



CO-OPERATIVES UK

Co-operative Call to Action 2015

Strengthening the economy through self-help and mutual aid

“Co-operatives and
mutuals allow more
people to participate
in and benefit from
commerce.”



Co-operative
enterprises build
a better world



BUSINESS WHERE SOCIETY PROFITS

Co-operatives UK is a leading member of the Social Economy Alliance. Many of the policy ideas in this Call to Action will echo and expand upon those put forward in the Alliance manifesto, which we urge you to read and act upon. Themes common to both include public procurement, taxation, community ownership and labour market support. In many ways our recommendations simply drill down further into how government can support the vital role of co-operatives in our social economy, democratising ownership and allowing people to organise and act from the bottom up.

Image above: The Social Economy Alliance's advertising campaign, launched alongside its manifesto, merges notable figures from opposite ends of the political spectrum with the slogan 'the best ideas from the left and the right'

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Strengthening the economy through self-help and mutual aid

Our society needs to be more resilient. Underlying weaknesses remain in the way we provide for our long term economic and social security. In this document we set out an ambitious programme for further unleashing co-operative potential, so that mutual self-help plays a role in strengthening the foundations of growth, doing more with less in public services, renewing community, and combating climate change.

Underlying weakness

High level economic indicators may show the UK returning to growth, but persistent underlying weaknesses remain in the way we do things. Productivity is low, with too little investment in human capital and long term value. Vast disparities in the social and geographical distribution of wealth and influence are distortive and result in the same problems being replicated time and again. The trend towards insecure work and stagnating wages for lower and middle income workers is not conducive to the creation of a high-value economy, and begs the question of how, in the context of continued fiscal constraint, basic needs will be met? Meanwhile the state's social interventions tend to be too reactive, providing a straining safety net once people are already in acute difficulty. And private provision of public services too often does not deliver adequate social value. Growth within this context will not provide for our long term economic and social security.

Mutual strength

A resurgence in co-operatives is part of the good news that always emerges when we work together to solve our problems. People are using models of mutual self-help to pool entrepreneurial energies and resources to secure decent work, get a better deal, and meet their community's needs. As true today as it was for the mutual pioneers of the nineteenth century, self-help is essential in the effective long term meeting of need, and works best when people help one another as well as themselves.

Co-operatives and mutuals have a role to play in making our economy and society stronger and more self-reliant. By bringing more people in as partners in commerce, co-operatives can boost productivity and encourage investment in human capital over the long term. Broader, more democratic ownership of our economy can engender more equitable distributions of wealth and influence socially and geographically. By acting together rather than as atomised economic actors, people can move from passive workers and consumers to active economic citizens, strengthening their position in the marketplace and ensuring more businesses operate a triple bottom line of people, planet and profit. Co-operative models can also incubate entrepreneurship and strengthen the position of self-employed workers and small businesses.

It is time to start seeing economic and social imperatives as two sides of the same coin - intrinsically linked and given the right policies, mutually supportive. The greater the reciprocal resilience of ordinary people and communities in our economy, the less likely they are to become trapped in a cycle of working poverty, insecurity, and unemployment, and the more sustainable our social security

expenditure will be at national and local levels. Likewise, the more public services – from employment support to social care – are delivered through mutual structures, the further our fiscal resources will go.

Crucially, just as well founded growth requires effective public services, neither of these will be possible without strong communities and a serious commitment to combating climate change. In both regards mutuality and self-help will make success more likely.

In these pages we make the case for a greater role for co-operative and mutual enterprise in building a society which shares rewards and responsibilities more fairly. This requires a diversified people focused economy that creates long term value and a reformed state that enables people to help each other as well as themselves.

The role of government

The next government has an important role to play in building mutual strength into the national architecture. While we do not want a return to micromanagement of the economy, we do believe the state must play a role in setting the conditions for well-founded growth. In law, regulation, institutional arrangement, tax and public spending, our political economy should be better disposed towards mutuality.

The coalition government, with welcome cross-party support, has delivered for co-operatives in many ways. Most notably, reforms have delivered a more enabling legal framework making the UK a better place to start and grow a co-operative business. And great opportunities have been seized to develop the role of co-operatives in key areas of policy such as energy, community enterprise and public sector reform. But there is still much more for the next government to build upon.

Strengthening the foundations of growth

A greater degree of mutuality in our economy will strengthen the foundations of growth: allowing more people to pool their resources effectively; leveraging in more patient productive investment; and spreading collaborative forms of entrepreneurialism. It will also recast the relationships between workers and enterprise and consumers and producers, making business more resilient and markets more functional. Government has a crucial role to play in maintaining an enabling framework for co-operatives, and in ensuring people have the necessary information, incentives and space to act together.

Maintain a level playing field for co-operative business

Government has a clear responsibility to nurture and support the growth of the full diversity of business forms including co-operatives. While the Department for Business Innovation and Skills (BIS) may in theory be responsible for creating an appropriate legal framework and regulatory environment for all businesses, in practice it has no role in legislating for co-operative societies, with this role belonging to HM Treasury. This fragmentation of responsibility hampers the ability of BIS to serve the full diversity of business forms in the UK. One department in government should be given adequate responsibility and resource to serve as a centre of excellence in championing all business forms. We make three policy recommendations in this crucial regard.

“Limited public access to official data makes it harder for people and organisations to understand and trade with co-operatives.”

Policy recommendations:

- Consult on moving the legislative function for co-operative and community benefit societies from HM Treasury to BIS
- Introduce a new business impact test to systematically ensure all legal forms are considered in legislation and regulation affecting business. This will require amendment to government’s Impact Assessment (IA) template so that officials are specifically prompted to consider whether any legal forms are unintentionally disadvantaged. This will reduce the number of unintended consequences in regulation that are so burdensome for co-operative businesses
- Appoint a Minister for Co-operatives and the Social Economy who, crucially, should sit within BIS

Easy public access to official information about registered businesses promotes transparency and trust in our economy. It also allows key users of such data including procurers, researchers and those working in financial services, to make more informed decisions. For too long it has been more difficult for people and organisations to access information about co-operative societies as opposed to companies. When Companies House data becomes free to use in 2015 the disadvantage will be all the greater. Limited public access to official data makes it harder for people and organisations to understand and trade with co-operatives.

Policy recommendation:

- Ensure official data on co-operatives and companies is equally accessible to the public

Support people to pool their resources

The pooling of people's financial resources in a co-operative represents a powerful component of mutual self-help. Co-operative shareholding allows more people to directly participate in and benefit from commerce. The special nature of co-operative shares rewards long term investment over short term speculation, and they form part of a healthy finance mix for co-operatives. Member capital should be viewed a unique form of patient engaged investment which could contribute to a more sustainable recovery.

“The advent of crowdfunding and social investment markets opens up new possibilities for co-operatives.”

Policy recommendation:

- Explore ways of recognising the collective long term benefits of co-operative equity through the tax system, such as operating a Co-operative Equity Incentive Scheme for members of co-operative societies



A successful community shares scheme saved Bath music venue the Bell Inn. Democratic investment in co-operatives is on the rise and with the right support more people will pool resources this way.

All co-operatives can learn lessons from the revitalisation of member economic participation seen by community co-operatives in recent years with the advent of community shares. This building up of practical experience in putting share capital to use in twenty-first century co-operatives can inform good practice for all co-operatives, especially those that are consumer and employee owned.

Meanwhile, the advent of crowdfunding and social investment markets opens up new possibilities for co-operatives to raise finance from new individual and institutional investors.

Policy recommendations:

- Work with the sector and the regulator to develop codes of practice for member and non-member investment in co-operatives
- Ensure legal and regulatory frameworks support innovations in co-operative capital

Members of a co-operative also perpetuate this pooling of resources by reinvesting significant portions of their profits into a common pot to finance greater productivity, sometimes called 'indivisible reserves'. Further improvement to co-operative legislation could better lock in this internal reinvestment. Such reinvestment locks are prominent in the legal frameworks of countries with strong, high impact co-operatives. These mechanisms greatly enhance long term collective investment and growth, while providing everyone involved with crucial reassurance that the capital in their co-operative will not be reappropriated for private gain.

Policy recommendation:

- Introduce an optional asset lock for co-operative societies to provide a statutory underpinning for indivisible reserves (we are not advocating a mandatory reserve or pay-in amount for UK co-operatives)

Reinvestment locks should be seen as a longer term alternative to outside capitalisation. In some countries tax advantaged reinvestment of profit has been a significant contributory factor in the growth of co-operatives during start up, as well as after employee buyouts following succession and rescue.

Meanwhile, in the UK the Enterprise Investment Scheme (EIS) has proven instrumental in incentivising investment in start-ups and growing businesses. However, because the forms of investment covered by EIS will always be limited for small entrepreneurial co-operatives, they will never benefit from EIS to the same extent that privately owned companies can. This can be a particular problem for employee owned co-operatives. EIS addresses a funding gap for private new starts, but not for new co-operatives.

“There is too little recognition of the needs of the smallest businesses in our economy.”

As a result Co-operatives UK sees a significant imbalance in our tax system that not only limits the potential growth of ethical sustainable employee owned business, but also rewards external investors over long term insider stakeholders. Government should provide equal treatment in the tax system for the patient long term approach to investment found in co-operatives.

Policy recommendation:

- Introduce a tax relief on profits paid into indivisible reserves of small asset locked co-operative societies

Credit unions allow people to pool financial resources in an ethical democratic way. They keep money circulating within communities, and help groups of workers from police officers to taxi drivers save and borrow together on good terms. While recent governments have done much to support credit unions in tackling financial exclusion and indebtedness, it is crucial they are now supported to serve a broad cross-section of society.

Policy recommendations:

- Government should build on the work of the coalition in scaling up credit unions to help more people save and manage their finances, provide a practical alternative to payday lenders and loan sharks, and offer a diversified and competitive range of financial services
- Encourage payroll deductions and other links between credit unions and employers in both the public and private sectors

The vast majority of new co-operative ventures fall well under the SME threshold to which a great deal of business support and regulation is orientated. There is too little recognition of the needs of the smallest businesses in our economy, which makes it harder for people to co-operate economically.

A whole host of burdensome accounting and reporting requirements can be particularly problematic. Likewise, with employment regulations for start-up worker owned enterprises, the traditional distinctions between employer and employee simply do not apply.

Policy recommendation:

- Establish a new category of Small Start-up Enterprise (SSEs) subject to better calibrated tax and regulation regimes

Recast the relationship between workers and enterprise

One tell-tale sign of underlying structural weakness in our economy is the absence of productivity gains in the recent recovery. This is at least in part due to a lack of patient long term investment in human capital. Worker co-operation offers a further example of how mutual self-help can strengthen our economy.



Suma Wholefoods is the UK's largest independent wholesaler/distributor and an award-winning worker co-operative. The distinctive benefits of worker co-operation must be recognised by government.

Worker co-operatives provide people with a livelihood derived from collective self-responsibility and self-determination, as well as the opportunity to apply their own ethical standards both to the conditions they work in and work they do. It is a model people use to be economically active and self-reliant, allowing them to protect and improve their working conditions and receive a fairer share of the proceeds of growth. The motivational impact of this mutual empowerment is significant. Notably, the worker co-operative model allows for flatter, more efficient organisational structures with greater degrees of self-management. Meanwhile, the nature of profit sharing and member capital in worker owned co-operatives ties each individual's personal financial stake into the long term success of the business, rather than short term fluctuations in value.

“If the UK government was more proactive, resources could be used to support employee buyouts before the threat to jobs and enterprise becomes too acute.”

Co-operative models maximise the benefits attributed to employee ownership through extensive participative ownership, equitable sharing of rewards, and relations of ownership, which are all very direct and highly collective. While we have broadly welcomed the coalition's employee ownership agenda, which has a significant focus on better engagement and fairer rewards in conventional companies, we have seen some flawed policy assumptions and incomplete analysis of the particular benefits of co-operative collective ownership. This has led to missed opportunities in promoting high impact employee ownership in general, and among smaller businesses and parts of the economy where pay conditions and job security are under threat.

We emphasise the importance of employee ownership models that institutionalise accountability back to employees in the decision-making process. For employee ownership to contribute to a 'race to the top' institutionalised accountability is essential.

Policy recommendations:

- Government must not base its employee ownership policy on incomplete categorisations of ownership models that take no account of co-operative collective ownership. The distinctive benefits of co-operative collective ownership must be recognised
- Amend the Supporting Employee Ownership Tax Relief so it only benefits business succession to employee ownership arrangements with strong institutionalised accountability for employees. Meanwhile, expand it to benefit business succession to co-operative societies using worker co-operative rules. This would ensure public money spent on these reliefs only goes towards the proliferation of high quality employee ownership arrangements

Back co-operative approaches to saving jobs and enterprise

Too many good businesses disappear because of a failure in business succession. Even when a transfer is completed the result is often the absorption of a local employer into a larger competitor, with the end result being deterioration in employee engagement and productivity, and a worsening in job security, pay and conditions.

Employee buyouts further demonstrate how self-help and mutuality can build resilience into our economy, saving productive businesses and decent work. These buyouts can be an attractive route for business succession because they transfer ownership to people with a genuine interest in an enterprise's long term success, and so increase the likelihood of the enterprise continuing to trade and provide jobs locally. This also has the deeper benefit of saving irreplaceable local industrial and craft heritage and trans-generational skills.

If the UK government was more proactive, resources could be used to support employee buyouts before the threat to jobs and enterprise becomes too acute. We must learn lessons from countries where proven legal and procedural frameworks give workers opportunities to avert failed or unfavourable successions or save businesses in distress.

Policy recommendations:

- Introduce a statutory Right to Request employee ownership during business succession
- Pilot schemes supporting employee buyouts for firms facing uncertain or unfavourable business succession, or are at an early stage of risk around insolvency. Existing regulations for company reporting should be amended to improve the possibility of rescue by employee buyout at an early stage of risk around succession or insolvency. Employees must be treated as key insider stakeholders and should be kept informed of the situation. Rather than simply waiting for jobs to be lost, employment services and their strategic partners should get involved at this stage to provide support in putting a buyout offer together

Put mutual strength at the heart of labour market support

The coalition's New Enterprise Allowance helps people start businesses and we believe it represents an exciting innovation in employment support that, while needing refinement, should not be dropped. While there are many examples of people successfully starting and growing their own business, it is not easy to go it alone, especially if opportunities and resources are scarce in the local area. The mutual self-reliance and pooling of talents energy and resources through a co-operative venture could improve the likelihood of a successful outcome for more people.

Policy recommendation:

- Pilot a New Co-operative Allowance as a variant on the New Enterprise Allowance, with job seekers and working benefit claimants supported in establishing new co-operative ventures. Potential beneficiaries should be helped to find others with similar skills and ideas, and be encouraged to explore working jointly, rather than just on their own

Building on existing examples in the UK and internationally, the consortium co-operative model can be used to improve the lot of British workers in many parts of the economy. It is often used by people who want to remain self-employed while co-operating with others to control buying costs, share resources and win work to make their independence viable. This is a model that if encouraged could incubate entrepreneurs and freelancers, improve the viability of small businesses, and crucially, help vulnerable workers get a better deal.

Policy recommendations:

- Work with local authorities, the co-operative sector, trade unions and private businesses in piloting worker-owned Mutual Employment Agencies. These will provide access to employment on more favourable terms than most agencies and gang masters currently offer, while still retaining flexibility in the labour market. Steps will have to be taken to ensure that this model is not abused by those who exploit vulnerable workers
- Work with local authorities, the co-operative sector, trade unions and private businesses in piloting Entrepreneurs' Co-operatives, in which young people, the unemployed and vulnerable workers with business ideas are supported to use a consortium co-operative model to share input costs, provide mutual financial and legal cover, and offer 'mutual guarantees' to financiers

Remove regulatory barriers to mutual innovation

Mutual innovations in sectors including agriculture retail and energy are fashioning powerful new linkages between producers and consumers, often abolishing this distinction altogether. These new economic relationships are strengthening local economies, addressing market failure, supporting innovation, shortening supply chains and challenging the dominance of entrenched interests.

“Where there is room to manoeuvre within the law in a way that enables essential economic and social innovation, we think regulators should have a duty to act.”

As an example, community energy co-operatives are eager to supply their members with the green energy they generate. Closing the loop locally will end the distinction between producer and consumer, clear the way for community energy co-operatives to challenge the dominance of the big six energy companies, and give a further boost to the local economy and community. Co-operatives could choose to supply their members at below market rates, or at social rates, making renewable energy more affordable while alleviating fuel poverty and cutting the cost of living. This would be the best kind of bottom-up economic and social innovation, reshaping our economy and meeting genuine needs. But regulation currently prevents communities from supplying themselves, instead compelling them to sell the electricity they generate to entrenched energy companies for distribution via the National Grid. The sticking point is the license regime for consumer supply, operated by Ofgem, which is so burdensome that it ensures only larger companies can enter the market.

This is just one example of a regulatory system that holds the line, with a 'better the devil you know' mind-set propping up the status quo. Regulation of our energy system requires recalibration to be less risk adverse when it comes to vital innovation.

Policy recommendations:

- Introduce a Local License regime in the energy market that allows communities to directly supply themselves with the energy they generate
- Position Local Licensing prominently within a wider agenda for further energy market reform

The more people innovate in different sectors, the more they will come up against unexpected regulatory barriers. While there is a need for caution in the interests of public protection, we require a general shift in regulatory presumption. We do not blame the regulators when the legislative framework constrains their actions, after all they must adhere to the rule of law. But no legislative framework precludes multi-agency co-ordination. And where there is room to manoeuvre within the law in a way that enables essential economic and social innovation, we think regulators should have a duty to act.

Policy recommendation:

- Set high level multi sector principles for regulation conferring a duty to enable community-led economic and social innovations

Make sure more young people know about the co-operative option

Currently, public understanding of co-operatives is too low. Government should use its influence over educational curricula and oversight of official advisory services to make more people aware of the co-operative business form.

Policy recommendations:

- Business studies curricula should cover the full diversity of business forms
- Students on vocational and creative courses should be given advice about how to make a success of being self-employed and starting their own business. This advice should include discussion of the benefits of co-operating with others in small business consortia
- The National Careers Service should take account of how co-operative models provide opportunities for different pupils, and should offer advice accordingly

Public services – doing more with less

Fiscal constraints are not going away in the foreseeable future. But neither is our ageing population, our duty of care to the sick and vulnerable, or the trend towards depressed wages and insecure employment for people on lower and middle incomes. We still need communal facilities in the places where we live and work, and our economy still requires key infrastructure. In short, demand for public services looks set to rise. We need to do more with less.

Letting privately owned businesses deliver services where the state cannot is one approach. But the best results come from working with a strong social economy with mutuality and co-operation at its core. When people share public and personal resources these go further. By putting co-operatives at the heart of public service reform government will enable people to help each other as well as themselves.

The social economy requires ministerial support in the right place

Co-operatives and other forms of social enterprise are businesses in the social economy, which is distinct from civil society. To realise its potential a social economy driven by mutuality requires committed political support in the department responsible for business. It is for this reason that we recommended the appointment of a Minister for Co-operatives and the Social Economy to sit in BIS.

Policy recommendation:

- Appoint a cabinet level minister in BIS to champion the social economy, with a distinct remit separate from civil society

We need more mutuality in outsourcing and public service spin outs

Outsourcing service delivery may lower departmental costs in the short term, but on its own will not bring about the radical transformation in people's relationship with public services required to balance the books. Public service reform needs to unlock the economic and social capital contained in mutuality and co-production, and shift from reaction to prevention wherever possible.

Co-operative models of social enterprise not only reduce costs for the state while ensuring high ethical value, they also facilitate reciprocity between users.

Multi-stakeholder social co-operatives do far more than provide a service. They are a vehicle for co-production and the sharing of financial and non-financial resources between the state, professionals, users, and the wider community.

“When people share public and personal resources these go further.”

The advent of Single Payments in social care promises significant flexibility and reduces demands on the state, but it risks atomising users and reducing their power to secure decent care at affordable prices. Social co-operatives restore that all important collective strength, but they also do far more by introducing the mutuality required to make care provision a viable line of business.



Leading Lives, which provides high quality support for vulnerable members of the community and their carers, is a superb example of a co-operative 'spin-out'.

Policy recommendations:

- Refine the legal and procedural frameworks through which public sector workers in the NHS and local government 'spin out' to create social enterprises, thereby encouraging the creation of multi-stakeholder social co-operatives
- Investigate whether current legal frameworks are suitably developed to underpin multi-stakeholder social co-operatives
- Investigate whether the correct incentives and regulatory frameworks are in place to support investment in social co-operatives out of operating profits, and by employees, users, communities and outside institutions. The policy recommendations to support people to pool their resources apply

Mutuality in the social economy needs strategic support through service commissioning

The responsibility of the state to spend to tax payers' money in a way that delivers broad social goods has been enshrined in the Social Value Act. Meanwhile, new EU directives allow public commissioners to be more deliberate in awarding contracts to co-operatives and mutuals. For this framework to result in real results for co-operative social enterprise, political leadership nationally and locally is required to push commissioning decisions in the desired direction.

Outsourced public service contracts in the UK are routinely in the hands of large entrenched private sector providers that too often are trapped in a

“The self-help co-operative movement of the nineteenth century has something to teach us about the way we provide state support to those most in need today.”

race to the bottom, and therefore fail to deliver the social value and mutuality needed for long term systemic sustainability. Meanwhile, social enterprises seeking to deliver public services are often unable to develop to a size that enables them to overcome official hurdles to winning commissions. However, encouraging examples from elsewhere in the world demonstrate that there are alternatives. We need strategic efforts to clear the way for social economy challengers.

Policy recommendations:

- Guidance for public commissioners on securing social value should emphasise the added value of mutuality and co-production
- Department of Communities and Local Government should champion 'in sourcing' by local authorities as an incubatory step in creating social co-operatives out of public services
- Legislation should cap the extent to which a single supplier can capture a public service market locally and nationally
- Public commissioners should be required to try and award contracts locally before going out to larger national providers

Pilot Bare Essentials Co-operatives to proactively tackle poverty

Too many Britons are trapped in a cycle of insecure work, working poverty and periodic unemployment, whilst a small minority are wholly detached from the productive economy. These problems are found nationwide but are particularly prevalent in highly localised areas of deep-set deprivation.

Our welfare system is far too reactive with billions spent annually on rearguard action, and when the straining safety net fails altogether we see growing numbers turning to food banks, payday lenders and loan sharks in order to provide the bare essentials for themselves and their families. These are nineteenth century problems in a twenty-first century setting, and the self-help co-operative movement of the nineteenth century has something to teach us about the way we provide state support to those most in need today, so as to help them avoid extreme difficulties in the first place.

Policy recommendation:

- Central government should bring together BIS, DWP, local welfare provision, charities, and the third sector to pilot Bare Essentials Co-operatives. With these people could pool resources to secure life's essentials at affordable prices, providing a means of mutual aid beyond food banks. Taking a more proactive approach to poverty alleviation, some funds could be diverted from future benefits to help establish these co-operatives, with other input coming from charities and the third sector. For this innovation to be successful the policies proposed to support people to pool their resources will need to be implemented

Renewing community

Mutuality and self-reliance are helping drive a quiet revolution in community renewal. But more needs to be done so that communities who own key assets and drive change through citizen action are the norm, rather than the inspirational exception.

Communities should be given greater opportunities to own and control local services and infrastructure

The last few years have seen an explosion in the number of communities successfully raising money through community share issues to bring local assets and services into co-operative ownership, often saving them from closure. This tells us that there is a real desire among British people to be more active economic citizens, especially when it comes to where they live. Community co-operatives do more than save services or provide people with new facilities. They have a hugely positive local economic impact, keeping more money circulating for longer. They also grow social capital and reinforce bonds of community.

Meanwhile, there is a compelling case for community ownership of other local services and infrastructure such as public transport, retail sites, or even ports. Major developments in infrastructure are central to sustainable growth. Yet we often find it difficult to implement projects in a timely and cost efficient way because of a lack of public buy-in. To bring forward more ambitious projects in areas such as town planning and mass transit, local communities must be brought in as partners with a stake in ownership, influence, and crucially, in the accrual of long term benefits.



Communities should be allowed to have the legal opportunity to bring local services and infrastructure into mutual ownership. A much-loved ferry service in Bristol was saved from liquidation in 2013 through a community shares scheme.

Policy recommendation:

- Community Rights should be extended to allow communities the legal opportunity to bring local services and infrastructure into mutual ownership. These rights could be exercised during development, when franchises are due to expire, or when ownership is going to be transferred

Garden Cities must maximise community co-operation

We are greatly encouraged by the recent rekindling of interest in the Garden Cities concept but have some concerns that the brand could be misappropriated for schemes lacking the prerequisite levels of community co-operation.

Policy recommendations:

- Garden City developments must include locked community ownership of land and assets. This ownership must be participative and democratic
- Economic planning for Garden Cities must give a central role to community owned enterprises running key amenities and infrastructure. Crucially these enterprises must provide bottom up democratic accountability and a means for economic participation through the community shares model
- Garden City projects must incorporate models of community agriculture including co-operative farms and allotments, and localised food supply chains through community supported agriculture

Maximise the potential of community-led housing solutions

Support for self-build and self-renovation must be part of the policy mix in addressing the chronic housing shortages found in many parts of the UK. However, as with countless other issues, there is only so much that can be achieved by supporting individual efforts. The added value of mutuality, co-production and sharing of financial and non-financial resources can be a multiplying factor in successful outcomes. In Germany, the community-led housing movement builds around 5000 homes a year, and with the right policy inventions the UK movement could make a substantial contribution here as well. The progress already being made in Wales points the way.

Policy recommendations:

- Government must continue and expand on support for community self-build projects with mutuality at their core
- Councils should hold community-led housing registers for people who want be involved in meeting their housing needs, and should have a duty to develop community-led housing strategies aimed at helping local communities develop homes for people who register
- Introduce a Community-led Housing Bill that will level the playing field for people trying to meet their own housing needs

Planning frameworks should support community ownership

Time and again communities find themselves thwarted in their efforts by the very planning systems supposed to serve them. While Community Rights have gone a long way, especially with listing Assets of Community Value, there are still significant shortcomings in the treatment of community ownership.

For example, listing an Asset of Community Value gives people time to organise and save something they cherish, but people often discover that a site is about to change use late in the game. This drastically reduces the chances of a successful community intervention.

“Listing an Asset of Community Value gives people time to organise and save something they cherish.”

Policy recommendations:

- Strengthen the Community Right to Bid powers by increasing the protected period to a minimum of 10 months
- Consideration should be given to how Permitted Development and Change of Use regulations could be used to protect potential community assets
- Remove the ability for powers like Universal Notices to render Community Rights useless

On the other hand, there is no material planning weight given to community ownership. Uncertainty in the planning process is a risk factor for any developer and is a particular issue for community enterprises. They cannot mitigate risks and losses by running multiple projects in varied locations as commercial developers can. This can be especially problematic for community energy schemes. Given the multiple local economic and social benefits of community enterprise it would seem we are missing a trick.

Policy recommendations:

- Adapt the planning framework to give a material weight to community owned developments, such as community energy co-operatives, where membership of the enterprise is open, democratic and facilitates community investment
- Create a new national presumption in favour of change of land use being granted where land value uplift is to be captured for the benefit of the community

Combating climate change

Responses to climate change in a complex market democracy must include considerable collective action from the bottom up, underpinned by reciprocity and mutual strength. Communities need to be brought in as partners in our renewable energy transition, and must be the engine rooms for retrofitting homes and behavioural change. Meanwhile, we need to scale up innovative approaches to producing distributing and consuming our food.

Refocus support for household energy saving at the community level

Take up of the Green Deal has been disappointing and the focus on individual households is part of the reason for this. Neither the finance nor the work came in cheap, and the time horizons for break-even were long. It was too hard a sell to have made real penetration likely on a household by household basis. For the perceived pain involved in energy efficiency to be borne it needs to be shared. To make sense the Green Deal requires reciprocity, with people assured that others in their community are in it too. Mutual approaches to retrofitting through community co-operatives allow households to pool resources and bring down the cost of works, making the whole process more efficient. DECC has successfully piloted community retrofitting, and community co-operatives are identified in the Coalition's Community Energy Strategy as a possible vehicle for decarbonising our homes.



Co-operatives UK is lobbying government to commit to a minimum community owned electricity target of 3GW by 2020, paving the way for more successful organisations like Westmill Solar Co-operative.

Policy recommendations:

- Resurrect the Green Deal as a programme that focuses on financing the roll out of retrofits at a community level through co-operative structures

Bring in communities as partners in the UK renewable energy transition

Most people in this country now accept the case for renewables in principle, but in practice the UK energy transition is increasingly threatened because communities in key localities are not being brought in as partners in the process. At a time when the political trends make the future of onshore renewables uncertain, the necessity to empower communities as players in the UK energy system becomes all the more apparent.

The key is to realise that community ownership is an essential component of a successful energy transition in a complex market democracy. The coalition's Community Energy Strategy aims for a step change in community owned electricity generation and we believe this is absolutely necessary if onshore renewable deployment is to continue.

“Mutuality in agriculture connects people with primary food production and so reduces the length, complexity and environmental impact of the supply chains.”

Policy recommendations:

- Commit to a target of at least 3GW of community owned electricity generation by 2020
- Tailor future state support for onshore renewable deployment towards developments that are either partially or wholly community owned
- Ensure that community energy deployment benefits from a stable and predictable regime of subsidy and investment incentives
- Attach material planning weight to onshore renewable deployments that are either partially or wholly community owned

Back co-operative approaches to sustainable food

Moving away from energy, it is estimated that food production and consumption in the UK accounts for almost a fifth of our overall greenhouse gas emissions. And here again the transitions toward efficient low impact agriculture, shorter localised supply chains, and greater consumption of food from sustainable sources, can all be helped along by co-operative solutions.

UK agriculture is struggling to produce adequate food in an efficient and sustainable way. Too few independent farmers are able to adopt the innovations in technology, technique and commercial practice required to meet this challenge. Looking to a future beyond subsidy, the very viability of many farm businesses comes into question. In this context, the mutual strength offered by agricultural co-operatives will be vital.

Policy recommendation:

- Develop the role of agricultural co-operatives in supporting independent farmers to be sustainable and viable through the adoption of innovations in technology, technique and commercial practice

The bonds of mutual reciprocity found in community supported agriculture provide commercial farmers with the social and economic support they need to adopt innovative low impact farming methods. Other growers already committed to sustainable methods use co-operative models to sell their produce directly to local households and businesses. Meanwhile, the number of community farms is on the rise. Taken altogether this mutuality in agriculture connects people with primary food production and so reduces the length, complexity and environmental impact of the supply chains.

Unfortunately, despite its promise, community agriculture remains small scale and is significantly disadvantaged. There is a lack of acknowledgement and attention to small scale agriculture in agricultural policy development – both inside and outside government. The same is true for the innovative new supply chains created by community supported agriculture. The result is public policy, from regulation to financial support, designed almost exclusively for large scale agriculture and industrial supply chains. That said, the commitment to local food procurement in the public sector from 2017 could provide ample opportunities for local food co-operatives, who are often at the forefront to localising supply chains.

Policy recommendation:

- Help deliver public sector local food procurement commitments by putting co-operative supply chains at the heart of the delivery strategy

Small low impact community farms face discrimination in the planning system. Building on agricultural land is exempt from planning rules, but only when the farm is over five hectares. Below five hectares any development must receive planning permission, even when the land is purely in agricultural use.

Policy recommendation:

- Extend the agricultural development exemption to cover low impact farms smaller than five hectares that are either community owned or engaged in community supported agriculture

In this Co-operative Call to Action we set out an ambitious policy programme to further unleash co-operative potential, ensuring mutual self-help strengthens our economy and society.




CO-OPERATIVES UK

Co-operatives UK works to promote, develop and unite co-operative enterprises. It has a unique role as a trade association for co-operatives and its campaigns for co-operation, such as Co-operatives Fortnight and the co-operative option, bring together all those with a passion and interest in co-operative action.

Any organisation supportive of co-operation and mutuality can join and there are many opportunities online for individuals to connect to the latest co-operative news, innovations and campaigns. All members benefit from specialist services and the chance to network with other co-operatives.

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