



Co-operative Party Policy Brief June 2014

communities & local government

the co-operative party
politics for people



This Policy Brief summarises the Co-operative Party's policies on Local Government and Communities, drawn from the Party's national manifestos and the work of co-operative movement organisations and individual submissions to the first round of the 2014 policy process. More information is available on www.party.coop.

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. They also have a legal responsibility to work in close co-operation with the police and other agencies to cut crime and keep their communities safe. Co-operative principles are at the heart community safety and should be at the heart of all aspects of public service.

Co-operatives make a direct contribution to the local economy and to social cohesion in equal measure. 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.

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, today it is Labour & Co-operative councillors who are at the front of innovation, applying co-operative and mutual values and principles at the heart of local service design and delivery. This enables councils to put more power in the hands of citizens and frontline staff and better shape services to meet the needs of communities.

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:-

- 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.

Safer Co-operative Communities

A co-operative community is a safe community. The more that people share values and a sense of belonging, the stronger and safer their community will be. In an increasingly diverse community co-operative values are common to communities from many backgrounds, religions and cultures, and can provide the common thread that binds people together in common endeavours.

Co-operative values are enshrined in the 1998 Crime and Disorder Act – introduced by a Co-operative Minister – which established local crime and disorder partnerships (Community Safety Partnerships). These co-operative principles have been reinforced in the 2011 Police Reform Act which requires Police and Crime Commissioners to work in co-operation with local government and other bodies as well as the police to cut offending and re-offending. An incoming Labour Government will therefore have the means at hand to strengthen the local partnership approach to crime reduction.

The Co-operative Vision of safe, confident communities has driven the partnership approach to crime reduction which has driven down crime for more than a decade. While it has been set at risk by a Government that does not believe in public service and does not understand co-operation, we are confident that these are the values we share with our communities and they will respond with enthusiasm to our approach.

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. For example, research by Co-operatives UK on the economic impact of the Lincolnshire Co-operative has shown that every pound spent in a co-operative food store generates an additional 40pence for the local economy¹.

There is now a greater demand from the public for businesses that are ethical and transparent. 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

¹ Sacks J (2013) *Sticky Money: evaluating the local impact of the Co-operative pound*. Co-operatives UK.

established a regeneration-focused social enterprise with subsidiary social businesses that employ tenants as volunteers to help boost their skills.

The Co-operative Party welcomes Labour's commitment to a radical devolution of economic power, to local authorities and city regions in England, to unlock the growth potential of every community. The strengthening of Local Enterprise Partnerships (LEPs) and support for Combined Authorities and Economic Prosperity Boards will improve political accountability and facilitate the devolution of further significant powers over the Work Programme, adult skills and infrastructure. However, in order to ensure the co-ops and mutual are able to play a full role in this reform in LEPs will be necessary – further detail below.

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. 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, for example 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 Welsh Co-operative and Mutuals Commission also found that 'Socially-owned businesses are typically better employers than other types of businesses. Employee owned companies experience greater employee growth than other companies, worker co-operatives have far lower levels of staff turnover compared with the average and employee owned businesses have lower absenteeism rates. Workers in co-operatives also report much higher levels of job satisfaction than privately owned businesses².'

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. Measures to incentivise profit sharing, for example, should also be considered.

2 Report of the Welsh Co-operative and Mutuals Commission. 2014.

Local Enterprise Partnerships

In England, one of the key mechanisms for local authorities to promote local economic development is through their Local Enterprise Partnerships (LEPs). LEPs are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the area. There are 39 local enterprise partnerships in England.

LEPs are still in the early stage of development and implementation, however it is already possible to see some worrying trends emerging. For example, John Healey MP writing for the Smith Institute³ recently, stated that despite the lofty ambition of the Deputy Prime Minister ‘three years on LEPs lack both resources and capabilities, with negligible budgets and no real powers to lead economic development in their areas’.

Indeed in their 2013 Local Enterprise report the BIS Select Committee⁴ highlighted concerns with LEPs not achieving the right sort of balance and diversity of membership within their boards and called on government to give more guidance to ensure the right information was provided. In order to ensure that their success of otherwise was easily measured. I hope the measures in this Bill would go a little way to ensure these recommendations were lived up to.

Research undertaken by the Co-operative Party has found the some LEPs are not currently providing effective support for the establishment and development of co-ops and mutuals, to the detriment of local communities. That is why Labour and Co-operative MP Jim Dobbin has sought to amend legislation to ensure LEPs up their game. The Co-operative and Social Enterprise (Development) Bill was introduced into March 2014.

The Bill demands that LEPs:

- ensure there is one co-operative/social enterprise expert appointed to each LEP Board,
- ensure that in each LEP reports specifically on the success of the LEP in helping to facilitate and stimulate co-operatives and social enterprises.

In addition, consideration should be given requiring LEPs to ring-fence a proportion (possibly 10%) of their funds to support the development of the social economy including co-operatives.

Procurement

Public services have come under great pressure in recent years, with central government sometimes forcing local government to outsource or privatise services. That approach has been resisted in Wales where a more collaborative approach exists between Welsh Government and Local government. We believe that co-operative values and principles can be applied to all public services that are best retained in the public sector but should also be applied to any service that are outsourced.

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.

³ *Labour and Localism: perspectives on an English Deal*. Smith Institute. 2014.

⁴ Business Innovation and Skills Select Committee (2013) Local Enterprise Partnerships. 9th Report.

Mutual and social enterprises provide services that are strongly focused on the end user. Their structures are established in order to balance the appropriate importance of different stakeholder groups. Co-operative and social enterprises can rightfully claim to meet the needs of 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 can 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. Indeed, Local Authorities are under a legal duty to achieve 'Best Value', which hampers their ability to do so.

The Co-operative Party welcomes the Public Services (Social Value) Act 2012 which recognises that, how and with whom, public authorities contract can have a profound effect on the manner in which services are provided and the value gained from them. However, it is relatively limited in scope, relating as it does to the 'pre-procurement' stage and cannot be used during the consideration of the final contract award. It also only applies to contracts for services not for goods or works.

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.

For too long procurement rules have put co-operatives and social enterprises at a disadvantage. This needs to change. That is why Labour & Co-operative MSP James Kelly sought to amend the Procurement (Scotland) Reform Bill to enshrine a requirement on all public bodies procuring public services to assess how they are developing and supporting co-operative and mutual providers through the procurement process. The public sector in Scotland spends around £10 Billion on areas covered by the Procurement Reform Bill. We believe it would send out a powerful signal if this public expenditure also delivered social goods like the Living Wage, Fairtrade and more support for the co-operative sector. It is disappointing that the Scottish Government did not accept our amendments therefore a future Labour & Co-operative Government Scotland will be needed to make these vital changes.

The Co-operative Party welcomes new EU procurement rules which will – if properly implemented by the UK government – acknowledge the benefits of co-operative and social enterprise procurement of local services and create a vital rebalancing in England and Wales. However, the Co-operative Party believes that these regulations must include strong and clear guidance on the types of co-operative, mutual and social enterprise models covered to ensure they deliver the social value intended.

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.

It is vital 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 when there is a transfer, for whatever reason, and would provide these benefits:

- • 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 to explore this, and believe that local authorities should assist this and other schemes through the creation of community asset acquisition funds.

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.winster.org/shopAssociation>

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.

The decline in rural services has been well documented. Rural co-operatives, such as community-owned shops, post-offices and pubs, and other social enterprises can be the only viable alternative for communities looking to retain or re-introduce a service in areas of market failure. However, it is still a real challenge for communities to mobilise quickly enough when a local service is under threat and the current rules mean that communities will find a wide range of barriers, including legislative, planning and financial barriers, when wanting to save vital services. 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.

Potential for Local Co-operative Action

In addition to creating the climate for local co-operative development Local Authorities are in a position to support co-operative action in key policy areas which have the potential to meet some of the biggest challenges facing families and communities. In particular the supply of affordable credit and access to affordable banking; housing and education.

Credit Unions

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. The market in payday loans has doubled in 4 years to £2.2 billion⁵, with an estimated 1 million families resorting to payday loans every month.⁶ Greater levels of indebtedness have also been accompanied by a slump in household savings⁷. These two trends

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.

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.

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.

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.

Actions that councils can take:

- 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
- Explore the potential of the council making **a deposit in a credit union account** for each secondary school age pupil – as Labour-run Haringey have pledge to do - 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

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

Further information about the Co-operative Party's policy on supporting credit unions can be found in our Economy Policy Paper.

Housing

A catastrophic failure of long term supply to keep pace with demand has made it increasingly difficult for many ordinary families 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.

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. 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.

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.

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.

When developing strategic responses to the housing crisis and to the management of local

Case Study

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.

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**
- Supporting the development of **student housing co-ops**

Further information about the Co-operative Party's housing policy can be found in our Housing Policy Paper.

Education

Co-operative schools in England 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 England 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 election. Wales has a different approach to school governance, with a focus on the community and greater engagement through the local authority. A co-operative school model for Wales is gathering strength, based on community values as well as an inclusive approach to education.

Co-operative schools in England 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

Case study

The Plymouth Context and Co-operative Education

As one of the first cities in the UK to ever form a co-operative society, Plymouth has a proud history in the co-operative movement. Plymouth's Labour administration was elected in 2012 on a commitment to form a Co-operative Council, and one of the first areas of focus was the formation of a co-operative approach to education in the city. We believe our children deserve the best possible start in life and the co-operative model offers a way of enabling the entire community to be involved in making this happen. The co-operative model offers a range of benefits – social, educational, economic – to our children and young people, families and everyone who lives and works in the city. The model encourages collaboration between schools, parents, the council and partners to improve outcomes.

We already have some excellent examples of co-operative education in Plymouth. Lipson Co-operative Academy (judged outstanding by Ofsted) is showcased nationally as an example of how co-operative principles applied to education can achieve dramatic results. The aim of the Trust is to further the life chances of young people in the community in a socially responsible and ethical way. Membership is open to Students, Alumni, Staff, Parents and the Community. Anyone can join so long as they are committed to the values and principles of the International Co-operative Alliance. Each member has an equal vote in any decision taken by the Trust regardless of status.

There are many ways in practice that the co-operative aims are visible and lived by the school: students are involved in many enterprises that may be social or business orientated. These are democratic organisations that are run by the students themselves and operate within the frame of the co-operative values and principles. Young Co-operatives, managing their own terms of reference, are represented on the forum of the Lipson Learning Co-operative Trust. It applies to learning in the classroom too; the school believes that all people learn better together through a method of teaching known as co-operative learning. Co-operative learning is a structured and disciplined approach that encourages dialogue and promotes confidence in the learner. A co-operative classroom is one that relies on open and constructive dialogue. Several schools in Plymouth have already moved to co-operative trust status and more are in the process of following their example.

The Council see's these values and principles transcending debates around models of governance and autonomy. Our offer and commitment is to all schools irrespective of status. Alongside the Co-operative Schools, we are supporting the wider development of cooperation and collaboration within education among a range of organisations within the city. For example, helping schools to benefit from the integration of school to school support services and, benefit from economies of scale when commissioning support services.

Co-operative Councils Innovation Network submission to the Local Government Innovation Taskforce. http://www.coopinnovation.co.uk/files/4213/8746/7359/CCIN_submission_to_the_Local_Gov_Innovation_Taskforce.pdf

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.

Actions that councils can take:

- 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 and reduce fragmentation of local education
- Learn from successful **co-operative cluster arrangements** which see schools working together to procure back office services and resources including SEN and school improvement support. Local schools should be collaborating for the good of all not competing.

The Co-operative Council Innovation Network

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 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 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

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**
- 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** and **facilitating collective procurement or switching of such services**.
- **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
- Join the Co-operative Councils Innovation Network.
- For further information, visit: <http://www.coopinnovation.co.uk>

The Co-operative Party welcomes the commitment made in Scottish Labour's Devolution Commission '*Powers for a Purpose*' to promote the co-operative council model and develop co-operatively run companies to deliver services for example in social care and childcare.

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