



Is a co-op right for you?

WORKSHOP – Exeter

South West Co-operative Development
Co-operatives UK

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IN PARTNERSHIP WITH:



**South West
Co-op Development**

Today's session

- Introductions
- Overview of Co-operatives UK and Business Support for Co-ops programme
- Overview of co-operatives – the different types; what ownership means
- Case study examples – Exeter Community Energy & Exeter Growers
- How to get started
- The legal bits
- How to get support
- Final questions

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South West Co-operative Development

- Helping co-operatives and community enterprises get started and grow
- Start Up Support
- Business plans, feasibility studies, marketing and community engagement
- Raising Finance
- Converting to a Co-operative

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Co-operatives UK

- Business Support for co-ops

www.uk.coop/support

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Empowering your cooperation
www.uk.coop/start-new-co-op



Introducing co-operatives

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What is a co-operative?

A **group** of people working together to meet their common **needs**.

A business **owned, controlled** and primarily for the benefit of its **members**.

THE CO-OP ECONOMY

7,586 businesses

£40.9bn revenue

14.3m members

249,142 employees

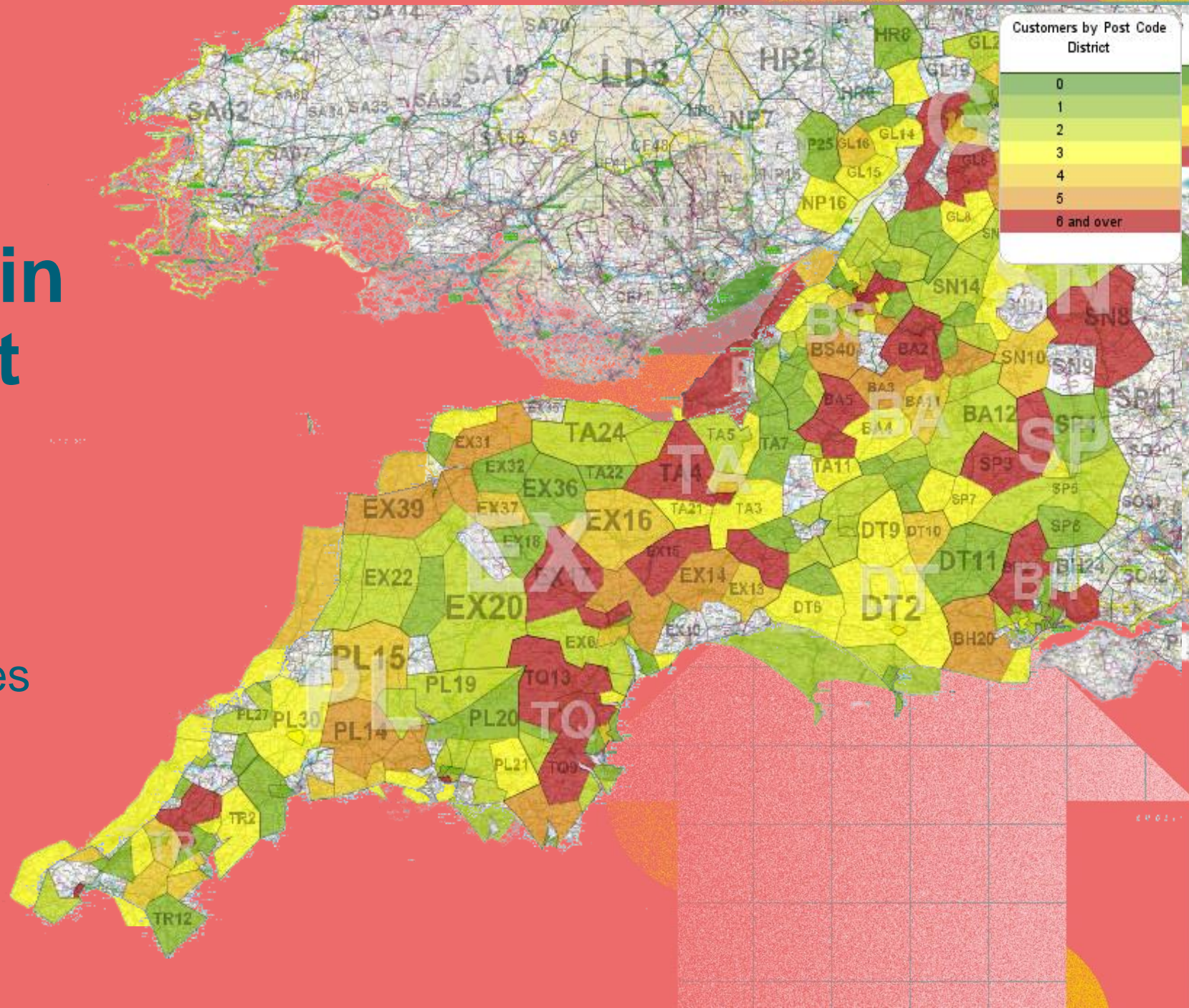
More: www.uk.coop/economy



Co-operatives in the South West

- 918 - Highest in the UK
- 41% above UK average
- £39m+ Community Shares
- A history of innovation

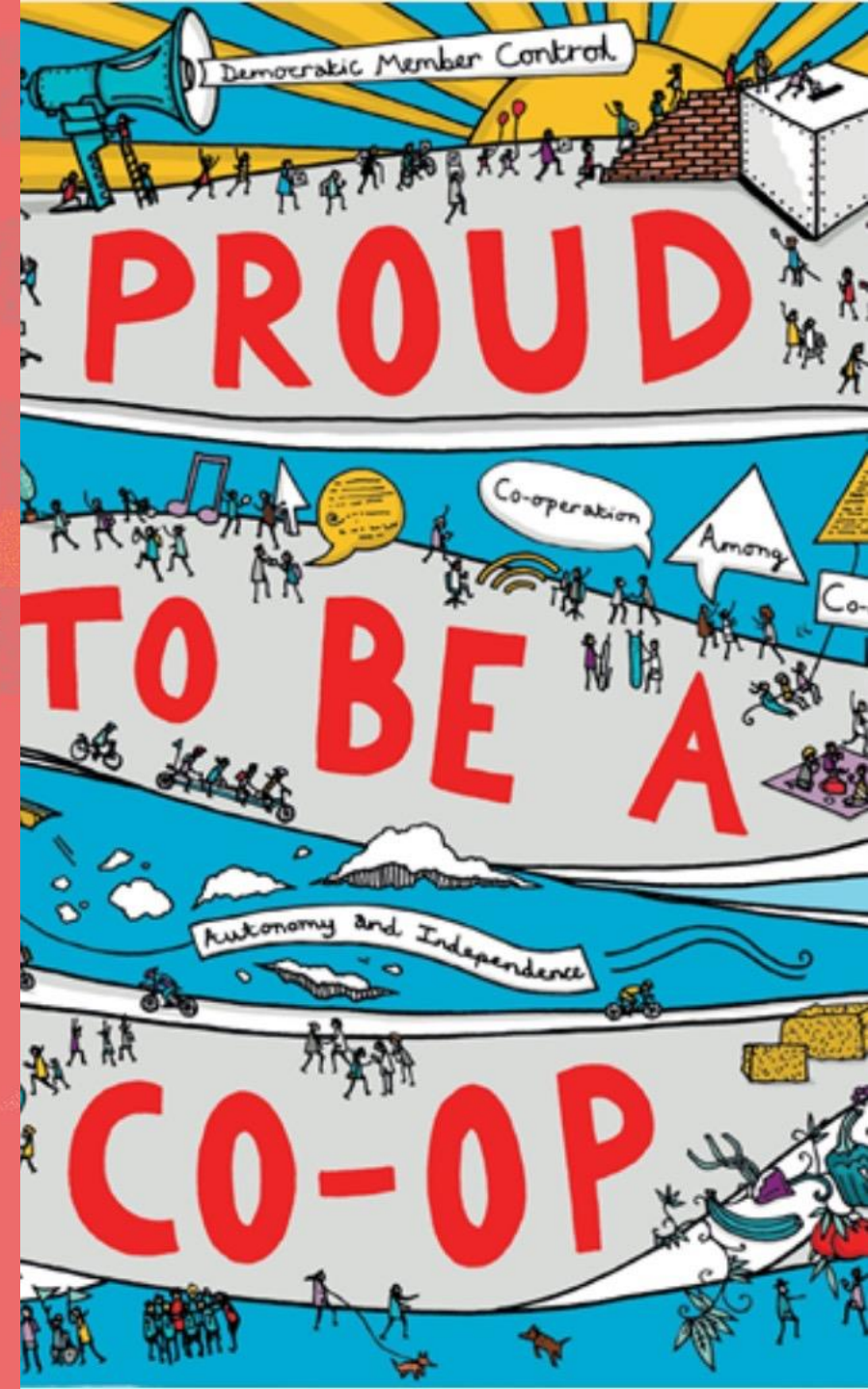
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Membership is at the heart of every co-op

- **Members** are the foundation
- The **purpose** drives who the members are
- Members choose what to do with the **profits**
- They are the **owners / shareholders**
- Members have an **equal** say

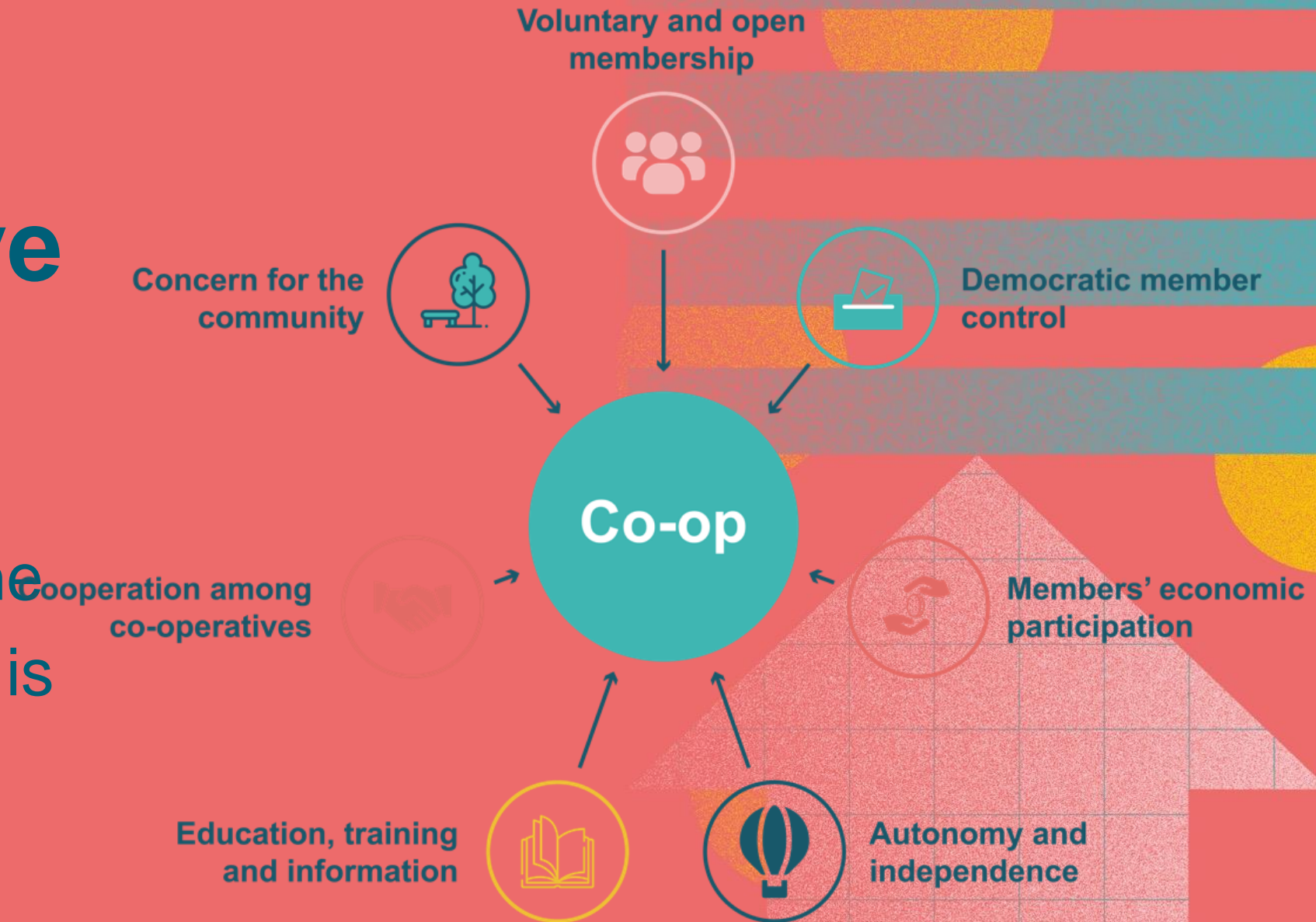
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Co-operative principles

Co-op values and principles define the way the **business** is run.

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Why co-operatives succeed

- **Resilience**

People have a stake, creating greater engagement, interest and concern for the long term interests of the business.

- **Boosts productivity**

Employees and suppliers are more motivated to work harder to support the business.

- **Harnesses innovation**

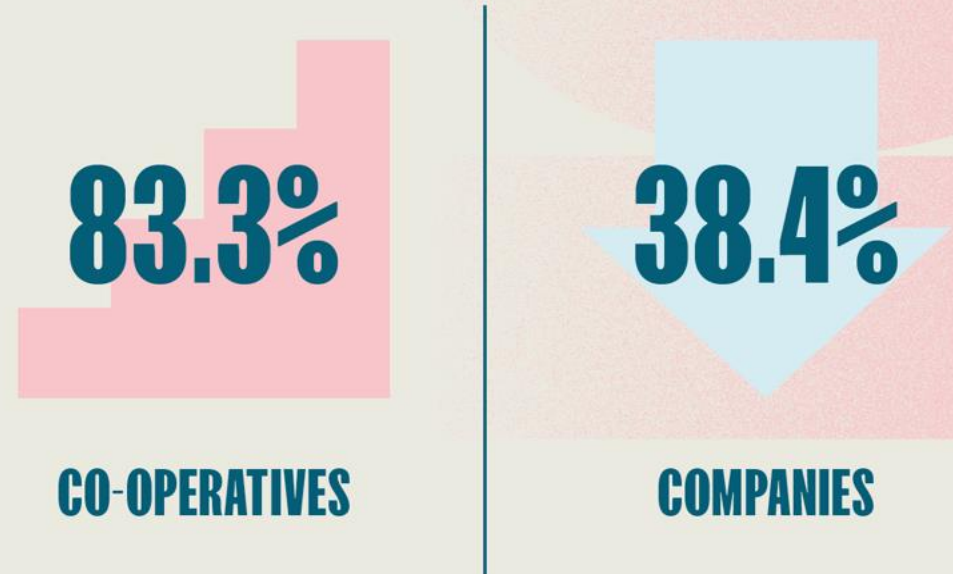
By giving those who understand the business best a reason to contribute to its development.

- **‘Doing good’**

Because co-ops are people focused, they are more likely to be trusted, do things for the right reasons, socially and environmentally.

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NEW-START SURVIVAL RATES



Co-ops offer solutions to issues that matter

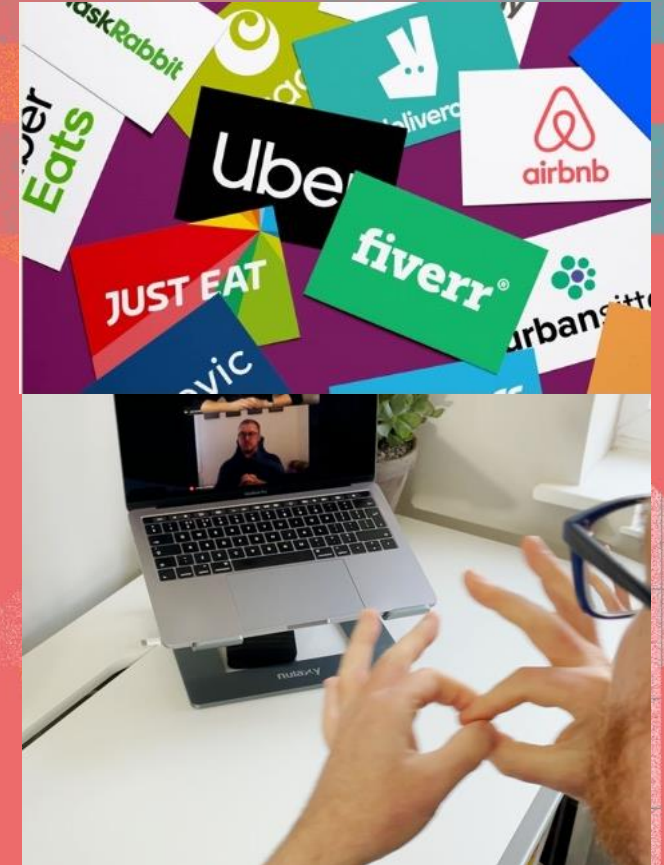
Housing



Climate action



Ethical tech



Different types of co-ops

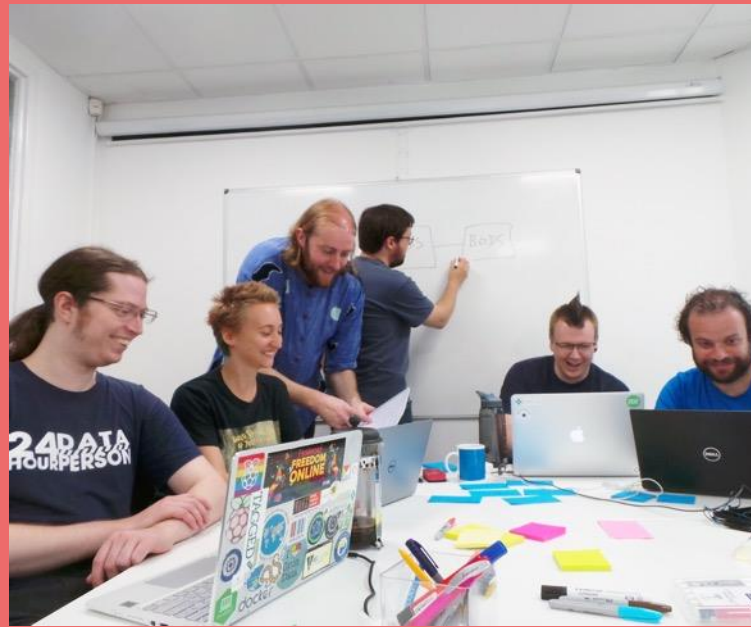
- Worker co-operative
- Co-operative consortium
- Multi-stakeholder co-operative
- Community co-operative
- Housing co-operative
- Consumer co-operative

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Worker co-ops

Flat structures, sharing the rewards and the risks



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Consortium or freelancer

Collective and flexible working



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Consumer co-op

“I was born with co-op in my blood. As a child, the co-op dividend was important. My parents went to member meetings. And that has stuck with me.”

Harry Cairney
Former President, Scotmid Co-operative

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H F HOLIDAYS



SCOTMID CO-OPERATIVE

Multi-stakeholder co-op

Equal Care Co-op “For the first time, we will be designing a system that works. With everyone, for everyone. Not for shareholders or global companies but one that puts people in charge, and keeps profits locally.”

Signalise “We want to see a care and support system which puts the relationship between giver and receiver first, shares power and allows care and support to exist in abundance.”

Chorlton Bike Deliveries “Co-ops act on behalf of their members. The community organisations, shops, eateries and individuals that we serve can become our members.”

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Housing co-ops

“Homes in Lilac work differently to the traditional housing market. Instead of home prices being driven by increasing market prices, Lilac’s homes are directly linked to average wage growth. This enables Lilac’s homes to be permanently affordable.”

LILAC – Low Impact Living Affordable Community

“Student housing co-ops are a solution that can break the cycle of high cost, poor quality private rents.” **Student Co-op Homes**

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Lilac



STUDENT CO-OP HOMES

Community co-ops

“In March 2017, we ran a community share offer, to give local residents a chance to invest in the hall. In total, we raised over £255,000 in community investment form over 800 local people.” **Friends of Stretford Public Hall**

“The local population like that it’s run by local people for local people and the community.” **The Bell Inn**

‘We started a campaign about how important LGBTQ spaces are in London. It’s not just a pub but a vital space for the LGBTQ community’ **Friends of the Joiners Arms**

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BUSINESS SUPPORT FOR CO-OPS

The benefits of forming a co-op:

- Sharing costs, skills, resources, knowledge and risk
- Gaining new opportunities
- Enjoying peer support
- Gaining access to fairer, more decent work
- Sharing profits
- Being able to bid for larger scale tenders
- Gaining access to new markets
- Innovating through sharing creative ideas
- Building greater brand recognition
- Increasing efficiency

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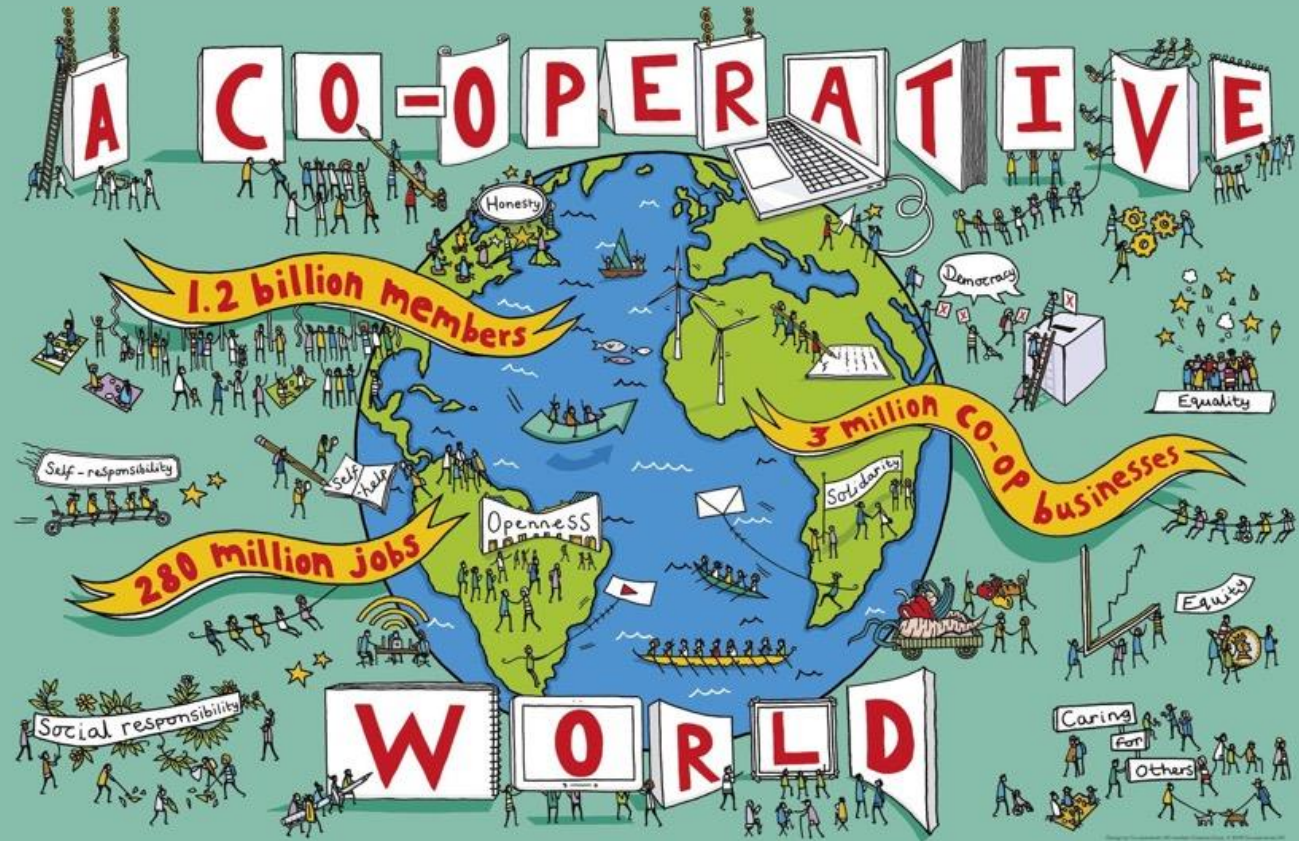
The story so far...

- It's a business
- A set of principles
- Lots of different types
(membership)

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Private business

- Concentrated ownership
- Hierarchy – one share one vote
- Private wealth
- Wealth maximisation
- Shares have speculative value
- Social responsibility is secondary
- Single stakeholder

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Co-ops

- Distributed ownership
- Democracy - one member one vote
- Common wealth
- Shares never go above original value
- Social responsibility is primary
- Multi-stakeholder



Meet the co-ops Q & A

Exeter Growers
Exeter Community Energy

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EXETER GROWERS CO-OPERATIVE

David Mezzetti & Rachel Russell

EGC

19 March 2024

Overview

- Who are we? What do we do?
- Why a co-op? Help setting up
- Working in practice
- Benefits of being a co-op?
- What our members say
- Challenges! Overcoming them...
- Takeaway



EGC - who and what?

- People growing food locally, organically & sustainably
- Facilitate learning, share skills
- Benefit people of all ages from being on the land
- Encourage wildlife diversity & environmental care



Why a co-op?

Help and support setting up

- Open and accessible
- Not a trading model; financially sustainable
- Make decisions by consensus



How we work in practice...



The benefits of being a co-op?
As many and varied as our produce!



Challenges. And overcoming them...



spirituality

connection

haven

**nourishin
g**

**communit
y**

**the
buzzards
!**

humbling

**joy creating
together**

**sustenan
e**

**reciprocit
y**

nurturing

**upliftin
g**

friendships

**sharing
passion for
growing**

**hands-on
nature
connection**

**placi
d**

restorative

**kindness to
nature & people**

Takeaway





<https://exetergrowerscooperative.wordpress.com/>



exeter community energy

Discover Co-Ops Workshop

Exeter University

Tuesday 19th March 2024

Who We Are

Why

Bring about practical change in our community by addressing energy related challenges

How

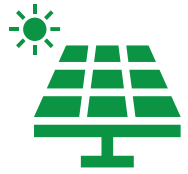
- Raised share capital to fund installation of roof mounted solar panels
- Apply for grant funding to support our energy advice work

What

- Established 10 years ago
- 11 sites mainly on community buildings
- Generate renewable and lower cost energy for building user
- Advise vulnerable people with energy advice, benefits, tariffs, debt
- Developed Energy Champions
- Fund local community groups
- Financial benefits stay local
- Recognised by winning local and national awards



What We Do



Solar PV Generation

Sites 11

Generate 383 MWh



Revenue £ 68k



FTE 0.1



User Saving £ 69k



Carbon Saving 100 t CO₂e



Energy Advice

Events 450

Interactions 3927

Revenue £ 340k

22 (FTE 16)

User Saving £ 1.6m



Start with
Why?

Understand why/ how/
what you are offering

Be open to amending
your initial plan

Adaptable

Resilience

Organisation needs to be
sustainable especially if
you rely on volunteers

Ensure the community
is represented

Diversity

Governance

Have the right structure
and rules in place



How to start a co-op

Founders journey introduction

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Getting started

- **What's your need or problem?**
“Love the problem not the solution.” Test your assumptions
- **What's your solution?**
Test again, check the feasibility
- **Why you, your co-op?**
What is your motivation and opportunity? What are your skills?
Are others doing this? What's your USP?

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Getting started

- **Explore your collective vision**

Use your unique and distinctive features to get buy in. At the same time, do learn from others.

- **Your vision will lead to specific objects**

What you will achieve and how. These will be an important part of the governing document of your legal structure.

- **The value chain**

Describe the process of value creation – investment, inputs, processing, outputs (what you deliver), outcomes (the benefit for the end user) and impacts (the wider consequences). Now you've got the framework of a business plan.

Stakeholder exercise

Work in pairs (or perhaps three) with someone you don't know

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WHO IS INVOLVED AND HOW?



In your small groups, share your thoughts about starting a new co-operative.

Thinking about workers; volunteers; customers; suppliers; local residents; and investors;

For the type of co-op you have in mind, which should be in control (ie, in the top right hand corner)?



A good place to start...

FREE online step by step tool

- Takes you through the start-up process for setting up a co-op
- From testing your idea to registering as a co-op
- Expert advice, information and guidance

www.uk.coop/start

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This section takes you through the start-up process for setting up a co-op. Keep track of where you're up to, and look out for sign-posts if you need more support along the way. Finally make sure you use our quick and easy to use registration form (step 6) to get your co-op up and running in no time!

- 1 Test your business idea**
[Show](#)
- 2 Is a co-op right for your business?**
[Show](#)
- 3 Finance your business**
[Show](#)
- 4 Create a business plan**
[Show](#)
- 5 Choose a co-op structure**
[Show](#)
- 6 Register your co-operative**
[Show](#)
- 7 After registration and ongoing support**
[Show](#)

Choosing your legal structure

Overview of legal options

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Ready to incorporate?

- **If you plan to take on property or contracts, you will want a legal identity for an organization that is distinct from its members – a ‘corporate body’. This limits the personal liability of your members (e.g. debts) – the legal entity takes on the risk.**

- **Ownership model**

Are you clear on who will be the members e.g. workers, customers, community etc?

- **Business purpose**

Are you clear on your vision, mission and objects?

What are your trading activities? Where will your income come from?

- **Choose your legal structure**

Use template model governing documents which include values and principles

Register with the appropriate registrar (registering body) e.g. FCA, Companies House etc.

Companies Act 2006

Co-operative and Community Benefit Societies Act 2014

Limited Liability Partnership Act 2000



Can be asset locked



Can have non-user members

Can be a Community Interest Company

Can be a Charity

Companies (Audit Investigations and Community Enterprise) Act 2004

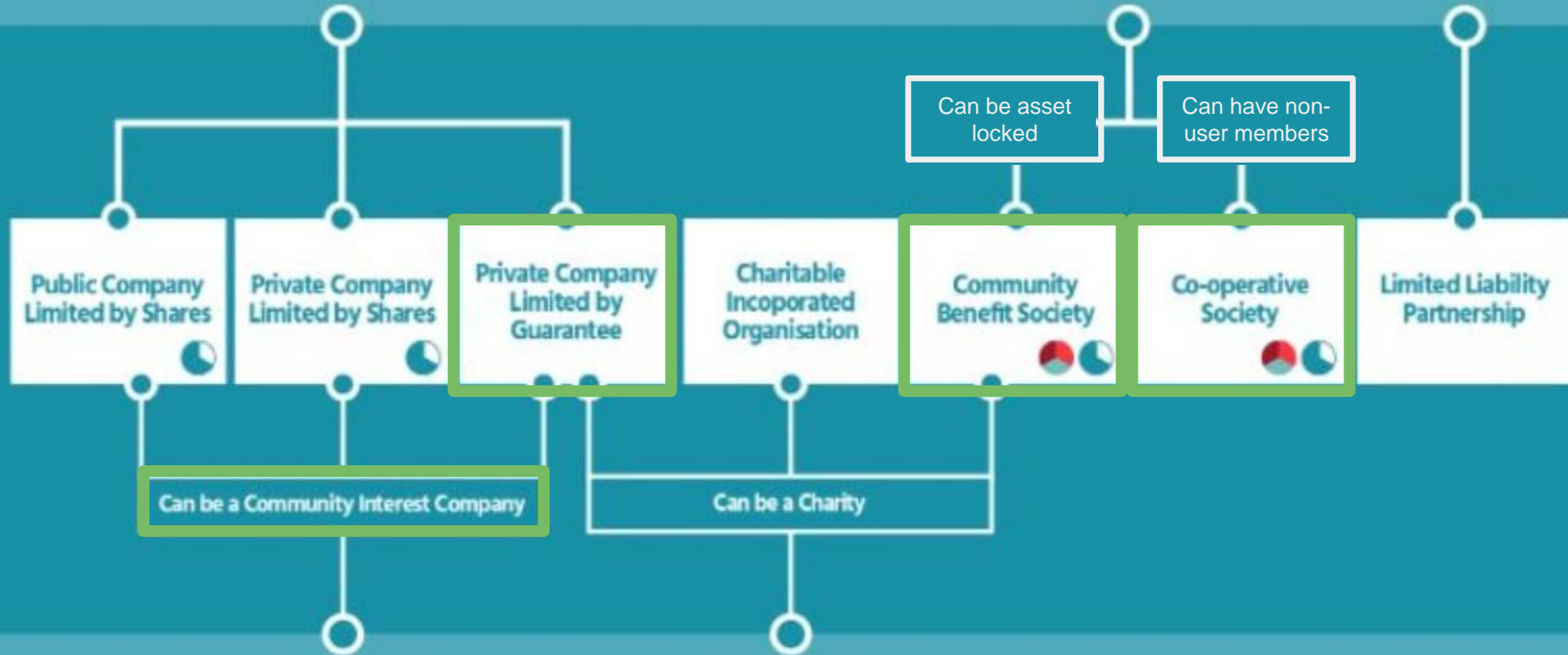
Charities Act 2011

-  Transferable/Membership shares
-  Withdrawable shares

Companies Act 2006

Co-operative and Community Benefit Societies Act 2014

Limited Liability Partnership Act 2000



Companies (Audit Investigations and Community Enterprise) Act 2004

Charities Act 2011

Transferable/Membership shares
Withdrawable shares



Launch finance

Start as you mean to continue

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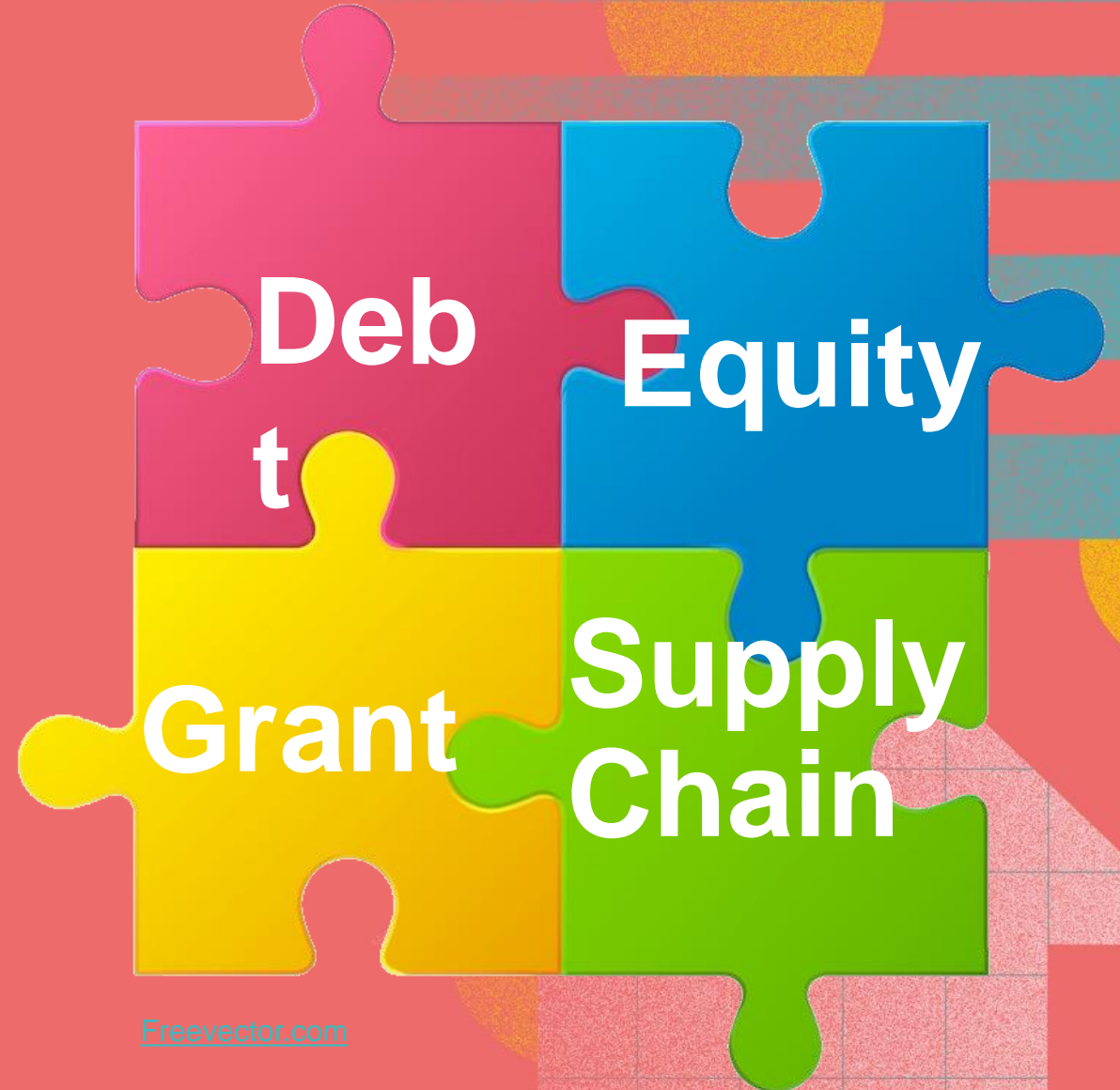
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The Finance Jigsaw

You need enough investment to deliver your 'minimum viable product' with a high level of productivity.

Usually, that finance will come from multiple sources.

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Loans and bonds

Loan finance is sometimes seen as a bit scary – failure to keep up payments can cause a crisis. It comes in different forms:

- Secured (eg mortgage) lending has lower interest rates
- Unsecured loans are sometimes available, but banks are very risk averse
- Bonds and loan stock might be provided by individual supporters, to be repaid only on an end date



Community shares

Community shares are a unique way for raising finance for co-operatives. Hundreds of communities across the country have used community shares to save and create businesses that are important to them. We work to grow the community shares market:

- Promoting best practice
- Offering business support grants and equity investment through the Booster Fund
- Training and licensing practitioners
- To date £210m+ invested by 130,000+ investors in communities across the UK into share offers by 539 societies

More: [Community Shares Booster Fund](#)

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Grants and supply chain

Sometimes – usually where the social impact is particularly pronounced – grant funding will be available.

You need to carefully check that you meet the criteria before applying. Why are you the right people to deliver this service?

‘Supply chain’ refers to trades in which you are able to get the benefit early, and pay later. Ways to do this might include:

- Credit terms from a major supplier
- Sweat equity, or volunteered hours, from staff and supporters
- Advance payment from customers
- Payment in kind and barter

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About your local co-op development body



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Questions?

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Image: Jo Ritchie / Leeds Bread Co-op