

GREATER MANCHESTER COMBINED AUTHORITY

Date: 31st July 2020

Subject: Greater Manchester Co-operative Commission

Report of: Cllr Allen Brett, Portfolio Lead Leader for Co-operatives, Communities and Inclusion and Pam Smith, Portfolio Lead Chief Executive for Co-operatives, Communities and Inclusion

PURPOSE OF REPORT

In January 2019, the GMCA approved the detailed arrangements and Terms of Reference for the Greater Manchester Co-operative Commission.

This report presents the final Report of the Commission, which was published in January 2020, and an update on subsequent progress which has been made to implement the recommendations of that Report.

RECOMMENDATIONS:

The GMCA is requested to:

1. Endorse the recommendations made in the Report of the Greater Manchester Co-operative Commission
2. Provide a commitment for GMCA involvement in implementing the recommendations.
3. Consider how the recommendations made might be applied across all Greater Manchester local authority areas, and through the work of the Combined Authority.

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BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Equalities Implications:

The Co-operative Commission is an independent Commission advising the Mayor and GMCA. The Report notes that there is a lack of diversity in people who lead co-operatives and makes recommendations to address this in Greater Manchester.

Climate Change Impact Assessment and Mitigation Measures –

Many co-operatives take an active role in environmental protection and several are active partners in the GMCA Green Strategy work. This report will have no carbon or climate change implications.

Risk Management:

This report represents a low level of risk.

Legal Considerations:

There are no specific legal considerations associated with this report.

Financial Consequences – Revenue:

Not applicable

Financial Consequences – Capital:

Not applicable

Number of attachments to the report: One: Appendix 1 – Report of the GM Co-operative Commission.

Comments/recommendations from Overview & Scrutiny Committee

Not applicable

BACKGROUND PAPERS:

None

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
GM Transport Committee	Overview & Scrutiny Committee	
Not applicable	Not applicable	

1. INTRODUCTION

- 1.1 In July 2018, GMCA Members approved a proposal for a Co-operative Commission for Greater Manchester. This report presents the final Report which has been published by the Commission, for consideration of how its recommendations might be acted upon. It will also provide an update on subsequent progress which has been made to implement the recommendations of that Report.
- 1.2 Greater Manchester is the home of the co-operative movement. The Rochdale Society of Equitable Pioneers was established in 1844 and Greater Manchester remains the home of the Co-operative Group, the world's largest consumer owned business.
- 1.3 The building blocks of co-operation in Greater Manchester are strong, with over 160,000 people already members of a co-operative. Co-operative businesses with their headquarters in Greater Manchester collectively have an annual turnover of more than £11.5 billion, employ over 66,000 people, and have almost 5 million members. The city-region is also home to the Co-operative College providing education for individuals and organisations, as well as conducting international research, with the co-operative values at the heart of all projects, as well as the national association Co-operatives UK, which unites, develops and promotes co-operatives. Co-operatives include credit unions providing financial services to communities, ten housing co-operatives, and retail, which is the largest sector and includes a number of organisations that are reporting significant increases in turnover. Co-operatives are also starting to emerge in key growth areas such as digital and green technology.
- 1.4 Greater Manchester should be the most co-operative region of the country and be the most natural place for new co-operatives and mutuals to establish and thrive. The Greater Manchester Local Industrial Strategy has acknowledged this role and its implementation plan contains a workstream around supporting co-operatives and social enterprises to thrive in Greater Manchester.

2. THE COMMISSION

- 2.1 The Greater Manchester Co-operative Commission met formally seven times between its launch in February 2019 and the publication of its final Report nearly a year later. It operates as an independent panel, making policy recommendations to support the continued development of the co-operative sector in Greater Manchester and to ensure that Greater Manchester Combined Authority (GMCA) is drawing on the benefits that co-operatives can bring to our local economy.
- 2.2 The remit of the Commission has included:
 - Consideration of the evidence which exists to support the role of the co-operative and mutual sector generally and the benefits which it could generate for Greater Manchester
 - How Greater Manchester can build from best practice in the sector, the business advice and support available to grow this sector
 - How Greater Manchester can overcome the challenges that the sector faces.

2.3 The Commission examined how the sector can support the delivery of the Greater Manchester Strategy, exploring 4 opportunities for co-operative business and working:

- Housing
- Digital
- Transport
- Co-operative Business Development

2.5 The Commission was chaired by Cllr Allen Brett, Leader of Rochdale Borough Council, supported by Cllr Angeliki Stogia of Manchester City Council, and nine appointed Commissioners who have provided a breadth of expertise to the discussion.

3. REPORT AND RECOMMENDATIONS

3.1 **Appendix 1** contains the full Report of the Greater Manchester Co-operative Commission – *‘A Co-operative Greater Manchester – People and Communities working together to improve the environment, create good jobs and sustainable growth’*. It should be noted that printed copies of the Report can be provided on request once lockdown ceases.

3.2 The Report summarises the findings from an extensive trawl of evidence which was submitted to the Commission, and provides practical policy recommendations for future consideration. It sets out a vision for Greater Manchester to be the most co-operative place in the country.

3.3 The recommendations contained in the Report are aimed at achieving this vision, building upon good practice and opportunities which already exist and addressing some of the barriers which are faced by co-ops and co-operative ways of working. These recommendations are framed around three broad areas for action:

- Creating the conditions for co-operatives to thrive
- Co-operation in Communities
- Supporting the Co-operative Business Model

3.4 There are also a number of sector-specific recommendations around co-operative and community housing, transport and the digital sector.

3.5 The report recommends that the whole of Greater Manchester should be designated a ‘Co-operative Zone’ – **a place where the value of community-led, co-operative and mutual ways of doing business is seen and understood; where people choose to buy from co-ops, and are co-operating with each other in our communities. A place where mainstream support includes setting up a co-op as a business option and where specialist support to run a co-operative is readily available.**

3.6 The report also refers to a number of specific innovations, including:

- Use of co-operative ‘backbone’ organisations – to enable smaller organisations to co-operate in the delivery of public contracts, for example in digital, in social care or in transport.
- Drawing together ‘freelancers’ and people in precarious employment into powerful and functional economic units.
- Setting up a Greater Manchester Community Housing Hub
- Setting up a place-based pilot programme for the development of community-owned ‘total transport’ business models / community transport to link up with shared modes and mainstream network as part of the ongoing work around bus reform

3.7 The recommendations are aimed at a range of audiences, ranging from the leadership of the co-operative sector to national government. However there are a number which could be directly relevant to both individual local authorities and the Greater Manchester Combined Authority, particularly around political leadership, provision of business support and consideration of social value in procurement.

3.8 One recommendation is that all Greater Manchester local authorities become members of the Co-operative Councils Innovation Network, and a collective membership offer has been made for Greater Manchester councils wishing to join.

3.9 The Commission has also identified that there are a huge number of opportunities available to work collaboratively to realise Greater Manchester’s co-operative vision. For example, the Co-operative Group is offering to expand the geographical scope of its innovative ‘Co-operate’ App, which enables individual people to link up with each other, services and groups, and ‘co-operate’ within their communities. This could have an application in the reform work across Greater Manchester. Co-operatives UK has offered to extend the reach of its ‘Hive’ specialist business support service in Greater Manchester. Further offers have been received from individual Commissioners with help around legal matters, digital technology and housing, for example.

3.10 Implementation of a further recommendation as part of the Co-operative Zone would require consideration of the accessibility and nature of business support which is available to co-operative and mutual organisations. This would include drawing together relevant support within the Growth Hub and extending access to existing co-operative business support programmes such as the Hive and UnFound.

4. PROGRESS MADE SINCE THE REPORT WAS LAUNCHED

4.1 Following the launch of its Report, the GM Co-operative Commission agreed to meet again to discuss how best to test out the feasibility of its recommendations, identify what needs to happen first, where success of one action is dependent on others and who is best placed to drive this forward. This work had just got under way before the lock down period.

- 4.2 However, Commissioners have continued to meet and work is progressing on a small number of areas of opportunity, some of which will be the spaces left vacant by market failure and others will be where co-operative and mutual approaches are the best way to do business.

The following sub-sections describe the progress which has been made to respond to a number of opportunities which have been presented.

Build Back Better

- 4.3 The Co-operative Commissioners have identified the co-operative way of approaching business to be one which could play a major role in the recovery from the coronavirus crisis. **Appendix 2** contains the paper that has been submitted to the Local Enterprise Partnership, which explains how co-operatives can support Building Back Better:

Co-operation and co-operative ways of working present Greater Manchester with a big opportunity for building back better after the ravages of Coronavirus – creating a fairer, sustainable and more resilient economy focussed on:

- *Partnerships, inter-trading and support, and mutuality*
- *Community wealth building*
- *Solidarity, with a local, circular economy*
- *Strong relationships and shared risk*
- *Social, environmental and economic impact and sustainability*

Greater Manchester Innovation Co-operative

- 4.4 The Commission has put forward a proposal for a Greater Manchester Innovation Co-operative. This is a ‘backbone’ organisation as described in section 3.6, and will create a protected space where businesses can build collaborative relationships based on trust. At the same time it will provide a shared contractual and commercial interface with the outside world. Rather than creating new, separated legal structures for each individual collaborative venture in the ecosystem, the shared protocols will permit the creation of ‘virtual cooperatives’ to organise supply, and sometimes demand. The Innovation Co-op itself will provide a range of services to members to support innovation, such as digital hosting, accounting, insurance.
- 4.5 The Innovation Co-op might facilitate the development co-operatives in the following areas:
- Freelancer and gig economy cooperative, inspired by the example of the SMART cooperative now operating in 9 European countries.
 - Neutral host fibre co-investment cooperative, inspired by the example of B4RN (Broadband for the Rural North).
 - SME mutual credit circle, inspired by the example of Sardex in Sardinia, responsible for €31m of transactions last year.
 - Neutral host EV charger network, inspired by the example of the Charge My Street project in Lancaster.

Middleton Co-operative Community Partnership

- 4.6 Originating as an initiative with a focus on Warwick Mill, in Middleton, a partnership has been established between local residents and businesses, along with organisations from the voluntary, community and public sectors, working together to deliver community-led economic development based on a co-operative approach to community wealth-building, to create Middleton Co-operative Community Partnership. The aim of this Partnership is to implement an innovative community-led economic development approach in Middleton, and create a place-based 'co-operative zone' as described in the Report of the GM Co-operative Commission. It is hoped that the Innovation Co-operative organisation described above can support the Middleton Partnership to realise its ambitions.

Co-operative Councils' Innovation Network

- 4.7 The Co-operative Councils' Innovation Network is a collaboration between local authorities who are committed to finding better ways of working for, and with, local people for the benefit of their local community. The Network is a Special Interest Group of the Local Government Association and is non-political. Both officers and members can actively participate in the activities, which includes activities to learn, share and develop innovative new approaches to turning co-operative principles into local practice.
- 4.8 In order to share learning from the whole Network with GM stakeholders, a webinar was arranged for 22nd July. This brought together officers and politicians from across Greater Manchester, together with the Chair of the Network and case studies from across the country. It is anticipated that the four local authority members in GM and GMCA will shortly be joined by others, to create a sub-regional group to drive forward coproduction and community involvement.

Co-operation in communities

- 4.9 The clear evidence of the last few weeks and months is that in times of difficulty, community-based co-operation doesn't wait for permission, funding or structures: it just gets on with it. Mutual Aid groups have sprung up across Greater Manchester, and thousands of people have volunteered to help out in their communities. Profit-driven and extractive ambitions have been put on hold, and local collaboration, community action and mutual aid have taken their place.

Lots of organisations are doing lots of good, community-supportive things, not just cooperatives. In the crisis they have instinctively behaved in a collaborative and co-operative way, and solved problems, without structures or anybody's authorisation. Co-ops are the business manifestation of what is happening at the moment. This different way of behaving is actually a possible alternative basis for doing business, or even a different way of organising society.

4.10 The Co-op College is an independent educational charity which celebrated its centenary in 2019. Over its history the College has variously worked with and on co-operative schools; research; partnerships with higher education, charities and voluntary organisations locally and globally; training for co-operative members, societies, Boards and Councils and co-operative educational capacity building more generally in existing and emerging co-ops.

The College provides opportunities to gain accredited qualifications, whilst strengthening the co-operative movement. Projects include:

- **Youth Co-operative Action** – for young people aged 14-19 to take back control of the issues that matter to them through co-operation and social action.
- **Co-operative (Ad)venture** - a series of engaging activities to equip young people with learning difficulties, disabilities and autism with the skills needed to assist with the smooth transition from compulsory education to further education, training and employment.
- **Together Enterprise** - Empowering people to set up their own co-operative enterprises.
- **Online Youth Series** - Sessions which focus on co-operation, community and social action, designed with young people to offer help and support through Covid19.
- **Young Co-ops** - a school-based enterprise project that has given thousands of 8-18 year olds the chance to set up and run their own co-operative businesses

Other, sector specific developments

4.11 A group of Manchester students have convened to establish the city's first student housing co-op. They have incorporated and become members of [Student Co-op Homes](#) and are now looking to secure their first property. This is an impressive group that have achieved a lot in a short space of time - if they're able to maintain momentum, it is entirely possible to secure their first property in time for the 2020/21 academic year. As exemplified in other cities, student co-ops can help raise the profile of cooperation and cooperative enterprise in a target demographic. Co-operative student homes have been a way to introduce more young people to the concept of co-operation and has significantly increased the diversity of involvement in the sector.

4.12 Early discussions are taking place between the Growth Company and Co-operatives UK about joint working to increase accessibility of support for the development and growth of co-operative businesses.

4.13 A further recommendation from the GM Co-operative Commission related to the establishment of a Community Housing Hub. Progress on this is described in another item on the agenda for this meeting.

5. NEXT STEPS

- 4.1 The Co-operative Commission has successfully raised the profile of co-ops, identified good practice from which GM may wish to build and learn, and set out a clear set of actions to enable co-operatives to grow and thrive across GM.
- 4.2 However, it is important that a process of wide engagement now takes place as part of the feasibility testing process. This engagement will be used to inform the delivery of the implementation plan for the Local Industrial Strategy, but it should be noted that as many of the recommendations will rely on a broad, multi-sectoral partnership approach to delivery. Furthermore, it is important that the recommendations are embedded into the economic and other relevant portfolios.
- 4.3 Following the launch of the report of the GM Co-operative Commission, it was agreed that Commissioners would meet to develop an Implementation Plan for the recommendations which had been made. It is proposed that this piece of work takes into account the emerging impacts of Covid-19 and is completed by September 2020. The work of the Commission in its current form would then be complete.
- 4.4 The Implementation Plan will present an opportunity to embed co-operative ways of working where they can make the most difference in terms of other sectors, for example social care, housing, transport and business. This will give a chance to refresh membership of the steering group that drives forward the work, bringing in diverse and expert voices from the relevant sectors.
- 4.5 It is proposed that officers from the Combined Authority will continue to support the Commission into its next phase.

5. RECOMMENDATIONS

Recommendations appear at the front of this report.