

## Greater Manchester Combined Authority

Date: 26<sup>th</sup> May 2023

Subject: Proposal for an Inclusive Ownership Platform to support community wealth building in Greater Manchester

Report of: Councillor Bev Craig, Portfolio Lead for Economy and Cllr Ged Cooney, Portfolio Lead for Co-operatives and Communities, and Tom Stannard, Portfolio Lead Chief Executive for Economy and Andrew Lightfoot, Portfolio Chief Executive for Co-operatives and Communities.

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### Purpose of Report

The report of the GM Independent Inequalities Commission, published in March 2021, included the recommendation that Greater Manchester should: *Create a Community Wealth Hub to support and grow co-operatives, mutuals, social and community enterprises, staffed by people from the co-operative and community sector who understand the market.*

The purpose of this recommendation was to concentrate efforts to increase the share of socially trading organisations in the GM economy in order to generate more community wealth, increase social impact, empower communities and support inclusive ownership business models in key sectors of the everyday, foundational economy.

In March 2022, the Mayor of Greater Manchester and Council Leaders, together with Rose Marley, Chair of the GM Social Enterprise Action Group, hosted an online “Call to Action” Event to launch the co-design process for the Hub. The co-design has tested the scope of support for this proposal across a wide range of stakeholders and led to the development of an operating proposal for what will be known as the ‘Greater Manchester Inclusive Ownership Platform’ and will support community wealth building activity across Greater Manchester.

This paper presents the results of the co-design work and the resulting proposition, for which endorsement is sought from the Combined Authority.

The paper also includes a set of next steps for the creation and initial resourcing of the Platform.

## **Recommendations:**

The GMCA is requested to:

1. Endorse the operating proposal for an Inclusive Ownership Platform for Greater Manchester derived from the co-design process.
2. Agree the recommendations of the GM UKSPF Local Partnership Board on the strategic fit and deliverability of the UKSPF proposal for the creation of an Inclusive Ownership Platform and associated business support activity.
3. Delegate authority to the GMCA Treasurer in consultation with the Portfolio Lead for the Economy, Business and International and Portfolio Lead for Resources and Investment to agree the procurement method and subsequent award of contract(s) worth £365,000 for the creation and management of the GM Inclusive Ownership Platform, delivering the UKSPF outputs and outcome described in this report and £460,000 for specialist / independent business support activities which address gaps or weaknesses in the current support available to inclusively owned businesses

## **Contact Officers**

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# Equalities Impact, Carbon and Sustainability Assessment:

## Recommendation - Key points for decision-makers

The GMCA is requested to:

1. Endorse the operating proposal for an Inclusive Ownership Platform for Greater Manchester derived from the co-design process
2. Note the next stages of the development of the Platform.

## Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	The Inclusive Ownership Platform will be accessible to all communities of identity and socially disadvantaged people, and where relevant offer targeted support to specific groups in specific business sectors. Inclusive Ownership business models offer beneficial impacts where owners are most disadvantaged and this was identified by the Independent Inequalities Commission as a tool to tackle inequality in GM. The Platform also aims to support community ownership of businesses and buildings from which services are provided in communities, by improving access to finance, business support and enabling inter trading.
Health	G	The Platform will support businesses in or moving towards inclusive ownership, with physical and mental wellbeing of employees being a key driver of inclusive ownership. The Platform will support businesses in inclusive ownership / social economy operating in key foundational economy sectors such as social care, hospitality and green energy. It might also support community-led businesses providing community transport, digital infrastructure etc
Resilience and Adaptation	G	There will be an indirect benefit in terms of the resilience of small, social businesses which might be supporting people and communities. This will allow local economies to recover from disruption more effectively. The Platform could support community-led businesses whose aim is to improve the environment and enhance green or blue infrastructure.
Housing	G	The Platform could support community-led businesses whose aim is to support people who are homeless or at risk of being homeless. It will also support community-led housing businesses in conjunction with the GM Community-led Homes Hub.
Economy	G	The Platform is the CAs flagship programme in support of the social economy. In the GMS, we have committed to support the role of social enterprises, co-ops and 'non-extractive' business which can provide wider opportunities for Greater Manchester's people and places, enabling a different pattern of wealth distribution, to the greater benefit of more of our society, including Community Wealth Building, taking a people-centred, co-designed approach to economic development, which redirects a greater sharing of wealth back into local places and benefitting local people.
Mobility and Connectivity	G	The Platform could support community-led businesses whose aim is to build and own digital infrastructure or operate community transport.
Carbon, Nature and Environment	G	The Platform could support community-led businesses whose aim is to improve the environment and plant new woodland or enhance visual amenity. It could support community-led businesses whose aim is linked to achieving net zero, for example community energy projects. However, supporting businesses to achieve NZ will also be a theme of the support offered through the Platform.
Consumption and Production	G	The Platform could support community-led businesses whose aim is linked to waste management. However, supporting businesses to reduce, reuse and recycle will also be a theme of the support delivered by the Platform.
Contribution to achieving the GM Carbon Neutral 2038 target		The Platform will enable businesses operating in the social economy to better access the tools available through sites such as Bee Net Zero, and will enable active interventions which contribute towards growth of the green sector in the social economy.

<b>Full</b>	<b>G</b> Positive impacts overall, whether long or short term.	<b>A</b> Mix of positive and negative impacts. Trade-offs to consider.	<b>R</b> Mostly negative, with at least one positive aspect. Trade-offs to consider.	<b>RR</b> Negative impacts overall.
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## Carbon Assessment

Overall Score

Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	
<b>Transport</b>		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
<b>Land Use</b>		
Land Use		

## Risk Management

At this stage, the main risk which has been identified relates to the acceptance and use of the Platform by inclusively owned businesses. This will be mitigated through a programme of promotion and relationship-building, linking the Platform with existing business support mechanisms across the 10 districts of GM as well as community-led networks and groups. Furthermore, any reputational risks associated with its development have been managed through the co-design approach.

## Legal Considerations

The award of contracts will be in accordance with any pertaining legislative requirements including procurement law and subsidy control. It will be important to develop strong and effective governance arrangements for the Platform to enable it to be inclusively managed by stakeholder partners.

## Financial Consequences – Revenue

At its meeting in May 2023, the GM UK Shared Prosperity Fund Board agreed that the initial cost of establishing the Platform and carrying out associated business support activities can be funded through proposal E26 of the UKSPF.

## Financial Consequences – Capital

N/A

**Number of attachments to the report: 0**

**Comments/recommendations from Overview & Scrutiny Committee**

None

**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**

N/A

**Overview and Scrutiny Committee**

N/A

# 1. Introduction/Background

1.1 The report of the [GM Independent Inequalities Commission \(IIC\)](#), published in March 2021, included as recommendation 11 that Greater Manchester should: *Create a Community Wealth Hub to support and grow co-operatives, mutuals, social and community enterprises, staffed by people from the co-operative and community sector who understand the market.*

1.2 This recommendation was made in the context of the principles of [Community Wealth Building](#), which include:

- Plural ownership of the economy.
- Making financial power work for local places.
- Fair employment and just labour markets.
- Progressive procurement of goods and services.
- Socially productive use of land and property

1.3 As described in a [report to the Combined Authority](#) meeting in September 2021, there is already a huge amount of work going on across the districts of Greater Manchester using these principles as key drivers. For example, Manchester City Council has included a specific theme to create 'a progressive and equitable city' at the heart of the recently refreshed strategy Our Manchester Strategy and has long recognised the benefits of social value in tackling inequality and promoting a more inclusive economy to deliver better outcomes for the city's residents; Rochdale Council is beginning to focus on its strategic approach to supporting community wealth, an inclusive local economy and social value; Salford Council launched the Salford Way focus on tackling poverty and creating an inclusive economy in the spring of 2021; the Oldham Economic Review focussed on actions to build community wealth in the town; Tameside launched its Inclusive Growth Strategy in March 2021 following extensive engagement with residents and partner organisations; and Wigan has published a Community Wealth Building Strategy. These are specific examples of strategic approaches, but feedback from local authorities shows there is some 'community wealth building activity' (even if it is not called that) happening in all 10 districts of GM. It will be extremely important that any Greater Manchester 'Community Wealth Hub' adds value to those activities.

1.4 Other work that fulfils the community wealth building principles includes the GM Good Employment Charter, ongoing work under the Greater Manchester Strategy to refocus public procurement into local priorities through social value and working closely with supply chains, and the new GM Land Commission.

1.5 The recommendation from the IIC was that a Greater Manchester Community Wealth Hub would focus activity on increasing the proportion of GM's economy that is made up of inclusively owned, socially-trading businesses (such as social enterprises, co-operatives, community businesses and social firms, for example). The rationale for this is that:

- Increasing the share of socially trading organisations in GM economy will generate more community wealth.
- Not only is there potential for these organisations be more successful, resilient, competitive, profitable, innovative and sustainable in the GM economy; they also can generate added 'social impact' and therefore provide greater community and environmental benefits.
- Many under-utilised or vulnerable assets in GM could benefit from community ownership to ensure viability of places and high streets – and this also empowers the communities that own them.
- Business models that embed strong ethical values can drive better outcomes in sectors like social care and other parts of the Foundational Economy.
- Support for the social economy is fragmented and often inaccessible and many socially trading organisations find it difficult to access funding, investment and new markets – more needs to be done to improve the support available.
- Setting up and running a social economy organisation has additional legal and financing challenges associated with securing community benefit which would benefit from bespoke solutions.

1.6 However, engagement early in the co-design made it clear that there is a need for a clear definition for the scope of a 'Community Wealth Hub', its target audience and its work. Use of the term 'Community Wealth Hub' caused some confusion and there was a strong steer from participants in the co-design to find a name which better describes what the 'Hub' would be. Therefore, the term 'Inclusive Ownership Platform' has been adopted for this proposal, although it should be noted that the Platform's main role would be to support community wealth building activities such as those described in section 1.3 above.

## **2. Co-design process**

2.1 In order to assure the success of this proposal, it has been important that it is created with the people and organisations with which it will collaborate and provide support. In March 2022, the Mayor of Greater Manchester and Council Leaders, together with Rose Marley, Chair of the GM Social Enterprise Action Group, hosted an online "Call to Action" Event to launch a co-design process. Around 90 people joined the call, and many expressed an interest in being further involved.

2.2 The co-design process covered 3 broad stages from March until November 2022 to test the feasibility of the idea and co-create a concept model for its development:

- Determine the scope of support for the proposal
- Develop a logic model – purpose, functions, form and structure
- Describe the likely impact

2.3 Over 150 individual people and around 70 different organisations took part in the co-design across a range of stakeholder groups including local authorities, co-operative / VCSE organisations and networks, business support providers, health and social care, universities, housing providers, funders and investors in the work of the social economy, as well as a range of employee-owned or private businesses. GMCA convened a series of co-design workshops with an independent facilitator, held an open consultation using the GM Consult platform to reach a wider audience, and held stakeholder meetings with specific organisations or stakeholder groups (for example, with disabled people in partnership with the GM Disabled People's Panel, or with people from diverse ethnic backgrounds, in partnership with GM BME Network).

2.4 GMCA led the co-design process in a manner which has ensured that there is a balance between providing an overall structure and giving the freedom for people to participate, act and leave the process. The co-design involved open discussions about

the design of the Hub and how it should be delivered, and used the GM Consult Platform to facilitate public consultation at different stages.

2.5 Stakeholder analysis was used to identify the needs of different people to participate and managed potential tensions and concerns transparently, within a framework for handling different opinions and preferences. The results of the work have shown that progress is clear/shared to help sustain motivation, and CA officers have regularly 'checked-in' with stakeholders to ensure that a wider audience is aware of the direction of the discussion. A variety of roles and routes were used for people to best contribute their skills and expertise, and there have been equal opportunities to participate according to people's capacities, responsibilities and accountabilities.

### 3. Outcome of the co-design

3.1 The co-design exercise told us that any Greater Manchester Inclusive Ownership Platform should focus on work to **catalyse inclusive ownership of enterprise** as part of wider community wealth building activity in Greater Manchester as a mechanism for:

- Addressing inequality and improving wellbeing
- Building a fairer and more inclusive economy
- Increasing local community ownership of wealth and assets

3.2 The ideas that were suggested for doing this included by:

- connecting individuals and businesses to advice, support, investment and funding at all stages of business life cycle
- leading specific interventions with individual business types, places, communities or business sectors
- bringing people together to enable business to business trading, help create partnerships and social primes
- developing and testing new ideas for inclusive ownership
- collecting evidence, spreading good practice / success, building, and evaluating an evidence base relating to inclusive ownership in the economy; using this evidence to lobby for a fairer and more inclusive economy
- being driven by the intrinsic values and ethics of the social economy.

3.3 The co-design strongly suggested that the central mechanism should be an online platform, supported by a small core staff team working to enable linkages with a range

of satellite projects, networks and programmes across Greater Manchester, and should enable investment into perceived gaps in support to inclusively owned businesses.

3.4 Furthermore, there was strong support for the Platform to be independent of the GMCA, to assist with its functions and status amongst organisations within the social economy, but that public organisations should be involved in the governance of the Platform, for example through a steering group or co-operative model. Learning from other similar programmes would indicate that an iterative approach would be preferred, and the Platform will benefit from being incubated in a larger host organisation before the establishment of new, bespoke governance.

## **4.0 Proposition for a GM Inclusive Ownership Platform**

4.1 It is proposed therefore that GM should create an '**Inclusive Ownership Platform**' which supports community wealth building by facilitating the growth of locally owned and socially minded businesses with models of enterprise ownership that enable wealth created by users, workers and local communities to be held by them, rather than flowing out as profits to shareholders. The proposal described below is an initial step to test what works, learn, make sure that it has a positive and clear impact, and potentially build on it later.

4.2 The success of the Inclusive Ownership Platform will depend on it being integrated with - and additional to - the wide range of support which is already available to inclusively-owned businesses through programmes such as [Proper Good](#), the work of [Co-operatives UK](#) or the GM VCSE local infrastructure organisations, as well as our wider business support offer provided by the Business Growth Hub. The Growth Hub itself has a specific function in supporting the social economy through its Social Value Team and designated Third Sector Development Advisor. This resource provides advisory services relating to business growth but also builds trust and a clear pathway for inclusively owned business to access wider mainstream capacity building services, including but not limited to; finance, strategy and leadership, environmental and social impacts, procurement and innovation. The Inclusive Ownership Platform would create an additional 'triage' layer to help coordinate the plethora of support available across Greater Manchester, whilst also supporting the Growth Hub to reach further into the social economy to remove barriers to organisations accessing the business support ecosystem.

4.3 The Platform itself will provide an online resource covering:

- **Knowledge exchange** – case studies of inclusively owned businesses to provide advice and support for people looking to set them up, including off-the-shelf models which they can draw on, along with support for existing businesses wishing to move into employee ownership or become a worker co-op, together with links to relevant projects to enable sharing resources and learning.
- **Getting help with running your inclusively owned enterprise or business** - Signposting and easy to follow triage / brokerage to support with business planning, marketing, demonstrating impact and accessing finance, for example.
- **Inclusive ownership in your community or place** - Links to relevant physical hubs, projects and programmes – by geographical, identity, and theme.

4.4 Alongside the online resource, complementary activities will include:

- **Triage, outreach and marketing** - a series of themed events, outreach activities with existing networks, building relationships with physical and virtual support 'hubs' across GM and beyond, as well as comms activities on social media to promote the Platform
- **Connecting to and expanding the support ecosystem** - incrementally building a support ecosystem for organisations with inclusive ownership by developing relationships with specialist organisations, 121 signposting into mainstream or specialist business support programmes, and where required commissioning new and targeted support programmes. These might be achieved through development of new 'off the shelf' models. Whilst there is a diverse range of business support available to inclusively owned businesses in the 'social economy', our co-design described some of the gaps in that support, for example those uncovered previously by the [GM Co-operative Commission](#), with transition in employee ownership, or with demonstrating impact, for example.
- **Catalysing inclusive ownership in target sectors** - supporting the growth of inclusive ownership and catalysing new models of collaboration focusing on key sectors where inclusive ownership is not the norm, but where it could tackle market failures in an innovative way, putting communities and inclusive ownership at the forefront of the solution (e.g., Adult social care, hospitality, community energy).

## 5. Delivery proposal and next steps

5.1 It is proposed that an independent Design Steering Group is established for the development of the Platform and the specification for the complimentary business support activities described at section 4.4 above. This Group would involve a range of stakeholders from the co-design work, including representatives from the GM Social Enterprise Action Group, Business Growth Hub, GMCA and local authority officers, and University of Manchester, for example.

5.2 The co-design exercise tested the market in terms of ownership, governance and hosting of the Inclusive Ownership Platform. Although the ultimate aim would be to establish independent governance within the social economy for the Platform and its associated work, the co-design showed that there should be an initial period where the Platform should be hosted independently of the CA. As a social enterprise and inclusively owned business, the Growth Company is well placed to convene the partnership needed to steer forward creation of the Platform, working closely with GMCA and other named partners through the Design Steering Group, and also to host the online Platform in its pilot phase. Growth Company officers have been actively involved in the co-design and therefore will be able to ensure continuity as this work moves into the implementation phase. The Platform will draw upon content from wider partners (the model currently used by the Good Employment Charter).

5.3 At its meeting in May 2023, the GM UKSPF Partnership Board considered and agreed a proposal under E26 (supporting the social economy). This proposal covers the financial years 2023/4 and 2024/5 and contains three broad areas of work. The following table describes these three pieces of work, the budget allocated to them and indicative split of UKSPF outputs and outcomes associated with each.

<b>Area of work</b>	<b>Budget</b>	<b>Outputs – indicative split across the programme</b>	<b>Outcomes – indicative split</b>
Creation of online platform / website	£85,000	Number of potential entrepreneurs provided	Jobs safeguarded (8)
Core team, convening of design steering group, programme	£280,000	assistance to be business ready (15)	Number of businesses

management of platform development, basic advice, guidance and triage to wider support services, training events and webinars		Number of businesses receiving non-financial support (50)  Number of people attending training sessions (20)	engaged in new markets (4)
Targeted interventions and improvements to specialist support ecosystem for the social economy	£460,000	Number of potential entrepreneurs provided assistance to be business ready (45)  Number of businesses receiving financial support other than grants (7)  Number of businesses receiving non-financial support (78)  Number of people attending training sessions (80)	Jobs created (22)  Jobs safeguarded (14)  Number of New businesses created (5)  Number of businesses engaged in new markets (3)
<b>TOTAL</b>	<b>£825,000</b>		

5.4 It is proposed therefore that the Growth Company take forward the creation and initial management of the GM Inclusive Ownership Platform, including the online platform/website (£85,000) and core team (£280,000), at a total value of £365,000, delivering the outputs and outcomes described in the table at section 5.3.

5.5 As well as the creation of the online Platform, the UKSPF E26 proposal will also build on work in the co-design exercise which identified weaknesses in the support ecosystem around aspects of inclusive ownership. Unless this support ecosystem can operate effectively, the ability of the Platform to signpost prospective businesses and entrepreneurs into appropriate forms of support will be limited.

5.6 Therefore, the balance of the E26 funding (£460,000) will be used to commission specialist / independent business support activities which address gaps or weaknesses in the current support available to inclusively owned businesses. This work will deliver the outputs and outcomes described in the table at section 5.3. It is proposed that these support activities are delivered by a consortium of local providers from within the social economy,. It should be noted that this approach has worked successfully for the development and delivery of the Proper Good programme in Bolton, Oldham, Stockport and Wigan.

5.7 A timeline for the Platform's development, entry/exit routes as well as marketing and communications activity and the commissioning of the additional business support, will be created in conjunction with the Design Steering Group to solidify key quantifiable impacts and reporting structures. It is anticipated that the Platform will be launched towards the end of 2023, together with the programme of new business support activities.

5.8 As stated in section 4 above, this funding proposal is an initial step to test what works, learn, make sure that it has a positive and clear impact, and potentially build on it later.