

DOING IT OURSELVES

A strategic action plan to double the local co-operative
economy in Plymouth by 2025

November 2018

A key pledge by Plymouth City Council's administration is to increase the number of businesses in the city that are owned and run co-operatively.

Co-operatives are businesses owned and run by people like us – customers, employees, suppliers, residents, farmers, graphic designers, taxi drivers.

These people, the members, decide together how the business operates and how its profits are used.

Chapter 1

Mapping the co-operative economy



National context: Drawing on the National Co-operative Development Strategy

A National Co-operative Development Strategy was published and launched in 2017 by Co-operatives UK. This development strategy for the UK is intended to promote the take-up of the co-operative model in a context in which participatory business models are more needed and more relevant than ever.

The strategy for a new wave of co-operation in the UK is simple in its focus, with three interlocking steps:

- 1 **Commit to be great at co-operation:**
This means co-ops living up to their own values, looking for ways to collaborate with others and choosing co-op, whether for a weekly shop or their service supplier.
- 2 **Be willing to be open to new co-operation:**
This means having new conversations and looking for new ways to act co-operatively.
- 3 **Join in campaigns for inspiring co-operation:**
This means having the confidence to spread the word about or campaign for co-operative action that gives hope.

Source: Do It Ourselves, A National Co-operative Development Strategy (2017)

National context: Three key sectors

The National Co-operative Development Strategy identifies a series of early actions and partnerships focusing on three sectors of the future UK economy around which ambitious new co-operative solutions urgently need to be found:



Supporting freelancers to come together in today's 'gig' economy

At the end of 2016 self-employment was at an all-time high. Of this group, 83% of the self-employed in the UK work alone as freelancers. 78% of the self-employed have low income and lack the protection of those in employment.



Digital ventures, or 'platforms co-ops', using new technology for shared ownership services

"Big tech platforms", the economic system currently dominating the internet, has driven a wave of technological and service innovation that has benefited many but the profit generated from this is shared among comparatively few people.



Meeting needs for social care through new models of co-operation

Wellbeing requires a strong organisational and systemic focus on people, relationships and communities; this should be a natural fit for co-ops, as business models specifically intended to help people co-create mutual value, share rights and responsibilities, and take collective responsibility.

Source: Do It Ourselves, A National Co-operative Development Strategy (2017)

National context: Doubling the co-operative economy

The New Economics Foundation (NEF) launched an independent report in Summer 2018, commissioned by the Co-operative Party, setting out an ambitious vision for a UK co-operative sector double the size it is today.

It outlines five steps that policymakers could take to achieve this aim.



A new legal framework for co-operatives



Transforming business ownership



Finance that serves a co-operative agenda



Accelerating community wealth building initiatives



Deepening co-operative capabilities through a Co-operative Development Agency

They also recommend a ‘heartbeat’ policy they call an Inclusive Ownership Fund, which would either compel or strongly incentivise (or both) all shareholder- or larger privately-owned businesses to deposit a small, annual share of profits in the form of equity into a worker-controlled fund.

Source: Co-operatives Unleashed (NEF, 2018)

Baseline: The co-operative economy in Plymouth today

A comprehensive mapping exercise was carried out to determine the scale and scope of the co-operative economy in Plymouth

Data is based on organisations with their registered headquarters in Plymouth postcodes PL1 through to PL7.



Organisations

23 co-operative enterprises headquartered in Plymouth

Represents 0.3% of the total Plymouth business base



Memberships

Owned and run by over 9,500 members

3.5% of Plymouth's population is a member of a local co-operative



Turnover

Generating a combined annual turnover of £18.6m

Equivalent to 0.2% of overall Gross Value Added (GVA) in Plymouth



Employees

Providing 226 people with employment

Co-operatives employ 0.2% of the workforce in Plymouth

Breakdown of co-operative organisations in Plymouth

Co-operatives registered in Plymouth (PL1 to PL7) by sector.

<p>Membership associations, social clubs and trade unions 8 34.78%</p> <p>Crownhill and District Royal British Legion Club Kings Tamerton Social Club Limited Mainstone Sports and Social Club Plymouth Argyle Supporters Society Plympton Conservative Club Royal British Legion Plympton and District Club St Budeaux British Legion Club Limited Weston Mill Oak Villa Social Club</p>	<p>Energy and environment 2 8.70%</p> <p>PEC Renewables Plymouth Energy Community</p>	<p>Regeneration and development 2 8.70%</p> <p>Nudge Community Builders Four Green Community Trust</p>
<p>Education 6 26.09%</p> <p>Get Up and Go (Plymouth) Lipson Co-operative Academy Trust Lipson Learning Co-operative PAPH Co-operative CIC The South West Plymouth Education Trust The Tamar Co-operative Learning Trust</p>	<p>Agriculture 1 4.35%</p> <p>Coastal Producer Organisation</p>	<p>Other 1 4.35%</p> <p>Zebra Collective</p>
	<p>Finance 1 4.35%</p> <p>City of Plymouth Credit Union</p>	<p>Sports & Recreation 1 4.35%</p> <p>Devonport Community Leisure</p>
	<p>Food services and accomodation 1 4.35%</p> <p>CaterED</p>	

Co-operatives in the wider functional economic area

Based on all PL postcodes:



Organisations

There are 96 co-operative enterprises headquartered in the wider locality

Agriculture, retail, energy and environment are strong sectors in the wider co-operative economy



Turnover

Generating a combined annual turnover of £128m

The co-operative economy is more “productive” in the wider region



Memberships

Owned and run by over 17,250 members

Average membership is smaller in co-operatives outside of the city



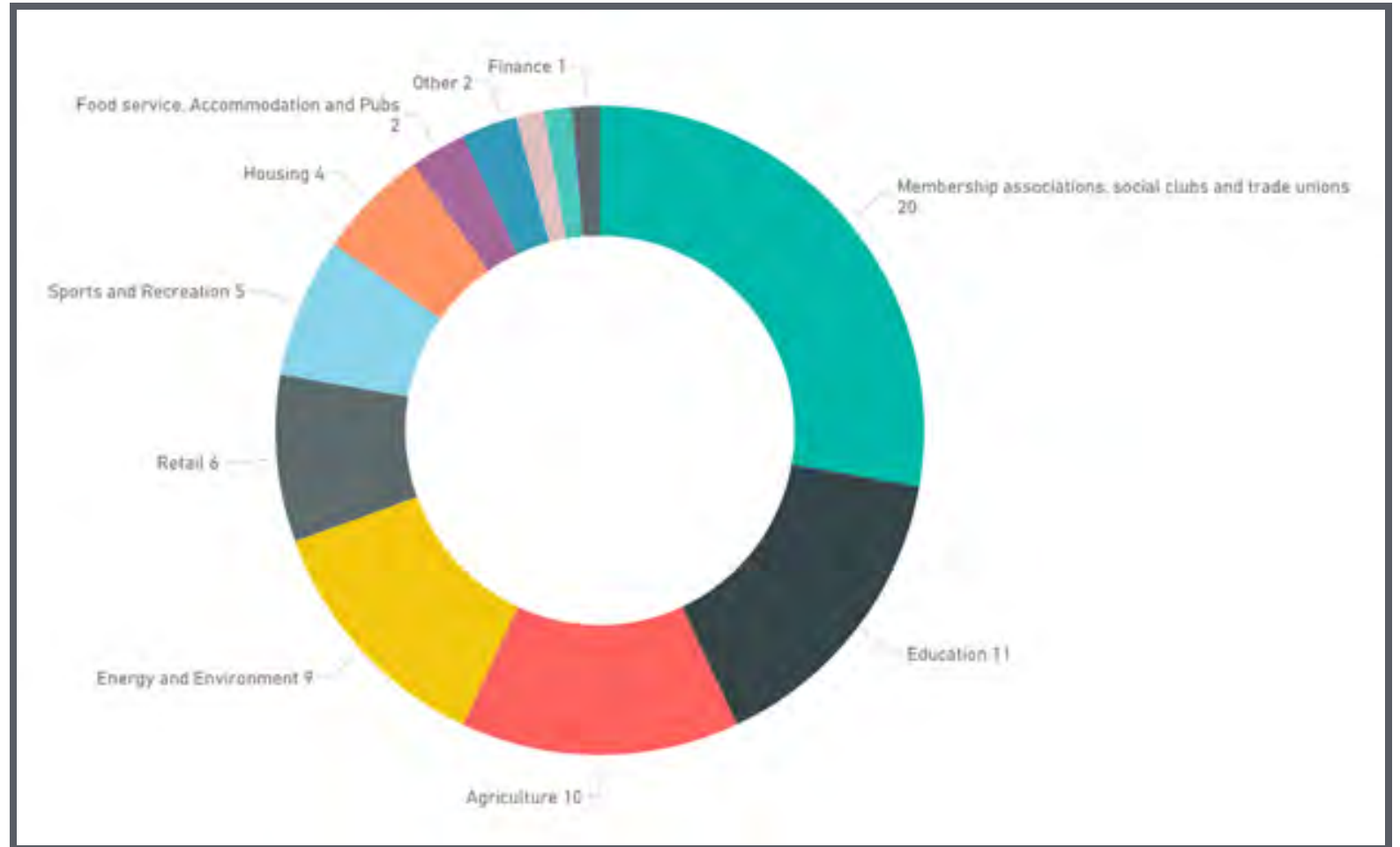
Employees

Providing 830 people with employment

The headcount of co-operatives in the wider region is marginally lower than in the city

Co-operatives in the wider region by sector

Co-operatives
headquartered in Plymouth
(all PL postcodes)



Case study: CATERed



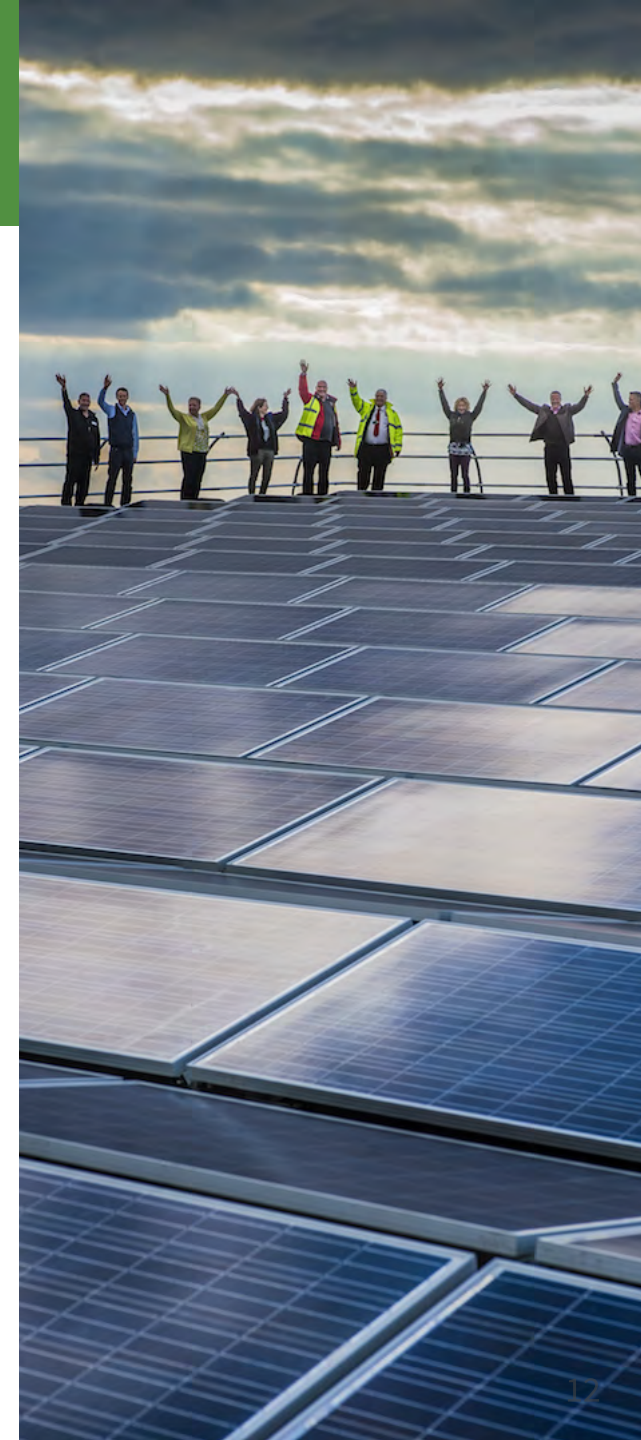
CATERed is a co-operative trading company which is jointly owned by 67 local schools and Plymouth City Council.

- CATERed was created to ensure that all children and young people in schools across the city could access good quality food - regardless of their background or school they attend.
- As a co-operative trading company, all surpluses are reinvested to be used for ongoing development of the company and services to children and young people.
- The work to create the co-op took over two years of planning but was driven with a shared aim across local schools to place the child at the centre of everything it did.
- The company operates using schools' budget which they commit in a shared and co-operative manner to support each other for the greater good.
- CaterED is a national leader in addressing “holiday hunger”.

Case study: Plymouth Energy Community

Plymouth Energy Community (PEC) is an award-winning co-operative, established by local residents to tackle high levels of fuel poverty in Plymouth.

- Established in June 2013 with financial support from Plymouth City Council, PEC sets out to transform all things energy-related for the benefit of the local community.
- Membership of the co-operative is free, voluntary and primarily open to residents, businesses, voluntary organisations, housing associations and institutions in Plymouth and the nearby areas. It now has over 700 members.
- Working with its sister co-operative, PEC Renewables, over 5MW of renewable energy installations on schools, community buildings, commercial premises and brownfield sites have been financed through community share issues.





Chapter 2

The Aim

Doubling the co-operative economy by 2025

We will aim to double the co-operative economy by 2025 across four indicators:

- 1. Organisation:** 50 co-operatives will be headquartered in the city
- 2. Turnover:** They will be generating a combined annual turnover of £40m
- 3. Membership:** 20,000 people will own and run these co-operatives through their memberships
- 4. Employees:** Over 500 people will be employed by co-operatives in the city

Chapter 3

Strategic Growth Areas

Based on this mapping work, as well as recognising the wider economic strategy of the city, five “strategic growth areas” have been identified as the most promising themes to focus on - to double the co-operative economy by 2025

Strategic Growth Area: 1



The local wellbeing economy

Co-operative models are ideally suited to support the growing demand for wellbeing and care services, giving meaningful agency, ownership and control to front-line practitioners, service users and communities.

Key sectors: Health & social care, sports & recreation

Strategic Growth Area: 2



Community-owned infrastructure

Building on existing strengths in Plymouth's co-operative economy, there is scope to extend the reach of community-owned infrastructure through co-operative structures in sectors such as renewable energy and housing. This will lock-in local control of key assets and services, generating improved value and affordability to Plymouth residents.

Key sectors: Energy, Housing

Strategic Growth Area: 3



Worker-owned technology & creative industry

Recognising the national trend of a rising “gig economy” of precarious self-employed workers, there is an opportunity to build on Plymouth’s strong digital connectivity and sector networks, to encourage creative and technology freelancers to come together to form worker co-ops - to provide added security, and potentially offer greater growth prospects through collective working.

Key sectors: Creative & digital

Strategic Growth Area: 4



Public-facing cultural and community hubs

Given the MayFlower 2020 initiative and the wider cultural and tourism offering in the city, there is a potential to develop co-operative models that can often sustain relatively marginal business models for cultural and community spaces, offering a variety of much-needed services such as workspace, training and arts activities to communities.

Key sectors: Tourism, Arts & Culture

Strategic Growth Area: 5



Municipal Co-operation

Recognising the city council's commitment to organisational innovation and participatory operating models, there is a clear opportunity to secure the future of good quality public services as well as giving workers and service users more control through focusing on procurement processes, insourcing, market shaping and new ways of working at the city level.

Key sectors: Education, public services

Chapter 4
Strategic
Action Plan





Four strategic actions:

1. Create the right conditions for co-operative formation
2. Promote and support pathways into co-operation for local business organisations
3. Scope and apply national co-operative strategies into a local context to support health & social care, digital and freelance workers
4. Encourage and support co-operative approaches into the local wellbeing economy

1. Create the right conditions for co-operative formation.

Co-operative formation depends on communities of identity and / or geography that can organise and empower themselves around an enterprise model.

To begin this process, people need the know-how about the co-operative option. Thus creating the conditions for co-operative formation starts with education, outreach and awareness.

Actions: Create the right conditions for co-operative formation



Finance

Scope the viability of a new community investment institution to offer the “right type of finance” to new-start co-ops.



Support

Build the capacity of the council to facilitate the implementation of the Action Plan and peer support between existing and emerging co-operatives.



Inform

Consider a “co-operative option” awareness programme to inform both prospective co-operatives and the wider professional services sector.

2. Promote and support pathways into co-operation for local businesses and organisations.

There are possibilities to create co-ops at scale through a variety of “conversion models” including community and consumer buyouts as part of planned ownership succession of local businesses.

Furthermore there are prospects for a range of local businesses and organisations seeking to empower practitioners and beneficiaries.

Actions: Promote and support pathways into co-operation for local businesses and organisations



Finance

Explore underwriting and other bridging finance options to allow workers and wider communities to viably respond and mobilise in light of potential buyout opportunities.



Support

Look to co-develop a local business succession strategy that positions co-op transition as a mainstream option. Scope provision of specialist support and advice in tandem.



Inform

Gather intelligence and map and model future business succession opportunities in conjunction with key partners and networks.

3. Scope and apply national co-operative strategies into a local context to support health & social care, digital and freelancer workers.

Nationally, the co-operative movement is focusing on three areas of freelancers, health & social care and digital co-operatives as key drivers for growth. All these areas have a particular resonance in Plymouth and so there is scope to build on and focus the varied national activities and initiatives that are likely to come forward.

These comprise engaging creative & digital freelancers to form worker co-ops, and supporting local digital platforms to use co-operatives structures.

Actions: Scope and apply national co-operative strategies into a local context to support health & social care, digital and freelancer workers



Finance

Consider developing a local “seed fund” for tech start-ups that wish to structure as a co-op - providing much-needed socially-aligned, early-stage risk capital.



Support

Look to engage with creative and digital sector networks and workspaces to develop a “virtual incubator” for freelancers to come together to test co-op organising models and accelerate peer support.



Inform

Explore the prospects to showcase organisations employing co-operative models and where possible facilitate approaches for replication into the Plymouth economy.

4. Encourage and support co-operative approaches in the local wellbeing economy.

Active efforts should be made to encourage and support co-op development in the local wellbeing economy, focusing on the market shaping duties of commissioners of wellbeing services.

They should also increasingly recognise the value of a more diverse market that could include micro-provider co-ops, worker owned co-ops, personalisation co-ops and others that have adopted a co-op model.

Actions: Encourage and support co-operative approaches in the local wellbeing economy.



Finance

Explore ways in which the formation of local co-operatives can participate in local supply chains through a community wealth building agenda.



Support

Scope opportunities to capacity build new and existing providers of wellbeing and care services that give meaningful agency, ownership and control to front-line practitioners, service users, families and communities.



Inform

Consider an active Community Economic Development (CED) programme, showcasing activities that can improve livelihoods, wellbeing, community and ecology.

