

# Implementing the Greater Manchester Co-operative Commission Final Report

February 2020

## 1 Introduction

- 1.1 In this paper Co-operatives UK responds to the successful launch of the Greater Manchester Co-operative Commission's Final Report. We make proposals for how the Commission's recommendations might be implemented in partnership with Co-operatives UK and the wider co-operative sector.
- 1.2 We are delighted that the Greater Manchester Mayor has accepted the recommendations in the report and has committed to establishing a unit tasked with leading its implementation.
- 1.3 Co-operatives UK is committed to working in partnership with GMCA and others to turn the Commission's recommendations into action.
- 1.4 We envisage that some recommendations will require GMCA to lead, with Co-operatives UK and partners in a supportive role. Others will require co-delivery between GMCA and partners. And some will best be led by partners, with GMCA in a supportive role.
- 1.5 This paper is structured as follows:
  - In **part 2** we discuss what we consider are the key enablers
  - In **part 3** we suggest a framework for appraising recommendations and prioritising action
  - In **part 4** we set out some conclusions
  - In **part 5** we suggest possible next steps

## 2 Enablers

- 2.1 In this section we discuss what we consider be three key enablers of successful action:
  - partnerships with the co-operative sector, including Co-operatives UK
  - partnerships with communities and civil society organisations in GM
  - the resources (human, organisational, financial) of GMCA and other GM public authorities

### Partnership with Co-operatives UK

- 2.2 Co-operative UK has in-house expertise in co-operative best practice covering governance, finance, human resources and member engagement. Furthermore, our Development Unit currently manages a number of national programmes which align with the Commission's key recommendations for co-operative development. Our programmes and their alignment with recommendations are detailed in the table in **Annex 1**.

- 2.3 Our programmes will have a positive impact on co-operative development regardless of any action GMCA takes. But as the Commission Report recognises, these impacts are often limited by scope, resource and capacity. Crucially, with the exception of Empowering Places and the Ownership Hub (see **Annex 1**), these programmes do not have a place-based dimension and are limited in the extent to which they help people explore their co-operative options. They also do not address the lack of co-operative knowledge and knowhow among those who advise communities, entrepreneurs and businesses.
- 2.4 The impact of these programmes could be greatly enhanced through partnership with GMCA.
- 2.5 Furthermore, our Development Unit has a strong track record in co-developing bespoke initiatives and programmes with partners. We are eager to explore options for new activity in GM.
- 2.6 We must stress that Co-operatives UK's resources for both our in-house and externally funded programmes are already allocated. We have no capacity to do new things in GM without new resource.

*Partnership with co-operatives in Greater Manchester*

- 2.7 Co-operatives UK can help GMCA develop partnerships with co-operatives in GM. However, we should not over-estimate the capacity of these businesses to contribute to initiatives.
- 2.8 Co-operatives in GM, or individuals within co-operatives in GM, may well choose to work together for their mutual advantage. But they will need to be supported to do so, in ways that cost money. And the participation of co-operatives will depend on there being a credible and attractive value proposition.
- 2.9 Co-operatives UK's past experiences of running peer support programmes and our current involvement in efforts to train 'bare foot' development workers, could be useful in informing any actions in this area.

*Partnership with communities and civil society*

- 2.10 GMCA will need to leverage its already promising relationships with civil society organisations and communities in GM. This is especially true of when it comes to the 'Co-operation in Communities' agenda. Organisations that work with communities of interest and/or place in GM will be instrumental in helping people to understand and explore their co-operative options.
- 2.11 We suggest that when it comes to implementing the Co-operation in Communities recommendations, GMCA should start by seeking to develop its partnerships with existing activity in GM. This includes:
- Abram Ward Community Co-operative in Wigan, a 'catalyst' organisation in our Empowering Place programme

- Collyhurst Big Local, who participated in our 2015-17 community-led economic development programme
- Levenshulme Market CIC, who participated in our 2015-17 community-led economic development programme
- Rochdale Stronger Together, who submitted compelling evidence to the Commission on their vision for community-led economic development

### GMCA

- 2.12 We recognise that public resources in GM are stretched and that any resource allocation will need a strong business case, leveraging the partnerships discussed above as much as possible. That said, we must reiterate that our resources are already fully allocated and we have no capacity to do new things in GM without new resource.
- 2.13 We are greatly encouraged by the Mayor's announcement of a specialist unit within GMCA/The Growth Company. We are eager to assist in the establishment and activities on this unit in whatever way we can.
- 2.14 We are also greatly encouraged by the commitments to support co-operative growth in the Greater Manchester Local Industrial Strategy. We anticipate that the Local Industrial Strategy will eventually be funded via the UK Shared Prosperity Fund. We hope this will create opportunities for GMCA to allocate resources to implement the Commission's recommendations.

## **3 Prioritising action**

- 3.1 The Commission has made 42 recommendations, aimed not only at GMCA but also at other GM public authorities and the co-operative sector. All have significant merit and will have very positive impacts, if implemented appropriately. That said, GMCA and partners must start by prioritising action.
- 3.2 We would like to help GMCA carry out a 'cost-benefit' analysis of the recommendations, with a view to identifying those that:
- a) target a high impact in terms of co-operative development
  - b) target a high impact in terms of environmental, economic and social benefit
  - c) include considerable scope to leverage capacities and resources of partners and GM communities
  - d) complement and augment what is already happening in the co-operative development sphere
- 3.3 In **Annex 2** we appraise some recommendations, selected because of their alignment with our work (see **part 2**).
- 3.4 We suggest the priority should be growing awareness and practical understanding of co-operative options, in communities of interest and/or place, and among businesses and

those who advise them. At the same time action should be taken to improve access to adequate amounts of expert advice and support.

3.5 Complementary and augmentative actions in GM would include:

- conducting research, into the barriers and enablers of co-operative growth and into potential impacts
- bringing people together in communities of interest and and/or place and helping people to explore their co-operative options (e.g. through community-led economic development)
- improving co-operative knowledge and knowhow among those who advise communities, entrepreneurs and businesses
- providing physical space to incubate co-operatives
- supporting existing co-operatives to enhance their productivity/efficacy
- advising/supporting co-operatives to access appropriate start-up and growth finance
- growing the pool of co-operative development expertise
- supporting development-focused co-operation between co-operatives in GM

3.6 In terms of cost-benefit and impact, we suggest early success in the following areas will create some much needed momentum:

- conversion of existing businesses to a co-operative approach (e.g. to employee and worker ownership as part of planned ownership succession)
- freelancer and micro-business co-operation, in digital industries, the gig economy and generally
- community business, including community ownership of land and buildings
- promoting and supporting co-operative and community-led housing

3.7 However, we warn against too much emphasis on ‘picking winners’. A more organic process of discovery, in which communities and businesses in GM are helped to explore their co-operative options, in line with their needs and aspirations, will lead to better long-term outcomes.

3.8 We believe work on commissioning and public procurement could really help further down the line. But it will have little impact until the co-operative option is more widely understood and more frequently explored and adopted.

## 4 Conclusions

4.1 Co-operatives UK is eager to input to an appraisal of the Commission’s recommendations and to explore how we can work in partnership with GMCA.

- 4.2 We can help GMCA understand how our existing programmes could help implement some of the recommendations. And we would like to explore options for bespoke GM initiatives as well.
- 4.3 But we also want to stress that some allocation of GMCA resource (human, organisational, financial) will be required if our partnership is to have a meaningful impact in GM.
- 4.4 To make the best use of any public resource, we suggest looking for actions that combine higher impact with considerable leveraging of our capacities and resources. And our partnership with GMCA should complement and augment what is already happening in the co-operative development sphere.

## **5 Next steps**

- 5.1 We recognise that the resources and capacity GMCA and its partners need to take effective action will not become available immediately.
- 5.2 Co-operatives UK's developmental resources are fully allocated for 2020 and in some cases for a number of years hence.
- 5.3 Meanwhile, we anticipate that GMCA's resources may also be fully committed in the current planning cycle. Furthermore we anticipate that GMCA's ability to allocate future resource is dependent on the UK government confirming details of the UK Shared Prosperity Fund, which may not be until later in 2020.
- 5.4 Furthermore we recognise that the GM Mayoral Election is in May and that all this could be dependent on the outcome.
- 5.5 In light of the above, we suggest that the focus now should be on agreeing priorities for action, scoping the possible configurations of our partnerships and preparing evidence-based business cases, so that we are ready to act when capacity and resource allows.

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## Annex 1 Co-operatives UK programmes and their alignment with Commission recommendations

Co-operatives UK programme	Alignment with recommendation
<p><b>The Hive</b></p> <p>Delivered in partnership with the Co-operative Bank and a UK-wide network of practitioners, this programme provides low cost access to expert development support for new and existing co-operatives.</p>	<p><b>Creating the conditions:</b> 12</p> <p><b>Supporting the Co-operative Business Model:</b> 23, 24, 28</p> <p><b>Digital:</b> 42</p>
<p><b>Unfound</b></p> <p>Delivered in partnership with the Co-operative Bank and Stir to Action, this programme provides intensive support for platform co-operatives and co-operatives seeking to develop through digitisation. The next iteration of Unfound will be launched in 2020 and Manchester has been earmarked a potential location to deliver some of this activity.</p>	<p><b>Creating the conditions:</b> 12</p> <p><b>Supporting the Co-operative Business Model:</b> 28</p> <p><b>Transport:</b> 37</p> <p><b>Digital:</b> 38, 42</p>
<p><b>Ownership Hub</b></p> <p>Delivered in partnership with Employee Ownership Association and Open Societies Foundation, this programme is currently in its embryonic stage and will pilot interventions at a city-regional level, to support an increase in the adoption of employee and worker ownership, at start-up, as businesses evolve, and via conversion as part of planned ownership succession.</p>	<p><b>Creating the conditions:</b> 14</p> <p><b>Supporting the Co-operative Business Model:</b> 21, 22, 23</p> <p><b>Digital:</b> 42</p>
<p><b>Community Shares Unit and Booster</b></p> <p>Delivered in partnership with Locality and, for the Booster element, Power to Change, this programme develops and promotes best practice in the use of the Community Shares investment model, while also making match equity investments in community businesses that meet certain criteria using Community Shares.</p>	<p><b>Creating the conditions:</b> 12, 13</p>
<p><b>Empowering Places</b></p> <p>Co-operatives UK is developing a track-record in managing community-led economic development programmes. We currently manage the Power to Change-funded Empowering Places programme, in partnership with the New Economics Foundation, CLES and others, which supports 7 community 'catalyst' organisations over 5 years to develop and implement CED plans focused on community business.</p> <p>Abram Ward Community Co-operative in Wigan is one of the catalysts.</p>	<p><b>Co-operation in Communities:</b> 18</p> <p><b>Transport:</b> 34, 35, 36</p>

<p><b>Advice Team</b></p> <p>Our top-rated Advice Team provides our members with expert support concerning governance, finance, member engagement and human resources.</p>	<p><b>Creating the conditions:</b> 7, 8, 12</p> <p><b>Supporting the Co-operative Business Model:</b> 23, 28</p>
<p><b>Co-op Champions</b></p> <p>In 2020-21 we will be piloting a programme to train up ‘Co-op Champions’, who we hope will be effective in promoting co-op options in communities of place and interest, combining basic co-op knowledge with effective community organising and activism.</p> <p>This pilot will start with an event in Rochdale on 21 June 2020.</p>	<p><b>Co-operation in Communities:</b></p> <p>15, 18, 21,</p> <p><b>Digital:</b></p> <p>42</p>
<p><b>Co-op Connections</b></p> <p>Our Co-op Connections programme includes informal but structured networking and learning events, bringing together local co-ops, around the country. We design these events to inspire and promote co-operation amongst co-ops. In 2020 we have three events planned in GM.</p>	<p><b>Supporting the Co-operative Business Model:</b> 24</p>

## Annex 2: Assessment of possible priorities

Recommendation	Impact of 'do nothing'	Possible GMCA resource allocation	Impact with GMCA resource allocation
<p>15. In implementing the Greater Manchester Local Industrial Strategy, the GMCA should empower place-based partnerships of residents, local businesses and community organisations to design and implement initiatives for skills, livelihoods, enterprise development and infrastructure.</p>	<p>Without financial, organisational and policy support, CED will remain a marginal and rare approach to economic development.</p> <p>This will significantly reduce the scope for helping people explore their co-operative options in the most relevant contexts, which in turn will significantly undermine other efforts to promote and support co-operative development in GM.</p> <p>This will particularly undermine efforts to support co-operative development in contexts of deprivation.</p> <p>Co-operatives UK and partners will continue to promote CED and support it where we can.</p> <p>Co-operatives UK and partners will go ahead with a pilot 'Co-op Champions' programme which aims to improve engagement with co-operative options in communities. But without GMCA action the impact of this pilot will be reduced.</p>	<p>GMCA will be allocated UKSPF to implement its Local Industrial Strategy (LIS). We suggest that GMCA should invest in CED as an approach to implementing the LIS, especially where its objectives to support co-operatives and inclusive, sustainable growth are concerned.</p> <p>GMCA research capacity would be useful in building on existing knowledge of 'what works' in CED, in a UK urban context.</p>	<p>Widespread CED would create fertile conditions for co-operative formation in GM. It would create these conditions in contexts of deprivation. It would support more people to develop co-operative solutions to pressing economic, social and environmental challenges.</p> <p>More people in GM would be supported to explore their co-operative options for work, business, housing, services, transport etc, addressing the most significant barrier to co-operative growth.</p> <p>If the right advice and support is on offer, this will translate into more high-impact co-operative development.</p>



Recommendation	Impact of 'do nothing'	Possible GMCA resource allocation	Impact with GMCA resource allocation
<p>14. Actively encourage the participation of the co-operative sector and individual co-operatives in Bridge GM and the GM Enterprise Adviser Network to improve awareness and understanding of co-operatives.</p>	<p>Without the support of GMCA the co-operative sector is unlikely to participate.</p> <p>An opportunity will be missed to address one of the most significant barriers to co-operative growth.</p>	<p>GMCA could play a convening role, help to make the right introductions and provide some intelligence and steer for the co-operative sector.</p> <p>Some funding would help us develop effective training.</p> <p>GMCA research capacity would be useful in evaluating and mapping the current state of awareness and understating.</p>	<p>Via Bridge GM and the GM Enterprise Adviser Network, Co-operatives UK and partners in co-operative development could help to increase in advisers' awareness and understanding of co-operatives.</p> <p>This could help more businesses to explore their co-operative options, at start-up, as they evolve and when considering ownership succession.</p> <p>In turn, this could lead to increased adoption of a co-operative model at start-up, during evolution and via conversion.</p>
<p>21. Greater Manchester Co-operative Zone to work with the Greater Manchester Chamber of Commerce, Greater Manchester Centre for Voluntary Organisation, Manchester Digital and the Greater Manchester Growth Hub to equip business advisors with a basic practical understanding of co-operative approaches.</p>	<p>It will be extremely difficult for Co-operatives UK and partners to address this key barrier to co-operative growth without the active support of GMCA.</p>	<p>Policy direction from GMCA will make it easier for Co-operatives UK and partners to address this challenge.</p> <p>If this extends to changes in what advice services/expertise are commissioned, then the impact will be greater still.</p> <p>Some funding would help us develop effective training.</p>	<p>Co-operatives UK and partners could help to increase in advisers' awareness and understanding of co-operatives.</p> <p>This could help more people and businesses to explore their co-operative options, at start-up, as they evolve and when considering ownership succession.</p> <p>In turn, this could lead to increased adoption of a co-operative model at start-up, during evolution and via conversion.</p>

Recommendation	Impact of 'do nothing'	Possible GMCA resource allocation	Impact with GMCA resource allocation
<p>12. The Greater Manchester Co-operative zone to work with banks and other financial organisations to help reduce the barriers to co-operatives accessing finance.</p> <p>13. Actively promote the funding of community-based initiatives through community share offers, exploring the option of a Greater Manchester community investment platform.</p>	<p>Some types of co-operative will continue to struggle to finance their development/growth to achieve their fullest potential.</p> <p>Potential founders of co-operatives will be put off the model because of real and perceived difficulties in financing.</p> <p>The Community Shares model will continue to evolve and its use will spread. But its use by community businesses and co-operatives in GM will be limited because of a lack of awareness, knowledge and confidence.</p>	<p><b>Advice</b></p> <p>GM Business Growth Hub could work with Co-operatives UK to provide a version of its fully-funded finance advice offer that serves co-operatives.</p> <p>GMCA research capacity would be useful in understanding the aspirations and finance-related advice/support needs of existing co-ops in GM.</p> <p><b>Existing financial institutions</b></p> <p>GMCA could convene business-facing financial institutions in GM to help them understand the co-op model, including high street banks, investment funds and intermediaries, including Northern Powerhouse Investment Fund.</p> <p><b>A new GM CDFI</b></p> <p>GMCA could work with Co-operatives UK to establish a new GM CDFI, with initial funding from a GM Community Share offer and possibly other sources such as Power to Change and the British Business Bank. Would require dedicated project management resource.</p>	<p>Confidence in the co-operative model among potential founders will increase, leading to greater adoption.</p> <p>New and existing co-operatives will have more options for financing their business, improving efficacy, productivity and enabling them to reach their potential.</p>

		<p><b>Research</b></p> <p>GMCA research capacity would be useful in understanding the potential finance needs and appetite of existing co-ops in GM.</p>	
<b>Recommendation</b>	<b>Impact of 'do nothing'</b>	<b>Possible GMCA resource allocation</b>	<b>Impact with GMCA resource allocation</b>
<p>22. The Greater Manchester Co-operative Zone to help family owned SMEs in Greater Manchester plan for ownership succession and explore conversion to co-operative ownership as a succession option; and to provide access to expert support when business leaders and their workers decide a co-operative conversion is the right option.</p>	<p>Too few GM businesses will become aware of and consider employee ownership as an ownership succession option.</p> <p>Too many successions in GM will either fail, or fail to deliver for local economies, supply chains and communities.</p> <p>A significant opportunity to scale employee and worker ownership in GM will be lost.</p>	<p>GMCA could participate as one of the city-regional hosts of our fully-funded Ownership Hub pilot.</p> <p>Or, GMCA could work with the Ownership Hub to develop its own self-funded intervention in this area.</p>	<p>Conversion to employee and worker ownership is a succession option that optimizes the chances of a business retaining local operations, investment, mission, culture and leadership.</p> <p>A healthy population of locally owned and controlled businesses helps to drive inclusive growth</p>

Recommendation	Impact of 'do nothing'	Possible GMCA resource allocation	Impact with GMCA resource allocation
<p>23. The Greater Manchester Co-operative Zone to work with the co-operative and mainstream business advice sectors to improve access to expert advice and support for co-ops in the city-region, including business planning, organisational design, culture, governance and HR capability.</p>	<p>The Hive will continue to provide 6 days of low cost expert co-operative development support.</p> <p>Schemes such as the Power to Change-funded Bright Ideas will continue to provide free development support and grants to new community businesses.</p> <p>GM Growth Company / Hub will continue to provide free advice and support to non-co-operative businesses.</p> <p>Fewer new start and existing co-operatives will get the support they need, especially outside the community business space.</p> <p>Many founders will be deterred from adopting a co-operative model altogether.</p>	<p>GM Business Growth Hub could work with The Hive to provide a version of its fully-funded advice offer that serves co-operatives; perhaps enabling GM co-operatives to access the Hive for free, and /or for more days of support than The Hive currently offers.</p> <p><b>Research</b></p> <p>GMCA research capacity would be useful in understanding the aspirations and advice/support needs of existing co-ops in GM.</p>	<p>The better the support offer, the more founders and business will be encouraged to explore their co-operative options.</p> <p>This will also lead to increased take-up of co-operative options, where there is a fit with commercial and social needs/aspirations.</p> <p>Co-ops in GM will be supported to reach their potential, with greater efficacy / higher productivity, better eco-efficiency, and more sustainable growth.</p>

Recommendation	Impact of 'do nothing'	Possible GMCA resource allocation	Impact with GMCA resource allocation
<p>42. Encourage collaboration in Greater Manchester on initiatives opportunities such as cooperative cloud - taking advantage of the lively digital sector, the strength of Coop Digital and CoTech members in Greater Manchester and wider.</p>	<p>Without input from GMCA, sector-led initiatives that could encourage collaboration in the digital industries, such as Unfound and the Ownership Hub, may well look to work in other city-regions instead.</p> <p>A place-based dimension, critical to encouraging collaboration effectively, will likely be missing.</p>	<p>GM could help to provide physical space to encourage and enable collaboration between freelancers/microbusinesses in digital-creative industries.</p> <p>It could also help to resource and organise GM and industry-specific events/sessions to help people in digital-creative explore their co-op options.</p> <p><b>Research</b></p> <p>GMCA research capacity would be useful in quantifying potential interest in co-operative working within GM's digital industries.</p>	<p>More people in digital-creative would be supported to explore their co-op options.</p> <p>If the right level of support is made available, this will in turn lead to more of people in digital-creative starting or joining a co-op to strengthen their business/livelihoods.</p>
<p>24. The Greater Manchester Co-operative Zone to facilitate co-operation between co-operatives in Greater Manchester.</p>	<p>Co-operatives UK will continue to facilitate connections between co-operatives in GM through our Co-op Connections programme, with three events planned in GM in 2020.</p>	<p>In the first instance GMCA could participate in our Co-op Connections meetings, to help GM co-ops understand what could be possible, gather their views and encourage their further participation.</p> <p>GMCA could also allocate resource to a GM co-operative peer mentoring programme.</p>	<p>A properly funded and well-run peer mentoring programme would add real developmental value for co-ops in GM. It would also be the value-offer that could catalyse further co-operation between GM co-ops.</p> <p>A peer mentoring programme would help grow the pool of co-op development expertise and increase the supply of accessible advice and support in a cost-effective way.</p>

