



a co-operative
vision for
london

A Co-operative Vision for London Boroughs

The London Co-operative Party manifesto for
London borough elections 2014

the co-operative party
politics for people



London Co-operative Party London Boroughs' Manifesto

Introduction

As the only political party dedicated to promoting co-operatives, the co-operative way of working, and the spread of co-operative values and principles, the Co-operative Party is at the forefront of campaigns that seek to place greater power in the hands of local people and communities. From housing to hospitals and football to fair trade, the Co-operative Party has sought to champion co-operative models of democratic ownership and control that put the needs and interests of ordinary people first. The Co-operative Party also works to help councils develop and support the introduction of co-operative solutions in order to improve the lives of our residents and communities.

The Co-operative Party believes that through the values and principles of co-operation and co-operative ways of working we can help to build:

- a sustainable economy that works for the benefit of ordinary people
- a fairer, more equitable society
- more resilient and cohesive communities
- public services that are more responsive to user needs
- a political system that seeks to give people and communities more power and influence over how decisions are made

For more information: www.party.coop

What are the issues we are seeking to address and the problems we are trying to solve?

Together with the impact of the financial and economic crisis and the Government's austerity measures, London's emergence as a leading global city and the rising cost of living have had an adverse effect on many of our residents and communities. From rocketing energy costs to increasingly unaffordable housing, Londoners are faced with a number of threats to their ability to lead happy and healthy lives, with less influence and control over the things that matter most to them.

Whilst the market is currently unable to adequately address many of these issues – and at times seems to exacerbate them – the state's ability to provide suitable and sustainable remedies is also often restricted. Councils are at the forefront of helping residents and communities respond to these challenges, and in many cases have been working hard to ensure that services remain reliable and local areas are livable – but local government is facing pressures of its own, with growing levels of demand at the same time as reduced levels of funding.

In these difficult times it is clear that the state can't do everything – but nor should it. What it can do is to work with citizens and communities to help them help themselves, supporting people to have greater ownership and control over the services they rely upon and meeting needs through self-help and mutual aid. Councils are often at their best when supporting local people and community organisations to play a bigger role in their local area and having a say over how things are done. This is where co-operation, co-operatives – co-ops – and the Co-operative Party have a key role to play.

Co-operation involves people working together - co-operating - to meet their shared or mutual needs and objectives in a way that is fair, equitable and democratic. The way to do this is often through a co-operative or similar type of mutual organisation – a way of running a business or providing a service through an independent organisation that is owned and controlled by its members rather than external shareholders.

What are co-operatives?

“A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”

International Co-operative Alliance (ICA) definition of a co-operative

Unlike other businesses, co-ops are run according to a set of values and principles and are about meeting a wider set of social, cultural, economic or environmental goals other than just a narrow focus on maximizing profits. Co-ops are also an alternative to the provision of public services by a state that can often appear remote, bureaucratic and unresponsive to service users. Being independent of central or local government co-ops are a form of collective, social ownership as they are democratically owned and controlled by their members and maintain a commitment to social objectives and a public-service ethos.

Co-operative Values and Principles

Co-ops around the world operate according to the same values and principles, as adopted by the ICA in 1995. These reflect those of the first successful modern co-operative, founded by the Rochdale Pioneers in 1844.

Values

Co-operatives are based on the values of **self-help, self-responsibility, democracy, equality, equity** and **solidarity**.

In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The seven Co-operative principles are the guidelines by which co-ops put their values into practice.

1. Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible, benefiting members in proportion to their transactions with the co-operative, and supporting other activities approved by the membership.

4. Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6. Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

London Boroughs' areas for co-operative action

1. Credit Union development
2. Housing
3. Schools
4. Co-operative Enterprise
5. Public service co-operatives
6. London as a Co-operative hub in the world economy
7. A Co-operative Council agenda

1. Credit Union development

What is the issue?

Unaffordable levels of personal and household debt, fuelled by a cost of living crisis has been a boon to the growth of the payday loans industry and other lenders that can leave their customers laden with sky-high interest rates.

This is a significant problem affecting many individuals and families across London as they struggle to make ends meet. The market in payday loans has doubled in 4 years to £2.2 billion¹, with an estimated 1 million families resorting to payday loans every month.² Greater levels of indebtedness have also been accompanied by a slump in household savings³. These two trends pose a risk not only to the financial health of many families but also to a growing divide between those with access to mainstream financial services and the opportunity to benefit from a savings culture and prudent borrowing, and those facing insurmountable debts and future financial exclusion.

What is the co-operative solution?

The Co-operative Party has not only led the campaign against payday loans and for a cap on the cost of credit, but through its support for the credit union movement has been actively promoting an affordable, co-operative alternative. Credit unions are savings and loans co-operatives that encourage members to build up their savings and are also able to offer affordable loans at non-exploitative rates of interest. There are around 400 credit unions in the UK, with more than a million members and over £1 billion in assets. Saving with a local credit union that is able to offer loans to local members means that money is kept and recycled within the local economy. This benefits local people and local areas – rather than disappearing into the pockets of far-away shareholders and millionaire investors who do not have the best interests of local communities at heart. Over the last 5 years London Credit Union has expanded dramatically, with a number of cross-borough “common bond” credit unions ensuring pan-London coverage, but there is scope for even further growth.

¹ <http://www.dailymail.co.uk/news/article-2464411/Payday-loan-firms-face-20m-tax-raid-Labour-plans.html#ixzz2j0YQQBxu>

² <http://www.independent.co.uk/money/loans-credit/payday-loans-defended-by-new-consumer-champion-8906441.html>

³ <http://www.telegraph.co.uk/finance/personalfinance/savings/10145592/Household-saving-plunges-to-five-year-low.html>

What do we want London Boroughs to do?

The Co-operative Party wants to see credit unions as a more visible and viable alternative and competitor to the payday loans companies that are increasingly a feature of the internet and the high street. We believe that local government has a key role to play in supporting the development of local credit unions, helping more local people to access and benefit from the services they offer. The Co-operative Party is committed to ensuring that councils work with local credit unions, the voluntary and community sector and other public sector organisations to help support their growth and expansion.

- Strategically, this could be by making sure that **local credit union development** is a priority for the council's community and economic development work
- Practically, this would involve **working with credit unions to develop** ways that credit unions are able to have a customer-facing presence in councils' front offices, libraries, schools, housing offices and community centres, that they benefit from council bill payment and cash collection and handling facilities, and feature in council publications and communications with residents and tenants
- It could also include **financial support and investment** to enable credit unions to develop further. The current growth of credit unions in London to meet our citizens' demand for affordable credit has created new challenges such as speed of growth, and the ability of credit unions to create and hold the necessary reserves required by regulation and good financial practice. London Boroughs can help, as some councils already have by providing new capital for credit unions, through subordinated loans or deferred interest shares, either through boroughs using their individual reserves, and/or through London Councils developing a pan-London programme
- Explore the potential of the council making a **deposit in a credit union account** for each secondary school age pupil in the borough and ways of incentivising council and social housing tenants and leaseholders to take up credit union membership and save regularly.
- Supporting local credit unions to **access high visibility shop front premises** at peppercorn rents

Credit Union Case study: London Capital credit union

London Capital credit union was established in 1997, originally to provide services for Islington Council employees and to promote sound financial management amongst its members.

Today, anyone living, working or studying in Islington as well as Barnet, Camden, Hackney, Haringey and the City of London is able to join and benefit from its services. Over the last 12 months it has seen significant expansion, with membership up by around 50% and savings by 60%, issuing a total of £3.3 million of loans compared to £2.1 million in 2011.

It is estimated that shifting borrowing the credit union has saved members over £4 million in charges, interest and fees. Through the credit union's innovative 'Saver Loans' product, part of any repayment is allocated to the members' own savings account, so as a loan is paid off the member accumulates savings.

For more information on credit unions: www.abcul.org

2. Co-op Housing

What is the issue?

Across London the cost of housing has rocketed, with asking prices increasing by 10% in October 2013 alone.⁴ A catastrophic failure of long term supply to keep pace with demand has made it increasingly difficult for Londoners to find a home that is decent, safe and secure at a price that is affordable. Private sector rents are at an all time high, increasing numbers of families are registered homeless, and there has been an alarming increase in the number of working recipients of housing benefit. The Government's response has been to risk further fuelling demand without increasing supply through its Help to Buy Scheme whilst cutting benefits in way that has had a severe negative impact on many of the capital's poorest residents. The Mayor of London's introduction of 'affordable' housing rents of up to 80% of market rates for new subsidised housing also threatens to put such homes out of the reach of many low income families.

Home ownership looks set to remain a distant dream forever out of the reach of many families, and with the level of social housing heavily in demand and waiting lists over-subscribed, the only 'choice' on offer for many residents will be to pay high rents in the unregulated and often poor quality private rental market. The growing housing crisis means that London is at risk of becoming a tale of two cities – those with the security and long term asset base that their own home represents or with access to an affordable social housing tenancy, and those without either, at the mercy of private sector profit-seeking landlords. This is damaging not only in terms of individual wellbeing and life chances, such as poor health and education and greater demands on other public services, but also to the social and economic fabric of the city.

What is the co-operative solution?

The Co-operative Party recognises that there is not a 'one size fits all' approach to solving the current housing crisis, and that a multi-faceted approach across all housing tenure needs. Unlike other European countries Britain has a small co-op housing sector. In Sweden, for example, 18% of the population live in housing co-operatives, and the evidence from overseas shows that housing co-ops have the potential to make a significant contribution to the supply and management of quality, affordable housing and to building inclusive, sustainable communities. If the capital had the same percentage of co-operative homes as the European average,

⁴ <http://news.sky.com/story/1157279/london-house-prices-leap-10-percent-in-just-a-month>

830,000 Londoners would live in housing co-ops. Co-operative housing encompasses many forms and structures that can meet a variety of needs, from enabling tenants to have a greater say in how their housing is run and managed, to new-build social housing for rent and models of mutual home ownership that can help members build up equity stakes in their property. With high levels of resident ownership, control and responsibility and an emphasis on member education, housing co-ops can also help meet a broader range of social objectives, from increasing skills and capacity to building socially-cohesive and sustainable communities.

Co-op Housing Case Study 1: Phoenix Community Housing

Phoenix Community Housing is a not-for-profit resident led housing association in the Bellingham, Whiteford, Downham areas of south Lewisham, London.

Properties were transferred from Lewisham Council in a large scale voluntary transfer in December 2007 following a positive ballot of all tenants. Phoenix own and manage more than 6,000 homes, and is the first housing association in London to use the Community Gateway approach. This empowers tenants and leaseholders to have a central part in decision-making.

Tenants and leaseholders elected by residents are the largest group on the management board. They also have powers to take local decisions through a structure of neighbourhood and special panels.

What do we want London Boroughs to do?

When developing strategic responses to the housing crisis and to the management of local authority housing stock, councils should explore how co-operative and mutual approaches can meet a number of social outcomes, as well as increasing the supply of affordable housing. This could include:

- Supporting the **development of Community Land Trusts** through community asset transfer policies
- Developing **new-build rental housing co-ops** and limited equity housing co-operatives for working households priced out of the housing market
- Exploring options for the development of **co-operative mutual retirement housing** for older people
- Making more efficient use of **existing social housing** through mutual models such as the Community Gateway and co-operative stock transfers
- Unlocking the potential of social housing tenants to improve the management and maintenance of their homes by supporting the creation of **tenant management co-operatives**

- Making use of empty homes by enabling the formation of a new generation of **short-life housing co-ops**, and supporting Self Build and co-housing schemes
- Supporting the development of **student housing co-ops**

Co-op Housing case Study 2: Co-operative Development Services (CDS)

CDS is the largest Co-operative housing agency in England dedicated to promoting, developing and servicing housing co-operatives controlled by the people that live in them.

They provide a comprehensive range of services that their tenants, leaseholders, and client co-operative members may require and the support co-operatives need to manage their housing stock. Services include:

- Housing Development and project management
- Rent accounting and arrears control
- Book-keeping and accountancy
- Financial Planning and financial management
- Routine repairs administration
- Planned repairs and cycler repairs administration
- Member education and training
- Tenancy and leasehold management
- Lettings and Void management
- General Housing and property management
- Co-operative administration
- Co-operative Governance and best practice advice

For more information on housing co-ops: www.cch.coop

3. Co-op Schools

What is the issue?

London's schools are now amongst the best in England, continuing to outperform others across the country. More than 8 out of every 10 children and young people in London benefit from a good or outstanding school, with London's secondary schools the best in the country⁵. This is testament to the last Labour Government's London Challenge initiative, as well as the hard work of teachers, parents, pupils, councils, communities and other partners in creating a culture of learning, ambition and excellence in our schools. However the educational landscape across London is changing fast, alongside the traditional leadership and provider role of local government. Schools increasingly attract pupils across local authority boundaries, and the growth of free schools and academies has led to a growing accountability deficit, where schools may owe little or no accountability to the local community, as well as concerns over quality assurance and equality of opportunity for London's children and young people.

⁵ <http://www.ofsted.gov.uk/resources/ofsted-annual-report-201213-london-region>

What is the co-operative solution?

Co-operative schools are a model for what all good schools aspire to be: democratically engaged with the local community, driven by ethical values, and with an emphasis on improving learning outcomes through co-operation rather than competition. Co-operative Trust schools and co-op academies are an increasingly popular alternative to both the traditional model of maintained schools and to academies and free schools, providing a trusted basis for local collaboration amongst schools for educational improvement. Already a successful feature of many overseas education systems, the growth in the number of co-op schools in the UK has been rapid and significant, increasing from 373 to 629 by the end of 2013 with the prospect of over 1000 co-op schools by the 2015 general selection.

All co-operative schools are membership organisations, united by co-op values which are implemented in a way that aims to help children and young develop to become active, global citizens. Co-op schools come in two main types:

- Co-op Trust schools are maintained schools that use legal mechanisms to establish a trust to safeguards the ethos, land and assets of the school and appoint some of the governors together with basing their structures and governance on a co-operative model. This usually means adopting co-op values and principles, and involving key stakeholders such as parents, staffs, students and the local community in working together to provide the best learning and development environment for young people.
- Co-op Academies are schools that want to benefit from the freedoms, flexibilities and funding of the academy model, but which also subscribe to co-op values and want to guarantee a voice for key local stakeholders in their school.

Co-op School Case study 1: Burnt Mill School

Three years ago, just 27% of students at Burnt Mill School in Harlow, Essex achieved five good grades, including English and Maths, at GCSE level. Since Burnt Mill became a co-operative Trust school in 2010 the leap in students' attainment has been dramatic, and 72% of students achieved the target of five good GCSEs including English and Maths in 2012. The school has since converted to a co-operative Academy.

Senior staff members believe this is a direct demonstration of how co-operative values can impact on attainment. Says one, "We would attribute the success to the fact that the co-operative values of equality and solidarity inform everything we do in the school. We have not necessarily done one thing as an Academy but have taken many steps to ensure we achieve equality of opportunity. The results are improved because all my teachers and support staff are committed to ensuring that young people from all backgrounds achieve above expectations."

Burnt Mill is in an area of high deprivation, with large numbers of white working

class students, and the school has implemented several changes to help all groups of learners achieve. As a staff member explains: “We set very challenging targets for students and expect all groups of learners to make four levels progress, not three. We ensure we prepare lessons that take into consideration the needs and backgrounds of young people. Our interventions are targeted at particular groups, for example Free School Meals students, and we track students very carefully.”

Central to the co-operative model for schools is involving key stakeholders in the running of the school, from students and parents/carers to members of the local community, ensuring that schools are democratically accountable to the communities they serve. Burnt Mill has embraced the model, and is reaping the benefits. “Our engagement with the community and parents, such as using ambassadors from the community and running parental workshops to ensure that parents can support students at home, has been instrumental.”

What do we want London Boroughs to do?

London Boroughs can:

- Encourage **the promotion of co-operative business models in schools** as part of learning about the economy and enterprise
- Promote **co-operative values and principles** in its educational activity and as part of citizenship
- Explore the potential of **Co-operative Trust models** to prevent local schools converting to non-co-operative academies
- Encourage academies where they exist to **convert to Co-operative Academies**

Co-op School Case study 1: Co-operative Trust School Multi-School Trust

All ten special educational needs schools in Devon have teamed up to create the first co-operative multi-school Trust, the SENTient Trust, composed entirely of special schools. The Trust model is attractive to specialist schools as it can help strengthen their provision by enabling groups of schools to access specialist resources, provide a student-centred education for all learners and give increased voice to students, both in school and the community.

At a time when the role and function of local authorities is being greatly and rapidly reduced, the Devon schools believe that Trust status will enable them to establish strong, long-term partnerships with key partners who can help increase resources and opportunities for staff and pupils. As well as partnering with the co-operative movement, the SENTient Trust is working with local children’s home Atkinson School, pupil referral units in central, south and north Devon and Devon Hospitals Short-Stay School.

Representatives from the schools say that adopting Trust status formalises existing collaboration and working partnerships between the schools: “Our schools have long worked together and with mainstream partner schools for mutual benefit. Headteachers and teachers from our schools regularly meet together to share ideas and to receive training and, where possible, learners from our schools take part in activities organised by the schools working together. These approaches have helped our schools to improve by sharing best practice. Working together has also helped us to develop a common set of aims and values.”

Furthermore, adopting the co-operative Trust membership structure, where members are drawn from key stakeholders in the school, is enabling the families of students to become directly involved in learners’ education, and is encouraging students to play an active part in the life of their local community

For more information on co-op schools: www.co-operativeschools.coop

4. Developing Co-operative Enterprise in London

What are the issues?

The London economy is emerging from an economic downturn caused by the banking crisis of 2008, and ongoing cuts and a commitment to austerity in the public sector since the election of the current Conservative/ Liberal Democratic coalition government. The fragility of the economic recovery is linked to a continued inequality in income and wealth, and failure of the traditional way of doing business.

What is the co-operative solution?

From the outside, a co-operative may look like any other business. It’s what goes on inside that makes it different.

Co-operatives are businesses owned and run by and for their members, whether they are customers, employees or residents. They give members a say in how they do business and retain and recycle wealth in the hands of the people who co-own the enterprise, as well as bringing a range of social benefits and improved social and economic outcomes. There are areas of the London economy where the co-operative way of doing business can expand and add economic value. This can be through new co-operative start-ups, turning existing business into co-operatives, and the expansion of existing co-operative enterprises.

The Co-operative Group, as the UK’s leading national consumer co-operative, provides a national programme of support through the Enterprise Hub to develop the co-operative economy, supporting new or small co-operative enterprises to grow. This is delivered in the form of advice and specialist knowledge on running co-operatives, from co-operative development bodies or existing co-operatives, through a number of days of technical support. On occasion further advice and support can be obtained, including specialised support on employee buyouts and

business succession, and some access to specific forms of co-operative finance such as community share schemes.

For further information on support for co-operative enterprise go to:
www.co-operative.coop/enterprisehub

What do we want London Boroughs to do?

It is essential that London Boroughs, in developing and progressing economic growth strategies and business development policies for their areas, recognise and understand the potential of co-operatives to provide sustainable economic growth. It is also important that local government supports and understands existing co-operative development networks across London, and where appropriate help them to maximise their effectiveness, including;

- Providing **sign-posting services** and promotion of existing co-operative development programmes
- **Matching resources** at a borough level, or at a London level through London Councils to support and expand co-operative development activity
- Considering how to **support existing co-operative enterprises** where they exist, through fair and transparent procurement policies that focus not only the cost of services but also the value added
- Ensure that co-operative models of business are a leading feature in any **social enterprise development strategy**

Co-op Enterprise Case Study: Cycle Training UK (CTUK)

Cycle Training UK (CTUK) is the biggest independent provider of on-road cycle training in the country, and a workers co-op owned by its employees. Established in 1998 they have trained over 70,000 people to cycle confidently.

As well as providing on-road cycle training to individuals, schools, and organisations, they offer instructor consultancy. Proud of their quality of service they have tendered and won cycle training contracts from a number of London Boroughs.

5. Public service co-operatives

What is the issue?

Public services delivered on a top-down, one-size-fits all basis can often seem remote and unresponsive to user needs, unable to innovate and make the improvements in services needed to meet the changing needs of communities. Central or local government should remain responsible for securing the supply of public services, but this does not necessarily mean that the state itself has to directly provide them. As co-operators and localists the Co-operative Party believes that

public services should be accountable to and influenced by those who rely upon them and who have a part to play in delivering them. At a neighbourhood level, this could mean communities taking greater ownership and control over land, assets, local property and facilities and the services run from them. Across a council this could see employees and service-users working together to exercise greater direction over and responsibility for the services commissioned and provided through the public purse.

What is the co-operative solution?

A co-operative and mutual approach to running public services has long been a key Co-operative Party policy. Seeking to empower and involve employees as well as service users and the wider community in service provision through the use of genuine co-operative models can represent a more democratic, accountable and innovative way of providing services with greater freedoms and flexibilities than under the direction of the state. Through their unique structures and ethos, emphasis on member involvement and by building accountability mechanisms through user and employee participation, they offer a unique business proposition that prevents leakage of taxpayer money into shareholder dividends, safeguards public assets. Mutual models benefit from membership structures that involve and incentivise employees and customers. Mutualisation also represents an alternative to externalising services to either profit-maximising private sector providers or to non-democratic and remote charitable or paternalistic entities.

Many spin-outs from the public sector have gone on to be successful social enterprises, such as the ground-breaking social franchise organisation Care and Share Associates, with their strapline 'Putting people before profit', and the award-winning Greenwich Leisure (see case study below). These both predate the current Government's mutualisation drive. This involves around 65 spin-outs delivering £1 billion of public services across 12 different sectors, from youth services to fire and rescue, which in some quarters has been criticised for a sole focus on employee mutuals and the granting of equity stakes to private sector investors. However, many areas of public sector mutualisation that are based on multi-stakeholder models - such as co-operative trust schools - have been supported by employees and their trade unions, with their development underpinned by a Trade Union Congress framework signed by the NUT and NASUWT.

What do we want London Boroughs to do?

As part of any commissioning process and subsequent procurement exercise, alongside value for money considerations London boroughs should seek to ensure that they achieve the maximum social value possible. The mutualisation of a service is one possible route to achieving greater local social value alongside service innovation and improvement, and multi-stakeholder employee and community spin-out mutuals should be a key feature of a council's social enterprise strategy.

In seeking any mutualisation of a public service, London boroughs should ensure that the **joint Co-operatives UK and Trade Union Congress best practice guidelines** are adopted. These include ensuring:

- workforce engagement and consultation in the mutualisation process, with any proposals subject to a ballot of employees.
- governance and democracy in the mutual, with the business adhering to the 7 co-operative principles and membership open to all employees, as well as exploring multi-stakeholder models with membership for service users and the local community.
- the commissioning of services in such a way that engages employees and service users in service design and which recognises mutuals' explicit social and economic objectives
- the safeguarding of public assets through the use of an 'asset lock'
- quality employment standards

Case Study 1: GLL (Greenwich Leisure Limited)

As the first staff-led leisure trust Greenwich Leisure spun out of the public sector in 1993 after Greenwich Council had to find a new way to run its leisure services as a result of budgetary pressures. Reflecting the longstanding co-operative tradition in the borough and with the support of Councillors, management, staff and trade unions, the council's seven leisure centres were transferred to a new organisation, Greenwich Leisure Limited, a non-profit distributing Society for the Benefit of the Community with exempt charitable status.

Since then, GLL has gone on to operate over 115 facilities across the country, including the London Olympics Aquatics Centre and multi-use arena, and has branched out into a wide range of community services and spaces from sports and health to education and libraries. With membership up from 7000 to nearly 460,000 it has become one of London's - and the UK's – leading social enterprises.

Case Study 2: Peoples' Centre for Change (Camden)

Users and families won a reprieve from the Council for a day care centre in Camden in April 2012. Now a charity and an Industrial and Provident Society charity it operates as a local co-operative run by and for people with learning disabilities. It provides regular events for disabled people of all ages and those with learning difficulties, including drumming, dance, drama, baking, crafts, yoga and massage. They also provide a freshly cooked meal.

6. London as a co-operative hub in the world economy

What is the issue?

Capitalism has shaped the modern world as we know it, with all the inequalities this involves. It has also made London a leading world city, at the centre of the increasingly globalised economy. Together with the legacy of Empire and membership of the European Union this has also made London home to people from

across the globe, creating the rich, diverse make-up of the capital's communities that helps drive our economic prosperity.

However, Britain and London have also played a role in exporting co-operatives around the world. The Rochdale Pioneers, for example, developed the movement's founding co-operative values and principles in the nineteenth century. Today, the co-operative movement has 900 million members around the world, with some 100 million employed in co-operatives - 20% more than are employed in multinationals. More recently, a small workers' co-op, Calverts, was instrumental in the creation of a new international co-operative mark adopted by the ICA. As a world city, London can draw on the strength of its communities, promoting the modern application of co-operative values and principles and the co-operative way of doing business, and lead the way in shaping a new model of economic activity.

What is the co-operative solution?

Co-operative principles require that goods and products are traded and priced in a way that reflects the producer's input and labour. A good example of this is the development of Fairtrade, which has been underpinned by co-operative principles. Fairtrade is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world.

2014 marks twenty years of the availability of Fairtrade products in UK shops, with a market worth £1.78 billion that runs to 4,500 products, from coffee, tea and chocolate to fruits, flowers, cotton and spices. British consumers are increasingly choosing Fairtrade products, with nine out of ten aware of the Fairtrade mark⁶. Originally pioneered by the co-operative retail movement, Fairtrade has now become part of the mainstream consumer experience. At its heart, however, the Fairtrade movement continues to rely on co-operation in both principle and in practice, with 75% of Fairtrade goods produced by co-operatives of small holders.

As the world's leading city comprised of people of many different origins, it is important to recognise the unique role London plays in bringing people together. This was very much the case in hosting the 2012 London Olympics. The co-operative model offers further opportunities to develop trade and economic activity based on co-operation between people as opposed to exploitation. Increasing understanding and links to the home nations and heritage of London's population has direct benefits to the London economy. As the City of London was instrumental in the development of capitalism, promoting new ways of economic intervention and activity by London Boroughs can help shape a new economy for London's world city.

What do we want London Boroughs to do?

- Renew their Fairtrade status and further promote Fairtrade at Borough level, including passing a resolution supporting Fairtrade in its twentieth anniversary year, and agreeing to serve Fairtrade products, eg. in meetings, offices and canteens

⁶http://www.fairtrade.org.uk/press_office/press_releases_and_statements/february_2014/apetite_for_fairtrade_grows.aspx

- Continue to promote Fairtrade with local authority partners across the public, private and social sectors and use council publicity to raise awareness and understanding of Fairtrade across the community
- Support or help convene a local Fairtrade steering group to ensure the Fairtrade Town campaign continues to develop and gain new support
- Recognise and celebrate the cultural diversity within London and promote a better understanding of how this contributes towards economic and social wellbeing in in the capital and internationally
- Adopt effective **ethical procurement policies** and deploy council and wider public sector buying power to support Fairtrade, decent working conditions and union rights in developing countries, such as by supporting Fairtrade in catering contracts through contract performance conditions that ask for full named ranges of relevant fairly traded products, ensuring compliance with International Labour Organisation conventions, and affiliation to the EU-funded Electronics Watch
- Develop model policies around ethical award criteria and technical specifications and build support for ethical procurement by other local public sector bodies

Fairtrade Case study - Fairtrade Divine Chocolate

Divine is a Fairtrade chocolate company which is 45% owned by the Ghanaian farmer's cocoa co-operative Kuapa Kakoo.

Fairtrade status ensures that farmers receive a better deal for their cocoa and provides additional income to invest in their community; company ownership gives farmers a share of Divine's profits and a stronger voice in the cocoa industry.

7. Co-operative Councils

What is the issue?

After being forced to adjust to a 33% reduction in real terms income from Government over the last four years, London's boroughs are facing on average an extra 4.5% cut in 2014/15.⁷ As the tier of government closest to residents and communities, we all rely on councils to make decisions over the sort of services that are provided locally and how they can best meet a range of local needs. However, the cuts to council funding and planned future reductions in spending combined with growing demand on services, demographic pressures such as an aging population and a baby boom, and changing expectations of service users and council tax payers means that local government has to radically change the way it works if it is to remain effective, relevant and accountable. Some councils have responded to these changes through a mass outsourcing of services to the private sector, but others

⁷ <http://blogs.lse.ac.uk/politicsandpolicy/archives/38612>

have sought more innovative, user-focused models of reform, such as the adoption of the co-operative council concept.

What is the co-operative solution?

The Co-operative Councils Innovation Network (including Lambeth in London) are pioneering a new approach to Council services around the concept of local Councils being more “co-operative” in how they deliver services. Whilst being a co-operative council means different things in different places, underpinning the model is a genuine commitment to working with local residents and communities, rather than doing things to them. This is an alternative to both traditional top down decision-making and ‘command and control’ models of public sector provision, and those based on privatisation and contracts based on price competition. It is an approach rooted in co-operative values and principles, with objectives that can include:

- supporting the growth and development of existing local co-operative and mutual enterprises
- promoting co-operative business start-ups and the co-operative business model, including co-operative models of local public service delivery
- involving service users in the commissioning, design and delivery of local services and in identifying and achieving improved outcomes
- helping residents and communities to help themselves through collective action and giving them control and responsibility over local assets

What do we want London Boroughs to do?

Councils should look at the examples of emerging best practice from the Co-operative Councils Innovation Network. This highlights a range of options for councils to explore, based on the adoption of a more co-operative approach to working with residents, service users, communities, workforce, and other stakeholders and might help improve local public services and achieve a range of social and economic outcomes. This could include:

- Endorsing the **co-operative and ethical values** as an aspiration or benchmark for how it wants to operate
- Appointing a **Cabinet Member for co-operatives**
- Adopting **strategies and plans for local economic development**, such as for jobs, investment and housing, that include an explicit component focused on the development of co-operative enterprise, including credit unions
- Ensuring that **commissioners have training in co-operative models**, that achieving ‘social value’ is central to the council’s approach to commissioning and procurement, and the added value that can come from commissioning co-ops and mutual enterprises

- Encouraging schools to **convert to co-operative schools**, following the options now available for this
- Implementing **Co-operative Housing solutions**. Ensure that the potential for co-operative, mutual and community owned and controlled housing, to contribute to solving London's housing crisis, is included in local housing strategies.
- **Exploring the development of mutual and co-operative models** of public service delivery that seek to give greater voice and influence to employees, service users and the wider community, encouraging co-operative and mutual spin-outs among council services and working with partner agencies to develop co-operative models of governance and provision
- Exploring the option of **sourcing utility services, energy and telephony from co-operative providers**
- **Developing methodologies and approaches to co-production** that are able to harness the skills, capacity, resources and assets of local people, the places they live and the community organisations that are based there in service design and delivery.
- **Respecting and engaging with the workforce**, and operates as an employer in an appropriate partnership and form of consultation with trades unions
- Signing up to the Co-operative Councils Innovation Network.

For further information, visit: <http://www.coopinnovation.co.uk>