

# CO-OPERATIVE CAPITAL

Creating a city that works for Londoners

Edited by

**Steve Reed MP**

**Gareth Thomas MP**



**the co-operative party**  
politics for people

## A fairer society means sharing power and working together.

We believe that things work best when ordinary people have a voice, and when services are accountable to the people who use them.

That means railways run as a partnership between passengers and staff. Tackling the housing crisis through co-operative housing. Fans having a say in their sports club. Credit unions as an alternative to rip-off payday lenders. Shops owned by their customers, giving back to the community.

As the political party of the co-operative movement, we work in partnership with the Labour Party to achieve these aims.

There are 32 joint Labour & Co-operative MPs in Parliament, as well as representatives in Scotland, Wales and local government across the UK. Together, we're ensuring that co-operative and mutual values are at the heart of politics.

*The views expressed in this publication are those of the authors and do not necessarily represent or reflect the views or official policy of the Co-operative Party*

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# INTRODUCTION

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London like the rest of the country is slowly emerging from a deep and traumatic period of economic recession. There's less money around, but this remains one of the most vibrant, exciting and enterprising cities on earth.

We need to find new ways to do better for less, and we still have huge challenges of inequality to confront, but London with all its creativity can be the place that shows the rest of the country how to do that even in a time of austerity.

Three themes run through this publication: prevention, power and partnership. By preventing problems from happening in the first place, we can offer better value for money and help people lead happier and more fulfilled lives. Whether it's managing health conditions so they don't become crises, or making it harder for criminals to commit crime, prevention is better than cure and needs to move centre-stage as a driving principle in our public services.

Power has always been at the heart of politics. A goal of progressive and co-operative politics through the centuries has been to put more power in the hands of people who lacked it. Today that challenge remains: people need more power against vested corporate interests but also over the decisions taken by government and public services over their lives. This publication shows how we can improve London's schools, health care and public transport by sharing power, and how open data and new technology can accelerate that process.

Partnership is a core principle of co-operation. A city the size of London can only work through partnership. But we need more partnerships that bring people together in decision-making and build more resilient communities by strengthening relationships between individuals. Stronger local partnerships have a role to play in tackling crime, making childcare more affordable and providing cheaper and more sustainable forms of energy.

London has always had a very co-operative community. Now it's time for government and our public services to join in. We hope the ideas in this publication will help shape the debate in London as we move towards next year's General Election, and the election of a new Mayor the year after that. The time for a more co-operative capital is now.

**Steve Reed MP**

Labour and Co-operative Member of Parliament for Croydon North and Patron of the Co-operative Councils Innovation Network

**Gareth Thomas MP**

Labour and Co-operative Member of Parliament for Harrow West and Chair of the Co-operative Party

# CREATING A MORE CO-OPERATIVE CAPITAL

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1. Promote social enterprises and co-operatives as part of a stronger social economy, creating jobs and wealth that benefits all London's communities
2. Build social networks that help get people back to work
3. Open up data and share technology platforms to allow citizens to develop new ways to access, challenge and improve public services
4. Support co-operative childcare nurseries, working in partnership with parents, to provide lower cost childcare across London.
5. Share decision-making with communities to tackle growing crime issues including violent youth gangs and violence against women
6. Build more housing and increase the share that is co-operative to help keep rents affordable and give tenants a bigger say over housing services
7. Develop co-operative clusters of small businesses to improve their competitiveness and help them grow
8. Set up online sharing clubs where local communities can share things – skills, DIY or gardening tools, car journeys, household appliances... anything!
9. Use new technology to link people together and let them access data that helps them manage their health and other aspects of their lives.

10. Set up a London-wide programme to help local communities use spaces on public buildings to generate their own sustainable energy that cuts energy bills and creates jobs and training opportunities.
11. Put local people in charge of regeneration partnerships to make sure they deliver the things local communities really want and need rather than serving the needs of developers
12. Cheaper fares, better customer service and safer roads by giving the public a bigger say over London's public transport
13. Set up more co-operative trust schools with a stake for parents, teachers, support staff, governors, pupils and the wider community, with councils commissioning schools not running them directly
14. Keep people healthier for longer by giving them more control over the healthcare services they use.
15. Increase access to affordable loans from credit unions, and better advice for people struggling with debt to help them save and manage their household finances

# AN ECONOMY THAT WORKS FOR LONDONERS

**Karin Christiansen**

General Secretary, the Co-operative Party

Promote social enterprises and co-operatives as part of a stronger social economy, creating jobs and wealth that benefits all London's communities

Five years after the collapse of the de-mutualised Northern Rock and the wider banking crisis, as a country we are still looking for answers. The City, London's financial centre, has gone back to business as usual despite everything. London's economy, dominated by financial services, is growing again but as Londoners we know the distortions and problems the past created and we need to reach for new ways of doing things to prevent any future collapse.

Building an economy which goes beyond the square mile and which sees jobs created in all London's communities requires a new generation of businesses. A successful social economy, made up of entrepreneurial social enterprises and co-operatives, can and should play a big part.

Economic democracy - customers and workers running and owning their business - is a good thing. It disperses power and profit, promotes social benefits and distributes wealth more widely. But it can also bring real business benefits.

We can see this in the current debate about the future governance of the Co-operative Group, the largest co-operative in Britain, which now has as a headquarters in London. We don't have to accept that these benefits for members and society come at the expense of the quality of the business. There is a narrative developing that co-operatives are slow, inefficient, and struggle to change. By placing ourselves squarely in the box marked 'social good' the assumption is that co-operatives

somehow struggle to innovate or keep pace with the decision-making of shareholder/PLC/company business models. Indeed, this is one of the explanations which has been given for the Co-operative Group's recent difficulties.

We must challenge this assumption. The ability to extract the “wisdom of crowds” is and should be a central part of the co-operative model's strengths rather than a weakness. Extracting the insights, knowledge, skills, needs and desires of groups of people should be a central part of co-operative's competitive advantage. What went wrong at the Co-operative Group was more a case of a co-operative failing to realise and capitalise on the inherent advantages of its own model.

“In other words, the millions of members of our biggest retail co-ops could and should be a powerful social network that puts the voices of ordinary consumers right at the heart of the business

A challenge many business face is how to obtain and then act upon increasingly complex staff and customer feedback about everything from demographic change altering our eating habits to how parents feel about commercial pressures on children.

In practice, this means the capacity to collect, analyse and reach decisions based on real-time data about customer's preferences, demographics and purchasing habits. An understanding of consumer behaviour is central to the business model of online retailers like Amazon and is driven by a need to deepen the customer relationship beyond a transactional one to one where they try to affect a sense of ownership and brand affinity. These kinds of tactics are being used to improve business insights and customer loyalty.

A second challenge lies in the clash between the interests of management and the interests of owners. This is known by economists as the ‘principal-agent problem’. The agents (the management) are meant to be working in the interests of the owners. In the PLC model, that generally means maximising profit for shareholders, who are of course

increasingly pension and sovereign wealth funds remote from the customers the business serves.

Whether mis-selling PPI, horse-meat contamination, or eye-watering bankers' bonuses, we are all too familiar with management decisions that not only run counter to the interests of owners, staff and customers but also undermine the very profits they were meant to be maximising.

Business whether the banks or a new generation of tech start-ups in the capital are scrambling to find solutions to these problems. Conventional shareholder-led businesses have an inherently extractive relationship with their customers. Whether in monetary or data terms, ultimately companies' success relies on maximising value from the consumer whilst minimising the costs in doing so.

For co-operatives, the solutions to both these problems are in our DNA, which is one of the reasons why co-ops and mutuals are more resilient than traditional private sector models<sup>1</sup>. In successful co-operatives you create a virtuous cycle in which member-consumer-owners have a vested interest in driving the improvement of the business, whether engaging with governance directly, or as active consumers and dedicated staff members. While 'loyalty' and 'reward' schemes are ultimately transactional and extractive, the co-operative model provides a solution based on shared interests and long-term relationships. Rather than simply achieving a trade-off between mutually opposed principals and agents, they eliminate the distinction altogether.

In other words, the millions of members of our biggest retail co-ops could and should be a powerful social network that puts the voices of ordinary consumers right at the heart of the business – the Mumsnet of the co-operative movement. This is something that PLCs spend millions trying to replicate through polling and focus groups, on "big data" and the "user experience" services of supplied by the companies in Silicon Roundabout.

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<sup>1</sup> Evidence shows that for example; employee owned businesses with more than 75 employees have higher profits than non-employee owned businesses; 90% of co-operatives survive their first 3 years in business compared to 65% of conventional businesses; and average sales growth in employee owned businesses was 11% between 2008-9 compared to 0.6% in other businesses - Report of the Welsh Co-operative and Mutuals Commission, March 2014.

The task for us is to realise that the features of our model are not just virtues in their own right, but can also make us more innovative, more efficient and more effective too. London's business, banks and the whole of the capital's economy is struggling with these challenges, and as workers, consumers and citizens we are living with their consequences. Co-operatives have a critical role to play in rebuilding London's economy.

# WORKING RELATIONSHIPS: A CO-OPERATIVE APPROACH TO TACKLING UNEMPLOYMENT

Hilary Cottam

Chief Executive of Participle

## Build social networks that help get people back to work

“Get yourself out of here” read the title of a poster Participle pinned over a door inside a South London job centre. With the support of an innovative centre manager, we set up an experiment. For a nominal sum of money we explained to people waiting inside the job centre that they could come through the door and try a different approach. People poured through. We raised the fee in the hope of stemming the flow but they kept on coming.

We learnt two things from those who came through the doors. Firstly they had internalised a decade of damaging political rhetoric and had come to believe that while they were genuine job seekers everyone else around them was a “scrounger”. In this context everyone was hoping to distance themselves as much as

possible from others. Secondly those we met were sure that the best route to a job was not standing in a queue with others who were out of work; they wanted to make connections and while many trusted their job advisors they did not trust a system which focused on CVs and applications that were constantly rejected without any face-to-face contact.

“ Four out of five jobs available today in Britain are never advertised. It turns out that the sixth sense of those we met that day in South London was right.

Four out of five jobs available today in Britain are never advertised. It turns out that the sixth sense of those we met that day in South London was right. The best route into work is a broad social network and the social skills to know how to use it. Such networks are built on trust so our experience that day and over the weeks and months that followed also showed us that the social bonds needed cannot be built in a context of high distrust.

These core insights have led to the design of Backr, our relational service to support South Londoners out of work: [www.backr.net](http://www.backr.net). Backr members come to us through word of mouth, through finding us online or through referral from the job centre. Each new member is connected to a face-to-face network of other individuals in and out of work who can offer support and guidance (community members are trained by us to do this, using a set of simple tools), and connections to work experience and employment. Many of those who move into work stay as part of our community and help to upskill and to guide others. Technology keeps costs low and supports a broad based community that has the potential to help many more people.

In our first pilot we worked with 250 people over nine months and out-performed the Government's Work Programme by a factor of four. We are now scaling our community to over 2,000 members to see if we can maintain the same support. We are also continuing to refine and innovate this relational or co-operative approach to unemployment that actively draws on those in work as well as those seeking work. The Backr approach could be scaled up or replicated in communities right across London. We need a radically re-designed and localised Work Programme run with local partners including borough councils. Backr offers a low-cost technology platform and model that could provide an important part of that.

At the end of his life Beveridge, the architect of the post war welfare state, wrote in his third report that he had made a mistake. Beveridge believed that he had both missed and limited the potential power of the citizen. While he continued to argue that the state must do more than it had in the past he felt that "room, opportunity and encouragement for voluntary action in seeking new ways of social advance... services of a kind which often money cannot buy" were equally critical.

Beveridge feared in short that the way he had designed his institutions was forcing citizens to become passive while other people focused on their needs.

Beveridge's critique of his own work is the starting point for the work of Participle, a small social enterprise in Southwark focused on re-designing the welfare state for this century. Our mission Beveridge 4.0 sets out how to shift the power and the culture of our public services in exactly the ways that Ed Miliband set out in his Hugo Young lecture. We need to shift from meeting needs to fostering capabilities within individuals and their communities. And what we have learnt over the last seven years is that the most critical of these capabilities is the ability to build, deepen and nurture relationships. What Backr demonstrates in the context of unemployment, is that to unleash our capital's potential we need to work co-operatively building horizontal bonds between those in and out of work and those in between.

Beveridge 4.0, Hilary Cottam 2008, [http://www.participle.net/images/uploads/Bev\\_4\\_final.pdf](http://www.participle.net/images/uploads/Bev_4_final.pdf)

# INFORMATION IS POWER

**Jon Cruddas MP**

Member of Parliament for Dagenham  
Head of the Labour Party Policy Review

## Open up data and share technology platforms to allow citizens to develop new ways to access, challenge and improve public services

Labour's policy review is focusing on how we will rebuild the economy by devolving more power to our cities, communities and individuals. One Nation Labour is about giving people more control over their own lives and helping them to help themselves. It is about reforming institutions to deal with the causes of our social and economic problems, and it is about collaboration between public bodies so that they work together in the interests of people. A key part in making all these changes happen is opening up information and data to citizens.

Here in London, in the twenty years since the start of the web revolution, we have established ourselves as the centre of the online creative industries in Europe, including e-commerce pioneers, digital marketing, and a host of innovators. According to the Office of National Statistics, over 90 per cent of Londoners are online. The policy review is looking at ways of making data available in the public and private sector. We know it is a source of real innovation but it must balance the need to open up with the complex issues of privacy and copyright.

Transport for London is a world leader in publishing open data. By opening up access to Journey Planner, and real-time bus and tube information, a whole ecosystem of over 200 apps and services has been enabled, including successful startups like Citymapper.com. Deloitte<sup>2</sup> has estimated that the traveller time saved by making this data available is worth £58m annually, against a publishing cost of £1m.

More could be done however; Transport for London has yet to make Oyster card data available to developers. While safeguards need to be in place to protect users' privacy (and anonymisation of data is non-trivial, as recent controversy over the NHS care data programme has shown), releasing this data would be a step forward to achieving the first of Ed Miliband's principles, as outlined in his Hugo Young speech: 'that information on individuals should be owned by and accessible to the individual, not hoarded by the state'.

“ Deloitte has estimated that the traveller time saved by making this data available is worth £58m annually, against a publishing cost of £1m.

New technology has changed the way citizens can participate locally. The clarification in 2013 of citizens' rights to record and tweet and blog about council proceedings was a significant step forward, but further work needs to be done to help citizens connect and feel a part of their devolved democratic process. Londoners, having an elected Mayor and assembly, have more representation than other citizens in the UK but the result is that the functioning is often opaque. For example, the management of London's roads is split between the Highways Agency (motorways), London Streets, part of TfL (for 'red routes'), and the 32 boroughs (other roads).

The voluntary sector has led the way in creating online services that solve these issues and present a more joined-up view of local government. The charity MySociety created writetothem.com, a site that both enables users to find, and contact, all tiers of representatives from local councillors to MEPs, and helps to guide them to the most appropriate for their issue. Fixmystreet.com does the same for reporting street level issues like potholes and broken lights; the user clicks on a map, enters the details, and the site sends the report to the correct department at the correct body. The status of the issues is then tracked and reported back to the user, engaging them as a participant in the process.

Planning applications is an area ripe for improvement via an open data approach. Planning is arcane and complex, with each borough running a separate planning portal, in many cases based on proprietary

technology platforms, a long way from current best digital practice. Planning in London often has cross-borough implications, both as a result of the large scale of many London developments that impacts a large geographic area, and because so few Londoners live and work in a single borough (between 20 and 30%, depending on the borough<sup>3</sup>). If planning applications were made available across the capital in a standardised, open data way, public participation in the planning process, and hence its effectiveness, could be greatly improved.

As Ed Miliband said in his Hugo Young speech, “we are still in the foothills of what we can achieve for users in the transformation of public services through new technology.” The co-operative capital should be racing up the mountain.

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<http://legacy.london.gov.uk/gla/publications/factsandfigures/dmag-briefing-2007-03.pdf>

# WORK WITH PARENTS FOR **AFFORDABLE CHILDCARE** ACROSS LONDON

**Rt. Hon. Dame Tessa Jowell MP**

Member of Parliament for Dulwich and West Norwood

Support co-operative childcare nurseries, working in partnership with parents, to provide lower cost childcare across London.

Balancing work and family life is a struggle for most parents, but the cost can make it even harder for families in London. The average cost of childcare per year is £14,000 in the capital – 25% higher than in the rest of the UK. The UK in turn has the second highest cost for childcare in Europe. In a survey for the London Assembly, 63% of parents said the cost of childcare had affected their decision about whether or not to work and 73% said it affected how many hours they work.

Many parents work long hours, unsociable hours or shifts to keep our 24/7 capital city going. There is an increasing mismatch between the hours that parents work and the hours of childcare available for them. Invariably because of inner London housing costs, work is further away from home. So parents tend to have a longer commute than in the rest of the country. Moreover, it's harder to turn to family for help. Research by the Daycare Trust has found that just 18% of London parents are able to turn to grandparents to help look after their children, compared with 32% of families across Britain as a whole. The most acute gaps in the childcare market in London are for parents who work atypical hours.

As well as the cost, parents worry about the quality of the care. Poor quality care can create long term disadvantage for children. The evidence about the crucial cognitive and social skills developed during the

first 1000 days of a child's life which will prepare them for well adjusted adult lives is now established. It must set the professional framework for childcare.

We need fresh thinking to meet these challenges.

The challenges of cost, flexibility and quality in the childcare available to London's children may all be helped by a co-operative approach to childcare. By this I mean a partnership between the local authority as the guarantor, the staff and the parents, framed within shared values of democracy, honesty, openness, social responsibility and caring for others.

“ By bringing parents and employees together in a partnership, a child's development is enhanced within the nursery, but crucially at home too.

Putting this into practice we can see how consumer co-operatives give their customers a share of the profits. This could be passed on to parents by co-operative nurseries in the form of a discount on fees. Parent/employee co-operatives lower their costs by encouraging parents to volunteer at the nursery and take on tasks such as shopping for meals or washing the laundry. In turn, this allows parents to play a much more active role in their children's upbringing and encourages them to understand more about the principles of good childcare.

By bringing parents into the partnership, co-operative nurseries stay open longer. For example, all Co-operative Childcare branded nurseries run from 7.30am until 6.30pm. The role that parents have within the co-operative means that the nursery in turn has to be more responsive to working to parents' timetables. Co-operative nurseries are likely to have smaller class sizes and be situated in mixed communities. The need to maximise profits drives private nursery chains to locate in wealthier areas.

By bringing parents and employees together in a partnership, a child's development is enhanced within the nursery, but crucially at home too. As The Co-operative Childcare group put it: “we recognise that parents

are their children's most important first teachers and work with us to encourage continued learning at home." It is vitally important that childcare doesn't become a babysitting or child minding service.

Co-operative values complement what we know about child development and modern neuroscience. Children who are nurtured and brought up by parents who understand the importance of loving consistency, positive discipline, communication with their children and creating an environment of respect quite simply do better.

There are exciting challenges in the multiple objectives of childcare more focused on healthy child development, more flexibility by which childcare develops alongside the 24 hour economy and a more co-operative ethos with parents as partners. Family life for London's children is often too fragmented. Embracing co-operative childcare could lead to better care for lower cost, more flexible hours and smaller facilities which are located in mixed communities - just what families in London need.

# A PARTNERSHIP WITH LOCAL COMMUNITIES TO **CUT CRIME FASTER**

**Cllr Claire Kober**

Leader of Haringey Council

Share decision-making with the affected communities to tackle growing crime issues including violent youth gangs and violence against women

People often think of the police as the only agency involved in tackling crime. But crime and threats to community safety often touch people's lives in complex ways and usually have multiple causes.

This complexity means that tackling crime and crucially, preventing it from happening in the first place, is best achieved when all the relevant agencies and the local community work together to develop local solutions to local issues.

London is a uniquely diverse and complex environment and Labour's local government leaders, who know and democratically represent their communities, are best placed to work closely with the police, residents, businesses and local organisations to develop and deliver solutions.

Shared decision-making, greater access to information, connecting people and making decisions at a local level are all important principles for developing a different approach to policing, tackling crime and anti-social behavior and taking preventative action to ensure repeat offences are minimised and residents feel secure in their homes and places of work.

Crime is still one of the top concerns for Londoners so in developing our Labour Party manifestos locally, regionally and nationally, we have to show that we are committed to ensuring people are and feel safe and that we have right levels of visible policing in place for our world-class city.

“ Labour boroughs in London are already at the forefront of delivering more cooperative and community-led approaches to tackling and preventing crime and supporting victims of crime.

Tackling crime should be evidence-based and intelligence-led and there is often no better source of information than our local communities about what works in terms of tackling and preventing criminal activity and behavior. The police force in our city has a tough job, but where once it was acceptable to have a command and control, 'telling' approach, they now need to work hard to encourage public confidence and negotiate and listen to residents and where appropriate, involve them in developing solutions.

Labour boroughs in London are already at the forefront of delivering more co-operative and community-led approaches to tackling and preventing crime and supporting victims of crime.

In Enfield, they have put in place a gangs call-in project as it was clear from previous police operations that a solely enforcement approach was not a viable long term solution to tackling gang crime and serious youth violence problems that were escalating on some of their estates. It was clear that better defined exit strategies and support to enable offenders to exit gangs was needed.

Based on a project developed in Glasgow, call-ins were held a crown court and involved the police, health professionals, families of the victims of gang violence and ex-gang members all of whom talked frankly about their experiences. Following this, education, training and support to find work is offered. The programme ends with a request for the gang members, all of whom are young people, to sign agreements to cease offending.

In my own borough of Haringey and in south London in Lambeth, a more integrated way of delivering services to tackle violence against women and girls have been delivered. By developing stronger and more coherent partnership arrangements, taking what was a fragmented service, listening to the insights of women who had accessed the service to identify what worked well and what did not meant that a new, more effective service could be developed. The Gaia peer mentoring scheme in Lambeth, which brought a more informal approach to the service, was one innovation that came out of working with and listening to users rather than just taking an approach that implies service professionals always know best.

These are just two examples of where listening and working with residents, experts and service users has brought decision-making closer to them and has delivered better outcomes as a result. Labour in local government is working with communities to tackle and prevent crime because we believe everyone has the right to feel safe at home, at work and in their community.

# A CO-OPERATIVE WAY OUT OF LONDON'S HOUSING CRISIS

**David Lammy MP**

Member of Parliament for Tottenham

Build more housing and increase the share that is co-operative to help keep rents affordable and give tenants a bigger say over housing services

London is in the midst of a housing crisis. House prices have increased to pre-recession levels, and house price growth in the capital is double that of the rest of the UK. Council and social housing waiting lists are decades long. London Councils has projected that we are to need over 800,000 new homes to be built by 2021, which will require a rate of house building not seen in the capital since the war.

London's social contract in respect of housing has traditionally offered two main choices: buy a home or rent one from the Council. The private rented sector absorbed spillover from both of those sectors when they experienced capacity constraints. But a combination of well-meaning but ill-advised policies and underinvestment in public housing over decades has led to a dire shortage of socially rented accommodation and prohibitively expensive private rental and house purchase sectors.

The scarcity of private rental accommodation in London has not just led to increased rents, it has also severely tipped the balance of power into the hands of landlords. Most landlords play by the rules but, anecdotally, we know that tenants in such a climate underreport maintenance issues because they fear that their rents will be increased or they will be evicted. These fears are well placed - landlords know that in the current climate they can easily find a new tenant.

There is a growing body of evidence that people have better outcomes in life - in terms of physical and mental health, education and income

- when they have more control over their lives. This is part of the reason why localism and devolution feel so instinctively wholesome.

Giving people control over their housing situation is no different. Indeed, it is fundamental.

“ There is a growing body of evidence that people have better outcomes in life - in terms of physical and mental health, education and income - when they have more control over their lives.

There is of course a spectrum that can be drawn between having total control over your housing situation (owning your own home) through to having almost none (privately renting). Within that can be included Council housing - those running the Council are democratically accountable to tenants who vote - and housing associations. But the option which gives tenants the most control is that of a housing co-operative, and since only 0.6% of housing in the UK is cooperative, compared to 10% in Canada and nearly 20% in Sweden, there is considerable scope for expansion.

A housing co-operative is a legal entity that owns residential property; it in turn is owned by members who 'buy in' to the co-operative and as shareholders are entitled to be a tenant. They allow tenants to pool their resources to increase their purchasing power, but also to improve the control they have over their living situation.

As a shareholder, members have a right to vote on decisions which affect their tenancy, in proportion to the size of their stake. They also have certainty of tenure, and a share in the responsibility for the well-being of the cooperative as a whole.

Publicly owned urban regeneration sites and other public sector land disposals should be given to community land trusts to ensure they are retained in perpetuity to benefit the community rather than developers or international investors. Housing co-operatives are absolutely consistent with this; allowing a co-operative to build on community housing trust land reduces the initial outlay required by a new cooperative, thus reducing costs for its members.

Many thousands of Londoners live in homes managed by housing associations and Arms-Length Management Organisations (ALMOs). Co-operative values should also have a big role to play in informing how these homes are managed. As Phoenix Housing in Lewisham shows it is possible to put tenants and leaseholders right at the heart of housing management as shareholding members. This is an approach that more housing associations and ALMOs in London should consider adopting.

Over the long term the only solution to London's housing crisis is to build more homes in quantity, and soon. Given the small proportion of our existing housing stock which is currently co-operative it is unlikely to make a significant contribution in the short-term. However, international experience shows the potential is there and more needs to be done to identify and break down the barriers to significant growth.

# BRING BUSINESSES TOGETHER TO HELP THEM SUCCEED

**Seema Malhotra MP**

Member of Parliament for Feltham and Heston

## Develop co-operative clusters of small businesses to improve their competitiveness and help them grow

We are living in a time when the idea of co-operation in all its forms has captured the public imagination. There is a renewed focus on the power of social enterprise as a means to succeed and do good. David Cameron's Big Society was an attempt to capture the language of co-operation that failed because the Tories don't really believe in that kind of politics.

It has now become little more than cover for an ideological rolling back of the state and public services. We must resist Tory attempts to steal our language; there has never been a better time to look to Labour's co-operative traditions to develop the economic and social progress our country needs by bringing people together to solve the problems we face.

During a recent visit to India I visited an infrastructure company IL&FS who have developed an approach that puts co-operation at the heart of local economic development. They are helping to create clusters of small businesses, many of them co-operatives, based on thorough market research to understand what products customers are looking for or how products can be improved. One successful example is in the textile industry, another in the bamboo sector, but the idea has already been exported to other countries and tailored to their environments. Businesses that were previously sole traders become part of a co-operative and bring their expertise in developing products as part of a better integrated supply chain. The result is that the co-operative

community as a whole improves the quality of products and increases its capacity to increase supply. Co-operative business clusters of this kind have doubled turnover and increased job and training opportunities for young people who were previously unemployed.

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The approach is extremely flexible. Individual enterprises can leave the co-operative and new ones can join it as circumstances change. It's proved its worth by helping local economies to grow and become more sustainable, helped to win domestic and export contracts, reduced unemployment, and strengthened communities that were previously struggling to survive. It's an approach that would work well in some of London's poorer communities where businesses struggle to survive.

Co-operative business clusters work best when government helps to create a context in which they can thrive. Public sector procurement can make a big difference by seeking to create social value as well as securing value for money. This becomes most effective when policy is coordinated across central and local government, and through local agencies such as Local Enterprise Partnerships that bring business, communities and local government together. Instead of engaging only with high-tech or university-based initiatives, there is a real opportunity to develop business clusters in local communities that would support local economic growth, create new jobs, and help to make some of our most hard-pressed communities more resilient.

Co-operative clusters offer three advantages over more traditional approaches. The cluster benefits from professional market research and business support that helps them succeed faster; by working more closely together businesses share information which helps them manage risk better; and there is a clearer focus on outcomes and individuals than on structures and processes that can hold small enterprises back. By supporting small businesses and sole traders to work together we can help them be more successful.

# CAN **SHARING WITH NEIGHBOURS** CHANGE YOUR COMMUNITY?

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**Will Martindale**

Parliamentary Candidate for Battersea

Set up online sharing clubs where local communities can share things – skills, DIY or gardening tools, car journeys, household appliances... anything!

Austerity, technology and concern for the environment have come together to create a climate where many more Londoners can share, rather than own. In your street, say there's an accountant with a garden she can't maintain. Say her neighbour's a businesswoman with a tax return and two young children. Just opposite there's a pensioner who likes gardening but lives in a flat, and a student looking to earn some cash as a baby-sitter.

Thanks to a new skills sharing website, the accountant does the tax return, the pensioner does the gardening, the business woman pays for childcare so the student can earn some cash. I was introduced to the concept by Scott, a Battersea resident who works in tech start-ups which re-define co-operation. It's what he calls 'collaborative consumption'. His energy and passion got me thinking: what else could co-ops do for London's young professionals?

Thousands of Londoners live in house-shares. Hundreds of drivers already share cars – Zip Car started in Battersea. Recently, we've started sharing Barclays bikes too. We share knowledge through Yahoo answers and Wikipedia, and cut-price entertainment through Netflix and Love Film. We're less materialistic than a generation before because we pack light, live in smaller apartments, move homes every year or two or take a job abroad. So instead we share.

One of Battersea's best known websites, NappyValleyNet.com, is part of the mix. Post a question and dozens will answer, knowing that when they have a question, you'll answer them. Just think of the underused assets in the average home, the spare Black & Decker drills and baby clothes, the social contacts and skills. As well as being the youngest constituency in the country, Battersea is also the most educated. But this is an idea that could work in any part of London and for every type of community.

“ Just think of the underused assets in the average home, the spare Black & Decker drills and baby clothes, the social contacts and skills.

It is possible that a move to sharing, rather than owning, could change the way we relate to each other. Your reputation for fair dealing and generosity would become crucial. As citizen co-operation grows, the power of large corporations may decline. I've met people who want to use technology and people power to cut out the middle men. To remove letting agents from property rental and to allow groups of individuals to buy fresh food direct from farmers.

Where does all this leave the philosophy of collaborative consumption? Is it just efficient capitalism, or is it more left-wing? Is it both? Where is it cooperative, where is it altruistic, where is it neither? Progress will not be evenly spread. Access to the new wave of collaborative consumption is limited by the digital divide. John Burns School – where I'm a governor – is high performing yet teachers say a third of children have no internet access at home. London's communities are often very affluent or very poor, but most residents have something, including skills or experience, to share with others.

What can London government do? Perhaps the most important thing will be to create the conditions for collaborative consumption to take root. At a local level, councils can help, for instance by making spaces available to car clubs or supporting projects that help local communities set up online sharing clubs for different neighbourhoods.

At a national level, barriers to each of us taking part must be removed. A man in his thirties recently told me of his trials setting up a limited company and a business bank account to collect small payments from a mobile phone project: “It took weeks, I hardly had time to think about the main idea!”

A future Labour government could help start-ups by allowing individuals to make and receive micro-payments within a set limit before tax or regulation.

There are competing strands to collaborative consumption, but I hope some of the exciting new young start-ups can show that owning and sharing are not separate ideas. They work best together, in co-operation.

# TECH-POWERED PUBLIC SERVICES

**Rick Muir**

Associate Director for public service reform  
at IPPR, and Hackney councillor

Use new technology to link people together and let them access data that helps them manage their health and other concerns

Public services are under pressure from an unprecedented period of austerity and from rising demand driven by the fact that we are living longer. The OBR projects that once the current budget deficit has been eliminated, age-related costs risk pushing the country back into the red.<sup>4</sup> With growth unlikely to out perform its long term average and with the public reluctant to pay more tax, this means we must look for ways of delivering public services at a lower cost.

Public services face another challenge too: while there have been improvements in quality in recent years, the experience of many users is poor. Too often services are delivered in a depersonalised fashion that gives citizens insufficient control and neglects the importance of good quality relationships among citizens and between citizens and professionals.<sup>5</sup>

New digital and information technologies can provide a way of meeting both challenges. First, new technologies can save time and money. The economist William Baumol argues that most efficiency gains in the private sector have come about through investment in labour-replacing technologies.

This is much harder in labour intensive public services: roughly speaking it requires the same number of nurses to care for the same number

4 Office for Budget Responsibility (2013) Fiscal Sustainability Report London: Office for Budget Responsibility.

5 See R Muir and I Parker *Many to many. How the relational state will transform public services* London: IPPR.

of people as it did many years ago. It is for this reason that public service costs tend to rise over time relative to the rest of the economy.<sup>6</sup>

But while technology may not be able to replace doctors, nurses or care workers, it can save them time. And there are plenty of areas of public service where face-to-face contact is not essential. Patrick Dunleavy and Leandro Carrera describe how huge productivity gains have been made in areas like online tax self-assessment over the last decade.<sup>7</sup> The Department of Health estimates that if the number of face-to-face contacts in the NHS were reduced by just 1 per cent it could save £200 million.<sup>8</sup>

Second, technology can help with the challenge of preventing problems before they become entrenched and costly. For example, millions of us, at no cost to the public purse, have invested in smart phones and mobile devices that can provide us with much greater access to information about our health and fitness.

Having access to this information and acting upon it can help to prevent the emergence of costly chronic conditions like heart disease and diabetes. For instance, MyFitnessPal is a nutrition, weight, and exercise management app which allows the user to track their nutrition and water intake, exercise and weight. The app has around 30 million users around the world.<sup>9</sup>

“ If all patients had access to their medical records in a digital format this would help them to better manage chronic conditions and enable them to pass their data on to professionals working across different service silos.

Third, new technologies can put greater power in the hands of the citizen, allowing services to be designed much more closely around their

6 W Baumol (2012) *The Cost Disease: Why Computers Get Cheaper and Health Care Doesn't*, New Haven: Yale University Press.

7 P Dunleavy and L Carrera (2013) *Growing the Productivity of Government Services*, Cheltenham: Edward Elgar.

8 Department of Health [DoH] (2011) *Innovation, Health and Wealth: Accelerating Adoption and Diffusion in the NHS*, London: TSO. [http://webarchive.nationalarchives.gov.uk/20130107105354/http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_131299](http://webarchive.nationalarchives.gov.uk/20130107105354/http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_131299)

9 <http://www.myfitnesspal.com/>

needs. For one thing digital technology can give citizens greater access to personal data. If all patients had access to their medical records in a digital format this would help them to better manage chronic conditions and enable them to pass their data on to professionals working across different service silos.

Technology can also enable citizens to link up with others in a similar position. For instance, Health Unlocked is an online hub which enables people to connect with other patients and healthcare practitioners as part of an online community of support and information around a condition or disease.<sup>10</sup> Online peer support communities are increasingly a vital support in enabling patients to manage their conditions effectively.

For too long the impact of technology on public services has lagged behind other industries. We are still a long way from logging into a smartphone app with our NHS number, viewing prescriptions, monitoring our weight or blood pressure and booking appointments. High-profile failures of large-scale public sector IT projects are common, from the NHS National Programme for IT, drawn to a close in 2010 with many items undelivered, to the recent problems with the universal credit IT system.<sup>11</sup>

Recent IPPR research has shown that rather than top-down ‘off the shelf’ approaches to deploying new technologies, a more bottom up and decentralised approach is more likely to be successful.<sup>12</sup> This means reforming cumbersome public sector procurement cycles and embracing more iterative design processes, with new technologies being designed around their users.

It also means more seed funding for innovation and creating more opportunities, such as the recent NHS Hack Day, for technology entrepreneurs and public sector professionals to come together and learn from one another. There is a key role for government, too, in disseminating

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<sup>10</sup> <https://healthunlocked.com/>

<sup>11</sup> Public Accounts Committee [PAC] (2013) The dismantled National Programme for IT in the NHS, HC 294, London: TSO. <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/294/29402.htm> and National Audit Office [NAO] (2013) Universal Credit: Early Progress, London: TSO. <http://www.nao.org.uk/report/universal-credit-early-progress/>

<sup>12</sup> S Bickerstaffe (2013) Building tech-powered public services London: IPPR [http://www.ippr.org/images/media/files/publication/2013/12/building-tech-powered-services\\_Dec2013\\_11600.pdf](http://www.ippr.org/images/media/files/publication/2013/12/building-tech-powered-services_Dec2013_11600.pdf)

evidence of impact, finding out what users want and making the case that technology is critical to putting public services on a strong footing to meet the challenges ahead.

# AFFORDABLE AND SUSTAINABLE ENERGY

**Cllr Lib Peck**

Leader of Lambeth Council

Set up a London-wide programme to help local communities use spaces on public buildings to generate their own sustainable energy that cuts energy bills and creates jobs and training opportunities.

The cost of energy is increasing faster than incomes and many more Londoners are now living in fuel poverty. On top of this, we need to reduce dependency on fossil fuels and find more sustainable ways to generate the resources local communities need.

In Brixton, one fantastic community project is tackling these challenges head on. The Community Energy Savings Programme (CESP) is a community-led energy programme. It has supported the development of a community-based organisation, Repowering London, which acts as a platform to support local energy projects across the borough of Lambeth. This should be expanded to provide similar support to communities right across London.

As part of the Brixton Energy project, Repowering London has established three solar energy projects using the roofs of Council buildings. However, this is not only about solar panels generating renewable energy; this scheme is also helping to create localised, empowered and

“ this scheme is also helping to create localised, empowered and resilient communities through the establishment of renewable energy co-operatives.

resilient communities through the establishment of renewable energy co-operatives.

Each co-operative provides a local ethical investment opportunity for the local community, generating an income from the feed-in tariff and sale of electricity to the grid. Furthermore the projects ring fence 20% of annual revenue to a Community Energy Efficiency Fund (CEEF) administered by members of the co-operative. This money is used for community energy efficiency initiatives such as home energy audits and draught proofing to address fuel poverty and encourage behaviour change. The projects have also supported training, internships and work experience for local young people and other residents.

The uniqueness of these projects is that they provide multiple benefits: social, environmental and financial. They generate renewable energy, increasing Brixton's energy resilience and security, raising awareness about energy efficiency and tackling fuel poverty while providing training and employment for local people.

Key to this is the fact that council officers and community groups have worked collaboratively and the programme has successfully used skills, expertise and funding from both the community and the private sector. This embeds the core principles of Lambeth's co-operative approach to public services: citizens and authorities working together to commission and deliver services. As a process this hasn't always been easy, and as a council it has forced us to fundamentally reshape the way we do things. Lambeth's co-operative ambitions are built on a simple insight: that public services achieve more when we do things with people, rather than doing things to people.

Being a co-operative council means putting people who use our services or live in our communities in control of the decisions that affect their lives. At its core it is about citizens, councillors and council staff working together to determine local outcomes and how best to deliver them.

This is true with energy and sustainability. We are determined that communities can play a crucial role in changing the way we use, gen-

erate, own and manage our energy. And, given the context outlined earlier, harnessing community power is now more important than ever.

There will be challenges ahead if we are to further roll out schemes like this, or help support similar projects. However, the early signs are good. With a willingness to be open to learn and to change, there is a real opportunity here. We believe that public services work better when we listen and act on the experience and insight of citizens, and this project shows that happening.

# REBUILDING COMMUNITIES FROM THE BOTTOM UP

**Cllr Pete Robbins**

Formerly Lambeth Council Cabinet Member for Housing and Regeneration

Put local people in charge of regeneration partnerships to make sure they deliver the things local communities really want and need rather than serving the needs of developers

London desperately needs to build more homes. It seems strange then, that so many regeneration projects that promise new homes and jobs are so often met with suspicion, hostility, and vocal opposition from local communities in London. Why? Because too often new schemes don't deliver the things that local people need. If Labour councils are serious about helping to deliver a step-change in the supply of new housing, then we need to give serious thought to changing how we bring forward developments - and we need to give communities more power to shape what they really want.

In Lambeth we are pioneering co-operative approaches to delivering public services, sharing power because we believe that by working with the community we can deliver better outcomes at a lower cost. Nowhere is this more important than in our co-operative approach to the regeneration that will deliver the jobs and homes that people need.

We have a good example in Brixton - an exciting, vibrant, and diverse town centre with a growing local economy. Since Labour won control of Lambeth Council in 2006, Brixton has benefited from positive changes including better public spaces and improved security from better lighting. New development here can provide much-needed new housing and more jobs in the next few years - but many local people are concerned that the wrong kind of development could also threaten

Brixton's much-loved character and the unique qualities that make it such a special place.

So how is a co-operative council meeting this challenge? By putting local people in the driving seat of regeneration, with the opportunity to decide what our community really needs, and sharing the power they need to deliver it. We've already worked with local people to decide together the new planning policies that will shape development in Brixton, and now we're taking the principle of working together even further by sharing power on a real life scheme.

Somerleyton Road is partly vacant site in central Brixton, and has long been earmarked as an area in need of regeneration. Local people wanted to know how the council would develop it, and set up Brixton Green - a registered mutual society, owned and run by over a thousand local people - to lobby for a greater say in the area's future. Lambeth Council's positive response has led to a unique partnership between the council, Brixton Green, and the Ovalhouse Theatre, a radical theatre and pioneering youth arts organisation. Instead of the council taking all the decisions on its own, local people will lead the development of Somerleyton Road every step of the way, delivering 300 new homes, a new theatre, and cultural, commercial, and community space.

Hundreds of local people took part in a community-wide conversation to tell the council clearly what they need: homes they can afford, jobs and training, and a chance to build a neighbourhood with a strong sense of community. Lambeth is involving local people in all the decisions that will achieve these things. Local people have a number of ways to get involved through different working groups that are looking at design, the level and type of housing, and how the community can retain control of the finished development in the long-term.

By sharing responsibility for Somerleyton Road we're helping local people understand the re-

“we're tapping into a huge reservoir of knowledge, passion, and professional expertise that exists in our community that would otherwise be overlooked

alities that shape how developments come forward, including the need to make some compromises to ensure it is affordable. But we're also tapping into a huge reservoir of knowledge, passion, and professional expertise that exists in our community that would otherwise be overlooked, and that is already resulting in exciting and radical solutions to difficult problems. This includes setting up a resident-led housing co-operative so future residents have a direct say over their housing management and, crucially, protecting it from being sold off under Right To Buy while giving the residents a real stake in ownership.

There is still a huge amount of work ahead before the diggers start to transform Somerleyton Road. I can't second-guess what the community's final decisions will be, but what I can say with certainty is this: because local people are in control, those diggers will literally be building a stronger community.

# A CO-OPERATIVE APPROACH TO LONDON'S TRANSPORT

**Val Shawcross AM**

London Assembly Member

## Cheaper fares, better customer service and safer roads by giving the public a bigger say over London's public transport

London's rapid population growth is the principle transport problem facing London in 2014. But dangerously high air-pollution, especially the particulates from diesel engines, and intense competition for road space highlight our continuing need to encourage people out of cars and onto their legs, bikes and public transport. If our city is going to be clean, healthy and economically successful we need more sustainable transport. The bonus will be that London becomes an ever more attractive place to live and work.

### How red is my bus ?

The London bus is the workhorse of London. The number of bus passengers every day outstrips every other mode of public transport in the city added together. Under Boris Johnson we have seen a large reduction in the public subsidy of bus services and increased overcrowding. Bus passengers have faced the highest percentage fare increases - 18% above inflation with no improvement in service.

### In a co-operative London we should:

- plan services and design routes in active partnership with London's elected borough councils and local communities;

- support co-operatively run bus operators offering pay guarantees for staff;
- schedule the replacement of all diesel buses with clean-technology engines prioritizing the 'dirtiest' air quality hotspots first;
- deliver 100% disability access – so that all bus stops and buses would be accessible for the mobility disabled, and most importantly that drivers are fully trained and managed to positively support passengers with disabilities;
- run a new co-operative patient and door-to-door, disability transport service with separate schemes each covering several Boroughs;
- provide better value ticket options for low-income Londoners, especially for passengers who can't afford to invest in season tickets, with benefits for regular passengers through a 'bus club' membership system;
- peg fare increases to inflation to prevent public-transport passengers being pushed back into private cars by unaffordable prices.

## Left foot first

Reducing traffic speeds and providing safe space for pedestrians and cyclists, especially at junctions and road crossings, is the key to promoting these healthy and environmentally friendly ways of getting around. London's Tory mayor has prioritized 'smoothing the traffic' so there is no surprise that pedestrian and cycling casualties have recently begun to rise. London needs a sustainable transport revolution. Here's how we could make it happen:

- a zero tolerance campaign against pedestrian casualties , like New York and Stockholm's wide ranging programme of safety improvements for pedestrians;

- a programme of ‘quiet ways’ for cycling and secure cycle parking at transport interchanges and shopping and other facilities across London;
- cycle safety training at school for all London’s school children;
- a major increase in 20mph zones and a speed-camera network to enforce compliance to cut down deaths and injury caused by speeding;
- more enforcement against drivers who break the law including mobile phone use, speeding, and queuing across pedestrian crossings;
- Dramatic action against HGVs which are not up to the safest standards.

## London back on track

Rail transport needs dramatic improvement too. Our rail tracks are inefficiently used by the fragmented private train operating companies. TfL’s takeover of London Overground shows that with local management and relatively minor investment London can get much better service from its limited infrastructure.

“ TfL’s takeover of London Overground shows that with local management and relatively minor investment London can get much better service from its limited infrastructure.

London’s tram and DLR systems are popular and offer excellent green credentials and disability access. They have the potential to replace buses along some very congested bus routes. We should look at expanding the existing Croydon Tramlink network and installing new trams to meet London’s growing population and regeneration needs. Many more of these relatively cheap schemes could be funded by charging developers on land-value increases along their routes.

## Share and care

Car sharing schemes across Europe and the US, and the existence of co-operative taxi operators also show there is scope for new approaches to reducing car traffic on our roads. Commercial car sharing schemes such as Streetcar help reduce levels of private car ownership and use in London. We need new mobile apps to make it easier to use schemes like these.

# PARENT POWER TO IMPROVE OUR SCHOOLS

**Councillor Wes Streeting**

Deputy Leader of Redbridge Council  
Parliamentary Candidate for Ilford North

Set up more co-operative trust schools with a stake for parents, teachers, support staff, governors, pupils and the wider community, with councils commissioning schools not running them directly

The last Labour government had a proud record of delivering educational improvement for young Londoners. Initiatives like 'Building Schools for the Future' and the London Challenge transformed standards in education. Having taken power in a number of London councils last May there is an opportunity to build a co-operative alternative to the current government's reforms that Labour can build on in government nationally.

## Tory failure

Pupils and parents in London are being badly let down by the Tories. By 2016, the shortfall in school places is set to reach 118,000 while the Department of Education wastes public money creating excess supply elsewhere in the pursuit of competition. The Tories claim to give greater freedom to teachers, but heads are struggling to recruit and retain staff against a backdrop of low morale and excessive workload. For all the talk about localism, the ability for communities to shape their local education provision has been lost to a centralising Secretary of State who believes he can control every school directly from Whitehall.

## A co-operative alternative

Even within the confines set by the present government, Labour in local government has the ability to set out a co-operative alternative to the Tories' competition agenda. In Redbridge we know that a Labour Council won't simply be able to rely on expanding existing schools to meet the demands for school places and we also know that building new local authority maintained schools won't be permitted by DfE (under a Labour Government new community schools will be an option, however). So we're seeking to redefine our role to proactively engage providers, like co-operative trust schools, that have an ethos where everyone has a stake in the school's success: parents, teachers, support staff, governors, pupils and the wider community.

“ There are now around 700 co-operative trust schools and the number is set to rise to 1,000 by the end of 2015.

While the Tories may believe, for ideological reasons, that competition is the way to drive up standards, we know from our own experience in Redbridge that fostering collaboration between schools helps avoid duplication, improves leadership and enhances the quality of learning and teaching. There are now around 700 co-operative trust schools and the number is set to rise to 1,000 by the end of 2015. This provides a great network for collaboration in local hubs and nationally through the Schools Co-operative Society.

## Councils as commissioners, not providers

In April this year, David Blunkett published his review of the 'middle tier', commissioned by Ed Miliband, which is focused on the best way to ensure proper oversight of all schools, whatever their type, so standards are raised. Too much of public service reform debate is dominated by what's in the interests of the state as a provider of public services, rather the people who use them. That's why we need local commissioners of education, or 'Directors of School Standards' as David has proposed, who will be better placed to be champions for their local residents on school standards.

Just as local government should be trusted with greater responsibility, so too must local authorities trust parents with having a greater say over who runs their schools. Under Labour's plans Directors of School Standards will be responsive to the concerns and wishes of parents. This is a very positive step. I believe they should also encourage school governors to ballot parents on major changes to governance and Labour should legislate in government to make sure it happens.

### The case for wider reform

Radical proposals to redistribute power outlined by Ed Miliband and Jon Cruddas need to be reflected in Labour's education policies. Trusting teachers, opening up space for more creativity in a reformed 14-19 curriculum and reducing the levels of prescription on schools from Whitehall have to be at the centre of Labour's vision for our schools.

A co-operative approach to education in London local government alone won't be enough, but it will be a good platform on which the next Labour government can build.

# PATIENT POWER CAN MAKE LONDON HEALTHIER

**Cllr Patrick Vernon OBE**

Former Hackney Councillor and member of Ed Miliband's Taskforce for Mental Health in Society

Keep people healthier for longer by giving them more control over the healthcare services they use.

London has some significant health and care challenges and inequalities. The healthcare system continues to be poor at preventing ill-health and in diagnosing illness early, and too much care is provided in hospitals instead of in the community.

London has the highest average income but it is also the most polarised in the country, with people in the top 10% of households earning around five and a half times more than those in the bottom 10%. On the whole, people in the more deprived boroughs in London have poorer health. In many London boroughs poverty and affluence and the associated health inequalities exist side by side. In Tower Hamlets women have life expectancy of 54.1 years compared to 72.1 years for women in wealthier Richmond-upon-Thames, a gap of 18 years.

There is growing pressure on health and social care systems. The number of people with multiple long-term conditions is set to grow to 2.9 million by 2018 and the number of older people likely to require care is predicted to rise by over 60 per cent by 2030.

More than 1.5 million Londoners live with mental illness which ranges from anxiety, depression, and bipolar disorder to schizophrenia. Mental ill health is more common in London than in other parts of the country with 18% of people living in the capital having a common mental health problem, compared to 16% nationally. London's leading causes of premature death are from predominantly treatable conditions such

as cardiovascular disease, cancers and respiratory disease. Around 80% of these deaths are attributable to lifestyle factors such as excess alcohol, smoking, lack of physical activity and poor diet. Obesity is a bigger problem in outer London, although inner London has higher rates of early death from heart disease and cancer.

Across London there is a serious shortage of home and community-based care available for patients and carers. Around a quarter of patients who do not need specialist care are admitted to hospital as a result of this, and up to 60% of patients are kept in hospital beyond five days when their needs could be met in more appropriate and cheaper community settings. State-funded social care spending decreased by £1.5 billion between 2006 and 2013 (2012/13 prices). This included a 39% reduction in the use of services for older people, 48% reduction in the use of services for adults with mental health needs and 33% reduction in the use of services by people with physical disabilities.

Hospital admissions in non-urgent cases could be avoided with better proactive management of patients' condition in their own home or within a community facility. There is an emerging social enterprise movement of approximately 1000 healthcare co-ops working within the NHS with a combined turnover of £600m.

Social enterprises, housing associations and the third sector have developed a range of services to support the marginalised and disadvantaged communities in London in part funded by personalised budgets. We need much more of this approach in London, as it puts more choice in the hands of patients and successfully prevent conditions getting so bad that admission to hospital is required.

Here's how we could promote more patient power through the use of social enterprise in London's healthcare system:

“ Hospital admissions in non-urgent cases could be avoided with better proactive management of patients' condition in their own home or within a community facility.

- make third sector, social enterprises, co-operatives and mutals preferred providers in commissioning healthcare, and take action when there is a bias against using these providers;
- give patients and staff more control over hospitals by changing foundation trusts into co-operatives;
- increase the use of personalised budgets and allow budget holders to pool funding to increase their purchasing power to help shape the market and develop more choice;
- charge private-sector NHS providers 5% of gross profit they make from these services to help develop patient-led healthcare social enterprises with a particular focus on the most socially excluded communities.

We need a co-operative healthcare agenda for London to give patients a bigger say over the care they receive, reduce health inequalities, and move towards services that prevent health conditions becoming health crises.

# AFFORDABLE FINANCE: HELPING HOUSEHOLDS STRUGGLING WITH DEBT

**Councillor Richard Watts**

Leader of Islington Council

Increase access to affordable loans from credit unions, and better advice for people struggling with debt to help them save and manage their household finances

British households are suffering from the worst collapse in living standards in well over a century. Incomes are, at best, stagnant. Food, fuel and travel costs are all increasing, while public spending cuts and changes to social security have hit families on low-to middle incomes.

This combination is leaving more and more people with too much month at the end of their money, forcing families into problem debt by taking short-term loans they can't afford to repay. It is now estimated that the poorest 10 per cent of households in the country have average debts more than four times their annual income.

In recent years this problem has been made worse by the rise of payday lending companies. For many families struggling to get by, these lenders offer the sort of short-term loans that people on lower incomes tend to want and that mainstream banks simply don't offer. With interest charges as high as 5000% a year it is no surprise that once a vulnerable person falls into this type of debt, they often find it very hard to get out again.

Thanks to the 'sharkstoppers' campaign led by Labour and Co-operative Party members the Government has been forced to accept a cap on the cost of credit. However much more remains to be done, and recent

Tory changes to planning legislation could make it even easier for payday lenders to open up new shops on our high streets near the poorest neighbourhoods.

So the big question for local authorities and indeed a future Labour government is: how do we tackle these problems when there's far less money around?

“ We should encourage organisations – not just individuals – to take out corporate membership of their local credit union right across London.

In Islington we've realised that reducing levels of personal debt is about much more than stopping people borrowing at rip-off rates. What is needed is a combination of helping people to save, providing information, education and tools to help people manage their money, while also providing appropriate and affordable sources of credit.

Like many councils we've turned to our local credit union as a co-operative solution to help achieve this locally. People need access to credit, and credit unions provide them a genuine alternative to payday lenders while offering debt advice and help to save. The scale of the difference is marked; a £300 loan from a Credit Union for 6 months will cost just £22 in interest, whereas a payday lender could charge up to £450.

Our credit union is growing with the support of Islington and other councils. Last year we provided a £250,000 grant to the London Capital Credit Union and started to support them with further development money, set to continue for the next 4 years.

We have also worked with them to help increase their membership, which since 2011 has risen from 2,866 to 6,659 members, with two thirds living or working in Islington. To further this growth we have also started providing direct credit union advice through our own housing staff and for new tenants we offer a £40 incentive if they open an account and commit to some saving. Lambeth Council are training financially experienced residents to act as 'debt champions', providing free advice and support on managing household budgets to members

of their own community who are struggling to cope, a model that could be adopted elsewhere.

We should encourage organisations – not just individuals – to take out corporate membership of their local credit union right across London. We should look for high visibility premises for credit unions to help tackle head on the proliferation of payday lenders on our high streets.

But we shouldn't stop there. We must encourage Co-operative supermarkets and others to accept deposits into credit union accounts over their counters and offer financial advice to customers. The Co-operative Group should also show leadership in providing free-to-use cash machines in deprived areas where cash machines that charge are more common. Despite the current difficulties, councils would be keen to work with the Co-operative Bank to ensure that every resident has access to at least a basic bank account.

Ensuring every citizen has access to basic financial services with appropriate advice and support on hand is an area of work where co-operatives can come into their own.

# politics for people

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