model for Sure Start, and work to ensure the development of the model, both in the provision of new centres and the conversion of existing ones.

### **Case Study – Millmead Community Mutual**

**SureStart Millmead was established as a Community Mutual in April 2005. The programme started in 2001 and developed a model that values the views of parents and children. Parents were included in all aspects of the programme, from being on interview panels for the recruitment of the large team, to being members of the Management Board and being active on the Parent Focus Group.**

**There are many examples of how the Community Mutual has helped local residents. These include the provision of outreach home visits by community workers where parents are befriended and supported to access the many services available in the new purpose-built Children's Centre. Childcare is provided free of charge to parents attending programmes in the centre. The Community Café provides a focus for local parents and children to get together on an informal basis to support each other and it also helps develop a sense of community in the area.**

**Some local parents were recruited to work as community workers, which not only helped with job opportunities in an area of North Kent with very high unemployment rates but also enabled the establishment of vital links into the county. Over time, the programme considered the models of governance available. It was important to the programme to have a model that ensured the continued involvement of parents in the planning, delivery and evaluation of services. It was agreed that they would incorporate as a Community Mutual, as this model would enable the continued engagement of parents and the building-up of trust in a community that had a history of being "atomistic" and "on the edge".**

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The programme emphasised the importance of working with parents and children. Having local parents as part of the integrated team, they were able to use their knowledge and experience of the area to tailor the services that were needed in the community. They were also able to develop a model of working where we expected change and improvements in local service delivery and outcomes for children and families.

The Community Mutual model has made a difference as it enables:

- A local programme to operate in ways that made sense and is meaningful to local residents.
- A greater emphasis on adult education programmes for parents who lack self-esteem and self-confidence.
- The continued delivery of better services in the local community.
- New models of working where staff, parents and children all work together to improve outcomes for children and families.
- The provision of tailored services for parents experiencing domestic violence, mental health problems and other difficulties.
- Membership of the Community Mutual to cost reductions in activities such as the summer family trip, use of the Community café and other events.

The Community Mutual has given Millmead residents ownership and involvement in the centre. It has provided a very sceptical and cynical community that lacked confidence in traditional statutory service provision a new model of engagement that works and has helped to improve outcomes for children and families.

Source: Millmead Children's Centre

[www.surestartmillmead.org.uk](http://www.surestartmillmead.org.uk)

### What councils can do

- ✓ Ensure that co-op models and values are included in all business education modules.
- ✓ Support co-operative business models such as Young Co-operatives, in schools
- ✓ Promote co-operative models and ideas in the curriculum and schools' culture
- ✓ Promote co-operative trust schools
- ✓ Develop the community mutual model for Sure Start centres

## Childcare

New models of social enterprise in childcare build on the long history of community based childcare services and co-operatives in the UK, America and Europe.

The last twenty years have seen significant growth in the co-operative care sector around the world.



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- In Italy, 80% of social services such as child care, elder care and home care are delivered by co-ops
- In Canada, there are 216 child care co-ops in Ontario alone

The Co-operative Party believes that community based social enterprises offer the best hope of addressing the chronic shortage of childcare in the UK. The development of new stakeholder models may hold the key to affordable, quality childcare to both poor and prosperous communities.

The Community Mutual model developed by Mutuo represents the ideal legal structure for such enterprises. As an Industrial and Provident Society with charitable status, it offers a real alternative to the traditional company structure for the delivery of services to the local community. Ownership of the Community Mutual is open to parents and workers, but also to other members of the community who have an interest in the care of young children, giving the wider community an opportunity to influence the management of the service provided for the community's benefit.

These members elect representatives from amongst themselves to form the Society's Board, which remains accountable and can be augmented where necessary with the appointment of representatives of local schools, social landlords and persons with specific professional skills. By creating a voice for these key stakeholders at Board level the Community Mutual is better placed to enable individuals to have a say in the childcare services they depend on. The Community Mutual legal structure can be applied to new childcare social enterprises by local authorities, Early Years Development and Childcare Partnerships and other bodies. This is a valuable additional option for Labour and Co-operative councillors to promote within local authorities, and will deliver clear benefits in this vital service.

### Insert Case Study – Foster Care Co-operative

#### What councils can do:-

- ✓ Ensure greater support to the social care co-ops that already exist and promote such models in business advice.
- ✓ Support new mutual models for the provision of public services, including residential care, pre-school childcare & health.

## A Co-operative Agenda for Local Government

### Leisure Services

Councils are likely to face one of the tightest spending rounds in recent history, and budgets for cultural and leisure services such as libraries, leisure centres and swimming pools are likely to come under significant pressure.

Through converting important centres of local culture and recreation into ‘community benefit’ co-operatives, run by their members, there is a real opportunity to anchor them firmly in the communities that they serve. A strong membership base can make the difference between important community assets being kept alive or being left out to die. A community co-operative can act as a vehicle to unite the aspirations of a large and active membership – and ensure that our lidos and bowling greens do not become things of the past.

#### Case Study – Oldham Community Leisure

**Oldham Community Leisure is a not for profit community benefit society that was established in 2002. It works with employee representatives on the board and any money that is made stays within in the organisation and is re-invested in facilities. The business model is successful and efficient. They have increased their turnover from three million to seven million pounds, and have improved employment and sickness rates. The enterprise has been successful despite the fact that the grant it receives is still at the level set in 2002. This is a very strong achievement given they have had to incur rising costs, and yet they have managed to install new gyms at Sadleworth and Glodwick.**

**The chief executive Ian Kendall has praised the staff for their achievement, and said that they are focused on delivering better health outcomes.**

Co-operatives and mutuals are ideally placed to provide best value. They provide local jobs and retain profits in the locality – thus promoting economic development – and give workers and users a real interest in how the service is run. Councils that have transferred their leisure direct services organisations to co-operatives, for example, have found that services that were financial liabilities threatened with cuts to provision have become much greater revenue earners, even expanding provision.

Local authorities should actively consider transferring leisure and cultural services to community benefit societies with open and democratic membership. This legal structure can be asset locked, which can ensure that any assets transferred cannot be disposed of unless they were to fulfil the same cultural or leisure aims as originally intended.

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### Case Study – Portishead Open Air pool

First opened in 1961, Portishead Open Air Pool was re-opened in May 2009. Now managed by the Portishead Pool Community Trust, the pool had previously been run by DC Leisure on behalf of North Somerset Council. Situated in the Lakegrounds in Portishead, the 33.3 x 12 metres pool enjoys panoramic views over the Bristol Channel and features sun terraces with views over a wide expanse of water and countryside.

The Trust has a five person board, all of whom have full time jobs in other fields. The day to day management is carried out by a full time pool manager, 5 full time and 9 casual professional lifeguards.

The local authority initially transferred the pool to the Trust for one year with the option of a 99 year lease if the Trust could establish that the pool could be sustainable. Supporters of the pool are being encouraged to become members of the Trust. Two categories of membership have been offered - annual membership of £10 and a founder membership of £250.

The founder Swimming Pools membership also offers lifetime membership and is designed to encourage people to pay upfront, thereby strengthening cash flow during the early stages under new management.

Membership is open to all everyone, whether residents or otherwise. Each member has the right to vote, the right to stand for election to the committee and the right to have a say in the future direction of the pool.

Parks and open spaces are a focal point for communities, yet we rarely have a say in how they are run. Research indicates that this is a source of dissatisfaction for many, with more than half of the population want a say in the way that parks and open spaces are run in their communities.

Local authorities should explore the use of community land trusts for parks and open spaces. This will not only give the community greater ownership over their parks and open spaces but also ensure that the land remains in their hands for perpetuity. Labour should also review the way in which the UK's National Parks are governed, to ensure that they are accountable to the people who use them.

### What councils can do

- ✓ Consider co-operative models for the control of assets and the delivery of services
- ✓ Explore the use of community land trusts for parks and open spaces

## A Co-operative Agenda for Local Government

### Transport

Transport is central to Britain's economic and social success and well being. It requires constant investment and renewal at great cost to both taxpayers and passengers. The Co-operative Party believes that in order for us to meet the challenges of the future, we will need an environmentally sustainable and integrated transport system that delivers for our needs now and in the future.

More needs to be done to ensure a strong passenger focus in local transport services. All too often communities suffer from having poorly integrated or insufficient services to meet their needs. Across the country, community transport organisations (CTOs) have played a role in responding to both individual and collective needs and driving forward social regeneration. These vary in size and focus from small operators to mainstream providers such as Hackney Community Transport. Yet they are often at a disadvantage to most commercial tender projects as they tend to lack the upfront capacity to deal with tendered contracts.

#### **Case Study – Hackney Community Transport**

**HCT is a leading provider of public transport, which started in the east end of London and now operates services across the UK. Founded in 1982, the organisation is one of the largest of its kind in the UK. It has also won numerous awards as a flagship social enterprise scheme.**

**As a social enterprise, all of their surpluses are reinvested within their business. They provide a wide range of different services including mainstream bus routes, providing transport for children with disabilities, yellow school bus services and also social services transportation for older people and the elderly.**

**The enterprise is run by a board of trustees made up of co-opted industry experts and representatives elected by service users. Accountability is at the very heart of the way they operate and they encourage all stakeholders to get involved in the running of HCT. That this model has been so consistently successful and has resulted in such high standard of service to vulnerable members of communities and their families, demonstrates just how strong a role community transport schemes can play in creating thriving communities.**

The Co-operative Party commends the passing of the Local Transport Act – which has ended many of the legislative obstacles that CTOs face. Research indicates that CTOs are more than capable of covering their operational costs through trade return, and accessing local routes would put them in an even stronger financial position, with all surpluses reinvested into the

## A Co-operative Agenda for Local Government

services that they provide. Yet they currently face procedural and financial obstacles to breaking the stranglehold of the mainstream service providers.

Local transport authorities should make use of quality contracts to tie profitable mainstream bus routes with unprofitable public service routes. This would ensure that operators provide greater coverage for those dependent on public transport. This would help to level the playing field for CTOs, which at the moment are largely restricted to providing the unprofitable services in which the mainstream operators have no interest.

Local Transport Authorities should also be encouraged to build capacity in the community transport sector. This can be done through the purchase of facilities and rolling stock, and leasing them to CTOs under a Voluntary Partnership Agreement. This would reduce their need for upfront capital, and allow them to provide a more integrated service for passengers.

### What councils can do

- ✓ Make use of quality contracts to tie profitable bus routes to unprofitable but essential routes
- ✓ Build capacity in the community transport sector

## A Co-operative Agenda for Local Government

### Fairtrade and International Development

Poverty is political. The co-operative movement has a proud record of helping to tackle global poverty through support for international development aid and promotion of the establishment of self-help initiatives. The Co-operative Party believes that trade is the best tool in the fight against global poverty. Alongside trade justice, fair trade is key to rebalancing the global trading system.

Fair trade ensures better prices and decent working conditions for farmers and workers in the developing world. It rebalances conventional trade, with fairly traded products benefiting their producers.

The Co-operative Party supports the Fairtrade Towns initiative – to raise awareness and availability of a wider range of fairly traded products across a geographically defined area.

Thanks to the efforts of activists and councillors, with the support of the Co-operative Group, there are over 400 Fairtrade towns across the UK. If their community is yet to achieve Fairtrade status councillors should work with activists to ensure that they become a Fairtrade Town. Through the Council's services, contracts and venues, councils can also show further leadership and support for Fairtrade.

Councils who worked to achieve Fairtrade status for their towns or cities must also ensure that the status isn't allowed to lapse.

#### What councils can do

- ✓ Ensure that their towns and cities achieve Fairtrade status and work to maintain it
- ✓ Provide leadership and support for fair trade through services and contracts



## A Co-operative Agenda for Local Government

### The Co-operative Party

The Co-operative Party is the Party of social justice.

**We believe** that people will achieve more by working together than they can by working alone. We support the efforts of those who seek success through that co-operative endeavour.

**We believe** that the only way to create a just and fair society is through power being spread evenly throughout society, and not arbitrarily based on wealth, class, gender or race.

**We work** to promote co-operatives and all forms of mutual organisation.

**We work** in partnership with the Labour Party as its sister party to achieve these ends.

In addition to hundreds of Labour and Co-operative Councillors across England, Scotland and Wales, there are currently 28 Labour/Co-operative MPs, and members in the Scottish Parliament, Welsh Assembly and the House of Lords.