

**SCRUTINY PANEL REVIEW PANEL 3  
CO-OPERATIVE ENTERPRISES  
MINUTES  
Thursday 16 July 2015**

**PRESENT:** Councillors: David Rodgers (Chair), Theresa Byrne, Patrick Cogan, Fabio Conti, Anthony Kelly, Gary Malcolm (Vice-Chair), Shital Manro, Dee Martin, Ian Proud, Chris Summers, Lauren Wall and Ray Wall.

**Also Present:**

Harjeet Bains	- Scrutiny Review Officer
Councillor Aysha Raza	
Carol Sam	- Economic Regeneration Manager
Lee Teasdale	- Democratic Services Officer

**1. Apologies for Absence**  
(Agenda Item 1)

Councillor Abdullah Gulaid tendered his apologies.

**2. Declarations of Interest**  
(Agenda Item 2)

Councillor Rodgers declared his memberships with CUBE (Credit Union Brent & Ealing), The Co-operative Group, the Wales Co-operative Centre and the Co-operative Party.

Councillor Malcolm declared his membership of CUBE.

Councillors Martin and Summers declared their memberships of the Co-operative Group and the Co-operative Party.

**3. Matters to be considered in Private**  
(Agenda Item 3)

There were none.

**4. A Brief History of the Development of Co-operative Enterprise and its Scale and Significance in the Global Economy**  
(Agenda Item n/a)

The Chair opened the meeting by providing the Committee with a presentation highlighting key moments in the development of the co-operative movement and showing how co-operatives were active in every sector of the global economy and a significant part of it. There are hundreds of thousands of co-operative enterprises around the world, the largest 300 alone having an annual turnover of over \$US 2 trillion.

The membership of co-operatives that are members of the International Co-operative Alliance (ICA), which is the global representative body for co-operatives, totals 1.2 billion people. The ICA is formally recognised as a consultative body by both the United Nations and the International Labour Organisation (ILO), the ILO being founded in

1919 by the Treaty of Versailles in the aftermath of the First World War because it was then understood that peace needed to be founded on social justice.

The Chair recommended to the Committee that they read the International Labour Organization's (ILO) Recommendation R193 on the promotion of Co-operatives.

**Resolved:** That the Scrutiny Review Officer be asked to forward a link to the ILO Recommendation R193 to Committee Members.

## 5. Panel Operations (Agenda Item 4)

The Scrutiny Review Officer advised the Panel that the originally agreed title and remit of the Panel was to be 'Co-operative and Social Enterprises', however, at the Annual Scrutiny Conference on 21 May 2015, it was agreed by Councillors that the remit was too wide for the five meetings the Panel would run for, therefore it was considered that the Panel should only consider "Co-operative Enterprises' at the present time.

Four key areas in which co-operatives played a key role had been identified for review throughout the tenure of the Panel had been identified, these were:

- Credit Unions
- Workers Co-operatives
- Care Co-operatives
- Housing Co-operatives

It was asked that the Committee agree this remit. Councillor Manro suggested that energy co-operatives are a key area also worthy of consideration during the year.

Councillor Proud made reference to education co-operatives, highlighted the Resolute Education Co-operative (RECOOP) based in Acton, which was a co-operative of supply teachers for school and was engaging with the NUT.

The Chair agreed to visit RECOOP with Councillor Proud and also to support Councillor Manro in looking at the potential for energy co-operatives, which are a common type of consumer co-operative in the United States. He stated that whilst these were interesting areas worthy of further consideration, the current timescales meant that a sufficient weight could not be given to these areas of co-operative enterprise should they also be included, therefore the Panel should stick to the remit proposed, and at the conclusion of the Panel, consider whether continuation into the following Council year would be beneficial. He asked that the Panel agree to the terms of reference, with the work programme to be considered at the end of the meeting.

**Resolved:** That

- (i) the amended title and remit of the Panel be agreed;
- (ii) the overall Terms of Reference be agreed and forwarded to the Overview and Scrutiny Committee for approval; and
- (iii) arrangements be made for the Chair and Councillor Proud to visit the RECOOP education cooperative in Acton.

**6. An Overview of Co-operative Enterprises in the Borough**  
(Agenda Item 5)

The Economic Regeneration Manager was then invited to present a report to the Panel which provided a brief overview of co-operatives enterprises active within Ealing. Information on the levels of activity throughout the rest of London was also provided for context.

Credit unions were considered to provide a vital service at the present time, as they offered a more fair and equitable alternative to pay day loan companies. One credit union had shown an interest in having a high street presence in the borough.

The Panel were asked to consider how small businesses could be encouraged to set up as co-operative enterprises, and examine the ways in which they could be supported through local economic functions.

There were a growing number of examples of local authorities which actively encouraged more worker co-operatives within the mix of local businesses. Preston City Council were a particularly notable example in the UK, in 2011 the Council committed to an alternative approach to economic development by supporting co-operatives. They aimed to promote them through three main activities: The Guild Co-operative Network, Simply Buyout and The Community Wealth Building Initiative.

The housing co-operative sector was significantly smaller in the UK than in the rest of Europe, and activity in the borough reflected this. Examples were available though of not-for-profit resident led housing associations throughout the country. The Low Impact Living Affordable Community (LILAC) in Leeds was highlighted as a key model of this trend.

The Chair thanked the Economic Regeneration Manager for her contribution, and invited Panel Members to comment and ask questions.

Discussion took place regarding the number of co-operatives in other boroughs of London. It was stated that without further information and context, the figures meant little. It was proposed that Ed Mayo, the Secretary General of Co-operatives UK be invited to the Panel to bring further illumination on the co-operative picture in London.

Councillor Martin suggested that it would be helpful if a figure could be provided which approximated how many residents of the borough were employed within co-operatives.

Councillor Summers expressed the importance of engaging with co-operative and potential co-operatives within the voluntary sector.

Councillor Lauren Wall stated that in light of current cuts and subsequent necessary restructuring of local government services, the potential for council staff at risk of redundancy which enabled them to market their skills more widely as a viable enterprise was also worthy of consideration as a means of building resilience against the cuts.

The Chair concluded the item – drawing up a series of recommendations as below.

**Resolved:** That

- (i) the report be received;
- (ii) figures on the level of residents employed within co-operative enterprises be provided to the Panel;
- (iii) the voluntary sector be engaged regarding the potential to support the development of co-operative enterprises in the borough;
- (iv) more information be obtained about the promotion of co-operative enterprises by Preston City Council;
- (v) Ed Mayo and/or equivalent senior figures within the co-operative movement be invited to attend the Panel to provide further insight into co-operatives enterprises and start-up or seed-corn funding for them, particularly those in the London area; and
- (vi) the potential of co-operative enterprises based around Council staff areas of expertise be investigated.

**7. Discussion on Work Programme**

(Agenda Item 4 cont.)

Further discussion took place around the forthcoming work programme. It was suggested that, in light of a visit to LILAC home ownership co-operative being arranged for October 2015, that discussion of housing co-operatives be moved to meeting 3 of the Panel (2 December 2015), with workers co-operatives and care co-operatives being considered at meeting 4 of the Panel (4 February 2016).

Meeting 2 (1 October 2015) would consider credit unions. It was suggested that members of CUBE (particularly the CEX, the treasurer and a board member) be invited to the meeting.

It was suggested that Mark Lyonette of the Association of British Credit Unions Limited (ABCUL) could provide a valuable contribution to the meeting, though being based in Manchester, it would be difficult to arrange for his attendance at the meeting, therefore it was suggested that ABCUL be asked to provide a written representation.

It was also felt that representatives from the London Capital Credit Union and the Church Credit Champions Network should be invited to attend.

From Ealing Council it was suggested that the Director of Finance, the Director of Regeneration and Planning Policy and the Economic Regeneration Manager all be invited to attend meeting 2.

Councillor Proud suggested that it would be worth investigating if any lecturers from the University of West London's Business School had significant knowledge of any of the areas being considered.

The Chair advised that it would be beneficial to the Panel to talk to Professor Christina Camp, the Director for Co-operative and Community Economic Development at the University of Southern New Hampshire, Officers would look to facilitate a Skype conference for at a forthcoming meeting.

It was suggested that in addition to visiting LILAC in Leeds, that the Scrutiny Review Officer also research the possibility of Panel Members visiting Preston Council, with a view to it taking place on the same day as the Leeds visit.

Discussion took place around the structuring of the meeting, it was agreed that there needed to be a balance struck between time given to presentations and time allowed for Panel Members to ask questions. The Chair assured the Panel that he would work with the Vice-Chair and Officers to ensure the meeting kept to a tight timescale.

It was suggested that Panel Members submit questions to the Chair in advance of the meeting, he stated that this was a good idea and asked that questions either be emailed in advance, or that Panel Members were free to join an informal pre-meeting in Committee Room 3 prior to the meeting between 6:30 and 7:00pm.

**Resolved:** That

- (i) subject to amendment, the Work Programme be noted and agreed;
- (ii) that housing co-operatives be considered at meeting 3 of the Panel, with workers co-operatives and care co-operatives to be considered together at meeting 4;
- (iii) relevant members of Credit Union Brent and Ealing, the London Capital Credit Union and the Church Credit Champions Network be invited to attend meeting 2 of the Panel;
- (iv) the Association of British Credit Unions Limited be asked to provide a written paper on credit unions in advance of meeting 2 of the Panel;
- (v) lecturers from the University of West London Business School be contacted regarding their knowledge of co-operative enterprises; and
- (vi) Panel Members be asked to submit questions for meeting 2 in advance to the Chair.

**8. Date of Next Meeting**  
(Agenda Item 6)

**Resolved:** That the next scheduled meeting of the Panel takes place on 1 October 2015.

Councillor David Rodgers, Chair.

The meeting ended at 8.45pm.