

**CO-OPERATIVES UK**

# **THE ROLE OF LOCAL AND REGIONAL GOVERNMENT IN ENABLING CO-OPERATIVE DEVELOPMENT IN THE UK**

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# **INTRODUCTION**

Local governments (strategic authorities, city regions, councils) have a key role to play in the UK government's commitment to double the size of the co-operative and mutual sector.

This report examines what policy and practice have been effective in enabling co-operative development, both in the UK and internationally, and how this learning and success can be applied locally in the UK.

Several strategic authorities already include aims to grow the co-operative and mutual economy in local plans and strategies. As devolution progresses in England and more power is devolved to a strategic authority level, it is clear there will be further opportunities to direct resources towards co-operative development. Therefore, this report focuses mainly on the role of strategic authorities. Evidence from literature and interviews suggests that although development work needs to take place at a fairly local level, the region is an effective scale at which to have enabling policy and initiatives.

Co-operatives UK's Co-operative Growth Strategy<sup>ii</sup> also highlights the importance of place-specific strategies for co-operative growth which are co-produced by local co-operative networks, communities and government, drawing on the experiences of other places.

# **METHODOLOGY**

This research was produced from the thematic analysis of existing literature and interview transcripts. Thirty-one research interviews were conducted with people with a variety of experiences of co-operative development. Interviewees were from across 12 countries. However, the majority were based in the UK because of the focus of the research. Those interviewed included academics, co-operative development workers, members of co-operative federations, networks and representative bodies, local councillors, local council officers, and members and founders of co-operatives. This primary qualitative data was then thematically analysed and collated with the themes which emerged from the literature analysis to produce a comprehensive report of the findings.

# **EXECUTIVE SUMMARY**

This research highlights that the most effective role for local government to play in co-operative development is one of a facilitator and advocate for co-operatives. Foundational to this is including co-operative development in strategy and planning by linking the impacts of co-operatives to desired outcomes for the area. In light of this, strategic authorities should engage with co-operatives locally to understand what they want and need to develop. This helps better conditions for co-operative development to be facilitated; letting local priorities, needs and enthusiasm lead development.

Partnership working between strategic authorities and the co-operative development ecosystem is a crucial enabler and is supported by the long-term investment of resources, which also accounts for the amount of time establishing infrastructure and leading people through pre-technical support can take. Even in places with fairly established co-operative development eco-systems, a low level of awareness of co-operatives and the need for people to commit co-operating together for the long term means that pre-technical development usually takes a considerable amount of time. To make progressing from this stage as straight forward as possible, local and strategic authorities can collaborate to make sure a co-operative development pathway exists with the right business and financial support to enable start-up and growth.

# **RECOMMENDATIONS FOR STRATEGIC AUTHORITIES**

- Support the creation of a local co-operative development ecosystem drawing on the national co-operative development network and infrastructure, while partnering with existing local co-operatives and co-op development infrastructure where possible.
- Support a cultural shift (locally and within the strategic authority) to one where co-operatives are recognised and promoted.
- Allocate multi-year funding to co-operative development work, building the foundations of future co-op growth.
- Set Key Performance Indicators that reflect this phased approach, recognising that it takes time to change culture and establish new ways of working.

# **1. HAVE A CLEAR THEORY OF CHANGE**

It is essential that local government develops clear theories of change, in which co-operative development is utilised as a means of generating desired impacts (e.g. Inclusive growth, thriving places, improved social care), with barriers removed and enablers optimised in order to deliver outcomes (e.g. More community ownership, thriving social care co-operatives).<sup>iii</sup>

This requires a clear and evidence-based understanding of how different co-operative approaches and models can be advantageous in achieving particular missions and impacts. In general, co-operatives often have a distinctive utility, wherever collective action and democratic governance make fulfilling a purpose and generating impact more likely (e.g. When local people want to buy derelict property on their high street, or when a group of workers want to acquire the firm that employs them). It is vital policymakers and economic development practitioners think about co-operatives this way, especially when considering whether the exploration of co-operative approaches might be beneficial.

The theory of change approach also requires a strong understanding of the specific barriers and enablers of co-operative development within a given context. In general, limited awareness of co-operatives, established cultural norms, unhelpful business support and problems accessing suitable finance, will always be barriers that need to be addressed. Though the details, and the solutions, will change considerably depending on the context. Co-operative development in a specific area can be viewed through the lens of an 'entrepreneurial ecosystem', with recent research from the FCA suggesting this approach 'invites the building and nurturing of a holistic environment' for co-operatives to grow in.<sup>iv</sup>

It may be helpful to have distinct programmes or pieces of work focused on development in different sectors, models, areas or communities. This narrow focus may seem limiting, but interviewees and the evidence base suggest that focus enables more effective targeting of outreach and support and avoids resources being spread too thinly.<sup>v</sup> Taking a focused approach can also demonstrate what's possible on a smaller scale, which can then be built on and adapted.

Co-operatives UK has identified five strategic opportunities for growth and impact at a national level,<sup>vi</sup> which will be relevant in many regions. But while a national strategy for resourcing and co-ordination is important, the specific opportunities, barriers and enablers will vary between places.

## **2. EMBED CO-OPERATIVES IN POLICY, STRATEGY AND CULTURE**

To be impactful, co-operative development needs to be embedded within the policy, strategy and culture of local government and local economic development practice. Arguably, a big reason for co-op growth in countries like Spain and Italy, is the embedding of co-operatives within wider economic and social systems so they become a routine way of achieving certain aims.<sup>vii</sup> This is often combined with the development of policy and legislation that bring clarity and introduce measures that incentivise the development of co-operatives.

Once integrated into wider plans and strategies, it is essential that this is backed up with the right resources and expertise. If the roles that co-operatives can play are detailed in plans this then sets co-operative development up as a tool to enable the wider agenda of the authority, rather than just as a goal to meet for its own sake. In Spain, co-operatives are engaged directly in the policy making process through the Social Economy Law that recognises social economy representative bodies as ‘partners in policy design and implementation.’<sup>viii</sup> However, interviewees warned that including co-operatives in the wider social economy agenda can lead to a one-size-fits-all approach to advice and support. They suggested it is important to have a distinctive approach to co-operative development, accounting for the particular nature of co-operatives and the roles they can play.

Greater Manchester Combined Authority has backed Soundpound, a secondary co-operative of credit unions<sup>ix</sup> so these co-operatives can be a strategic partner. The credit unions now deliver a product with Transport for Greater Manchester to help people save on annual public transport tickets<sup>x</sup> and a green homes loan.<sup>xi</sup> Another example of this partnership working is in Italy, where co-operatives enable the re-use of confiscated property for social good.<sup>xii</sup> In each case, local government supports the co-operative to develop – and then partners with it to help achieve other policy objectives.

There are also levers a strategic authority can use that could enable co-operatives. For example, land disposal programmes that give priority to co-operative and community-led housing for land the local authority is

disposing of. Local government can also use its influence on the planning process for new developments, for example, by shaping social value requirements to encourage these kind of partnerships – and consequently the creation of community-owned infrastructure in new places. It can also make sure that the value inherent in co-operatives' democratic structure is recognised in procurement processes when measuring the social value of tenders. In Italy, social co-operatives and social enterprises get priority in public procurement for social and welfare services, recognising the added value these types of businesses bring.<sup>xiii</sup> Local government could also consider some kind of business rates relief for co-operatives, as they have discretion to do this for businesses they consider benefit the local community or economy.<sup>xiv</sup>

To embed co-operative development in the culture of government, insider champions or go-to people for advice, can be helpful. Several interviewees mentioned that knowing a key person in their local authority had been helpful for the development of certain initiatives. This is not uncommon practice in local government and Greenwich's co-operative commission recommended appointing co-operative champions to 'embed a co-operative mindset' in the council.<sup>xv</sup> However, this does leave development vulnerable to political or personnel change. It was emphasised by many interviewees that it is difficult to mitigate against this kind of initiative losing steam over time, without enhancing the sector's capacity to develop itself.

## **3. NURTURE AND PARTNER WITH LOCAL CO-OPERATIVE SYSTEMS**

Strategic authorities can recognise, participate in and support local networks, including partnering with co-operatives to provide public services.

Many interviewees highlighted the importance of geographical or sectoral based networks of co-operatives. These are common and integral to co-operative growth in other countries, according to literature, as they provide technical assistance, development services and funding for growth.<sup>xvi</sup> Even without being formal institutions, local networks of co-operatives can support each other in relational ways and share knowledge. This solidarity is important as it helps promote a collective sense of identity and power, pooling resources and knowledge, enabling a collective voice. For the West Midlands Ownership Hub programme, the existence of Co-operatives West Midlands,<sup>xvii</sup> a regional network of co-operatives, was helpful as it provided connections to local co-operatives, specialist advisors and local knowledge. These networks take time and effort to run and some local government resourcing can be really helpful in establishing and maintaining them. This could include supporting them with space to meet, signposting business their way, providing connections and introductions, promoting their networks, and partnering and consulting with them as part of the local business community. Input from strategic authorities can therefore enable and encourage co-operation among co-operatives to build resilient infrastructure.

Interviewees also highlighted the importance of the networks extending beyond co-operatives and connecting stakeholders like community organisations, social enterprises, unions, solidarity networks, civic institutions and public bodies. For example, in Quebec, the Chantier de l'économie Sociale was formed as a society to analyse, promote and develop the social and solidarity economy in Quebec (of which co-operatives are a key part).<sup>xviii</sup> <sup>xix</sup> It includes voices from the government, social movements including unions, community actors and social economy hubs. This diverse group are united around the idea of a sustainable, democratic economy and contribute to a range of solidarity funds for the co-operative sector.<sup>xx</sup> This array of funding sources for co-operative development creates resilience and reduces the

vulnerability of development infrastructure that long term reliance on government funding can bring.

For local government to support networks like these, it needs to understand where they already exist and what the wider co-operative economy looks like. This was suggested as a good starting point for sector development work by interviewees and literature. Mapping then allows connections to be made, which are crucial for forming a clear, shared, long-term vision for co-operative development. An example of this kind of work can be seen in how Barcelona has sought to build up its 'solidarity and social economy' (SSE) sector in recent years. The city council has led a partnership that has drawn up and carried out several iterations of plans for boosting the SSE since 2016.<sup>xxi</sup> Foundational to this has been monitoring the state of the current SSE, which includes analysis of the number of businesses and initiatives for business growth. From this mapping, a shared vision and objectives for the sector were then drawn up through a participatory process involving stakeholders from across the SSE.

The kind of partnership working demonstrated in Barcelona is important in allowing co-op development work to expand and evolve over time. It may start small, as different ways of working are tested out – but can grow if knowledge is shared and there's regular communication across the authority about expanding work. Some interviewees particularly emphasised that they wanted co-operatives and co-operative development workers to be acknowledged as an equal partner for local government, keen to work with them to achieve progress. It may also be worth reflecting on how wider partnerships locally could be championing development due to the relevance of co-operative development outcomes for a range of institutions, for example, the health service and schools.

## **Procurement**

Local government can partner with co-operatives to deliver public services and increase the social value in services being procured. The public sector has the potential to be a key market for co-operatives, fuelling co-operative development and making it more sustainable. To enable this, it would be important for the unique benefits of co-operatives to be acknowledged in procurement, particularly when social value is considered.

There are innovations that can be made to do this, shown by IPPR research, which proposes how the holistic value of co-operatives can be better

measured.<sup>xxii</sup> The Procurement Act (2023) removes barriers for smes and allows social value to be a higher priority in the procurement process.<sup>xxiii</sup> Local government should be using this to procure from providers including co-operatives. It was noted that co-operatives may need specific help to navigate procurement processes. Investing in co-operative development where this could meet the needs of the public sector, could be particularly worthwhile. However, it must be noted that this would need to be a long-term ambition.

## **4. HELP CREATE SUSTAINABLE, LONG-TERM CO-OPERATIVE DEVELOPMENT INFRASTRUCTURE**

As with most initiatives aiming for economic and social impact, co-operative development is most effective when it can be sustained in the long-term. A point reiterated by interviewees and featured regularly in literature, is that short-term, spasmodic business support interventions are especially ineffective where co-operatives are concerned. Co-operatives can often take longer to form and develop than other businesses, including other forms of social enterprise. This is especially the case where a lot of pre-technical and foundational work is required to build social capital, shift culture and increase awareness and exploration of co-operatives.<sup>xxiv</sup>

Key to this is long-term funding, which allows important relational work to happen over time. Interviews drew out a variety of opinions on how development work should be funded, dependent on the context. Interviewees highlighted that government funding can be crucial, especially when there is a need to build up development capacity and infrastructure from a low base. Where local government decides to fund co-operative development, this needs to be as part of a long-term strategy, involving partnering with the co-operative system.

Interviewees generally acknowledged that development work should not become overly reliant on government funding, not least to avoid being susceptible to political change. In many European countries, mutual development funds are common. These funds are supported by co-operatives and others with shared aims. For example, in Italy co-operatives allocate a certain percentage of profit to a mutual solidarity fund, which, among other things, provides finance for people starting co-operatives.<sup>xxv</sup> This way of funding development is resilient to political change and driven by the sector.

In some European countries formal institutions enable collaboration among co-operatives, development organisations, government and the public sector together to ensure long-term partnership working. An example of this can be seen in the Basque countries' Kooperatiben Kontseilua (formerly the Higher Council of Cooperatives of Euskadi), which is made up of representatives from

the region's confederation of co-operatives, the regional government, the provincial councils and the three main universities in the region.<sup>xxvi</sup> It facilitates and collaborates on co-operative development and promotes co-operative friendly legislation, among other things.

## **5. INVEST IN PRE-TECHNICAL CO-OPERATIVE DEVELOPMENT**

Initiatives to raise awareness of co-operatives, targeted outreach and support for people to explore co-operative options at relevant junctures – ‘pre-technical’ co-operative development – are essential and generally most effective when done locally.

Literature and interviews both suggest that low societal awareness in communities – and among potential entrepreneurs, existing organisations and those who advise them, impedes co-operative development. Local government could help combat this by raising the awareness of groups it has influence over or positive interactions with. For example, people and organisations working in communities; entrepreneurs, businesses and those advising them. This targeted outreach, awareness raising and education will create the conditions for more co-operative development – and should therefore be an early priority alongside business support and access to finance.

Interviewees emphasised that pre-technical development is more effective when embedded locally. This is because pre-technical supporters working out in communities are better placed to proactively build relationships and interest across an area, understand the community’s priorities and shape work to this context. Local pre-technical initiatives can also be well placed to facilitate early-stage peer learning with existing co-operatives in the region.

Literature emphasised that initially, significant time may need to be spent building social capital<sup>xxvii</sup> if this is lacking in a community, before any work can happen to develop co-operatives. This is foundational and something that some interviewees identified as lacking in the UK today, though Pride in Place<sup>xxviii</sup> shows promise in turning this around.

Local government can integrate co-operative support into any wider community-led development that might already be happening. This could include supporting community organisations to play a role in co-operative development by giving them the knowledge and pre-technical skills to introduce co-operatives to people as solutions to issues they are facing.

A good example of this can be seen in New York's worker co-operative development programme that works through a network of community-based non-profits.<sup>xxix</sup> In Oxfordshire the Owned by Oxford community wealth building partnership, which has a co-operative development angle, are equipping people in partner organisations with skills to do pre-tech development alongside their existing work. Oxford has more than doubled its number of co-operatives since the early 2010s, making it a relative hotspot for co-operative development.<sup>xxx</sup>

Interviewees also highlighted the importance of pre-technical co-operative development work being connected to wider networks of relevant groups. This enables joint working for a common cause and means co-op development workers are included in relevant activities. The Owned by Oxford partnership is included in various regional networks including the Oxfordshire Inclusive Economies Partnership. This allows it to influence other organisations across Oxfordshire and shape the city's approach to economic development.<sup>xxxi</sup> The development of community co-operatives in Tuscany to combat de-population and the network that supports this is also a good international example of joint working for a common cause on a regional level (see case study).<sup>xxxii</sup>

Embedding pre-tech development work in an existing local organisation, such as a combined authority, can be helpful, as this can enable access to existing networks and audiences (see WMOH case study). Being under a recognisable brand like a local or combined authority can also help convey the legitimacy of the work.

Local government officers, councillors, business advisors, civil society organisations, accountants and solicitors can all be instrumental in co-operative development, without needing to be experts. They can play an invaluable role by recognising when exploration of co-operative solutions might be relevant and then signposting effectively to more specialist support.

This signposting is made easier when those providing co-op development support are visible and accessible. Interviewees mentioned that physical space for face-to-face pre-tech work is useful, as being able to meet people and form relationships is a really important part of development. Several interviewees recalled the co-operative development agencies that have been established in the UK since the 1970s as good examples of development infrastructure, because they provided a clear 'shop front' in a local area.

### Identifying where co-operative solutions are most relevant

A significant social movement or context can trigger the development of co-operatives. This can be seen in Finland, where the development of co-operatives at the start of the 20th century was in part a reaction to the oppression and poverty brought by Russian occupation.<sup>xxxiii</sup> Poverty in places like Spain and Italy and the marginalisation of French speakers in Canada<sup>xxxiv</sup> can be seen to have contributed to solidarity, motivating people to find collective solutions. Literature also identified some correlation between adverse economic conditions, public sector failure on some level and instances of crisis with the development of co-operatives.<sup>xxxv xxxvi</sup> This is to be expected as co-operatives generally reflect the needs of their members and are an alternative tool to build power. Therefore, highlighting how co-operatives are a tool relevant to a certain context or movement can be key to motivating people to adopt them. Development workers will need to be proactive in identifying and reaching out to people they think co-operatives could appeal to.

Education settings may be suitable for this, as students could be looking for business experience and are open to learning and building skills. In Malaysia, co-operatives run by students through schools are common. They are encouraged as a co-curricular activity by the government because of their use in building the qualities and skills of responsibility, leadership and entrepreneurialism.<sup>xxxvii</sup>

## **6. BUSINESS SUPPORT**

In the UK, specialist co-operative development advice is spread through various bodies and networks. Many co-operative development advisors operate on a freelance basis, or work in small agencies, or national sector bodies (e.g. Co-operatives UK, Plunkett UK).

Some interviewees felt this provision should be commissioned by, or even embedded within local business support agencies (e.g. Growth hubs). There are already some examples of this in the UK, including the Co-operative Development Scotland service within Scottish Enterprise, the co-operative development offer from Glasgow City Council's business support function, and allocations from the UK Shared Prosperity Fund to programmes that included co-operative development in West Yorkshire, West of England and Greater Manchester.

Alongside specialist provision, awareness of the practicalities and benefits of co-operative solutions needs to be improved among general business support advisors, so they can spot opportunities for co-operative solutions in their work. It was noted by interviewees that training business advisors needs to be done thoughtfully, as part of wider work to create structural and cultural change. Such training is most impactful when within the context of a wider, well-resourced programme of co-operative development and promotion, otherwise the lasting impact is likely to be limited.

It's useful to note that relying on public bodies to provide in-house co-operative development expertise comes with risks, such as disconnection from the sector and vulnerability to changing policy and strategic priorities. This risk crystallised in Scotland in early 2025 with Scottish Enterprise significantly cutting funding for Co-operative Development Scotland, leaving a gap in business support for the sector.

Literature and interviews highlighted that sustaining co-operative development in the longer term requires enough people to be trained in both pre-technical and technical development roles. Literature and interviews also suggested that one reason for a lack of specialists is the precarious nature of the work, largely due to limited or unpredictable demand. Therefore, pre-technical demand-stimulating initiatives need to happen in tandem with, and to an extent before,

significant investment in the training of specialists, so that these interventions are mutually reinforcing. Interviewees suggested that a good way to increase pre-technical and technical capacity is to train people who are already members of co-operatives, or doing work with communities and local places where co-operatives could be relevant.

Peer support provided by other co-operatives can be instrumental in supporting new co-operatives to form and existing ones to thrive. For example, the evaluations of the South Yorkshire and West Midlands Ownership Hub pilots highlight the value in people connecting with existing co-operatives when exploring their options in pre-start.<sup>xxxviii</sup> Peer support in Co-operatives UK's Business Support for Co-operatives Programme<sup>xxxix</sup> has proven very effective, and an evaluation of community energy peer mentoring recommended its use across the sector.<sup>xi</sup>

Interviewees also suggested that providing initial development support for free relieves the pressures on start-up finance. Co-operatives UK's national Business Support for Co-operatives programme provides free business support for co-operatives and can be used as part of local co-operative development initiatives. For example, it is part of the West Yorkshire Combined Authority's 'Business for Good' programme.<sup>xii</sup> There are also instances of this internationally. Elkar-lan in the Basque Country are a co-operative development agency supported by the government and co-operative confederations who provide their first year of support for free.<sup>xiii</sup>

Literature also highlighted that internal training within co-operatives to help members grow their skills and be effective parts of the business, is also important. An OECD report highlights that members and workers can be upskilled to remain competitive and relevant by 'targeted public investment in capacity-building, including subsidised training schemes, collaboration with local educational institutions and tax incentives for developing skills in environmental sustainability.'<sup>xiiii</sup> In Spain, all co-operatives have an education and promotion fund which they contribute to. Part of the purpose of this is to promote the co-operative model and to educate workers and members.

## **7. INCREASE ACCESS TO FINANCE**

Co-operatives can find it difficult to access finance. Due to their purpose, ownership and governance they often require a distinctive approach, especially in raising equity from non-members.<sup>xliv</sup>

Interviewees suggested that for people wanting to start a co-operative, there are various finance-related challenges that could be tackled to create a more viable pathway. This includes having the time to develop a business idea, paying for advice, having knowledge of options for raising capital and having access to funders and investors that cater to their model. The latter challenge becomes ever more significant for co-operatives seeking to develop and grow over time.

There is acknowledgement that access to finance for co-operatives is an issue that needs to be tackled mainly at national level, through the development of specialist financing institutions, action by the British Business Bank and social investment wholesalers, and through the modernisation of co-operative law.<sup>xlv</sup> However, there is still action local government can take despite this national context.

Research suggests that lender and investor awareness and understanding of the co-operative model needs to improve. While the British Business Bank and specialist financing institutions in the sector would have a critical role to play in matching fundable co-operatives with capital, local government could also play a role in co-ordinating this. Where local government has its own enterprise finance schemes, such as those delivered through growth hubs, elements could be adapted to cater better to co-operatives.

Research also finds that co-operatives themselves often lack an understanding of the financing options open to them.<sup>xlvi</sup> Local business support can play a role in addressing this, by ensuring that co-operatives can access finance-related advice that caters to their distinctive approach. Interviewees also stressed that any funding for co-operative start up or growth needs to be proactively promoted to co-operatives, otherwise there is likely to be limited take up.

Interviewees also noted that micro-grants could be an important aid for people to consider starting a co-operative. This could include funding that helps co-

operatives reduce other forms of work (paid or otherwise), so they can focus on starting a co-operative. This is especially important where equity, diversity and inclusion is prioritised.

Mutual and social purpose financial institutions, like credit unions, could also play a key part in enabling sustainable co-op development in local areas. This could be by engaging more with and promoting their services to co-operatives locally, and making sure their financial products are appropriate for co-operatives. Local government can play a role in supporting this by engaging them in the co-production of local co-operative development work, connecting them into the support ecosystem.

## **8. FINDINGS**

- Some key foundational work is a prerequisite for any effective practical development initiatives. This includes mapping the current economy and advice ecosystem, and strengthening relationships with local co-operatives, networks and advisors. This enables development to be co-produced.
- Time and resources must be invested into pre-tech development, where possible working with people and organisations already in communities or sectors to do proactive outreach.
- It is important that mainstream business support advisors receive ongoing information and training about co-operatives. Educational resources and learning opportunities for officers and councillors are also helpful. This can vary by context, but the aim is to embed co-operative development in institutional culture, knowledge and strategy.
- Make sure development work is planned strategically, so that demand is stimulated and then met by an adequate supply of support.

# **CASE STUDIES**

## **Quebec's regional social and solidarity economy infrastructure xlvii**

Quebec hosts 3,052 co-operatives, the highest concentration of co-operative activity in the country. In the 1980s, many grassroots community movements surfaced in response to widespread economic challenges, including recession-induced job losses and urban decay. By the mid-1990s, the calls for adequate public policies began to bear fruit, leading to a pivotal moment at the '1996 Summit Conference on the Economy and Employment' when the social economy received institutional recognition. A working group, started in the run up to the summit under the direct authority of the Executive Council of the Government of Québec with a mandate to identify innovative strategies for stimulating job growth in the third sector, was later formalized as the Chantier de l'Economie Sociale. This grew into a 'network of networks', bringing together a diverse constellation of stakeholders across Quebec's social economy sector, spanning sectoral networks of collective enterprises, social movements and local development intermediaries. With continuous government support, the Chantier's emphasis on multi-stakeholder partnerships and shared democratic governance laid the groundwork for advancing the province's social and economic goals. Finance for the social and solidarity movement has come from this network, as well as from government, trade union and wider co-operative movement contributions. Desjardins credit unions, whose aspirations include the advancement of co-operative development, have also played a major role in solidarity finance, including the establishment of a development fund.

This is an example of how resilient co-operative development can be built through networks of co-operatives and the wider 'social and solidarity economy.' Regional government has played a key role in this through continuous support for the establishment of a sustainable and resilient environment for co-operatives, including pro-co-operative co-created policies and targeted financial and tax measures. These contribute towards levelling the playing field between co-operatives and other forms of enterprise.

## **Development infrastructure in Italy** <sup>xlvi</sup> <sup>xlvi</sup>

In Italy, co-operative development is promoted by a combination of enabling co-operative legislation nationally, strong sectoral federations, mutual funds that finance co-operative development bodies and programmes, and local authority support in increasing the visibility of co-operatives and incentivising their establishment. An example of this can be seen in Tuscany's Community Co-operatives Act, which allocates significant funding through periodic calls. These include financial grants, training, mentoring and enterprise networking support. The region decided to dedicate resources to community co-operatives to combat de-population and as part of its support for practices inspired by collaborative governance. Since its launch in 2018, 42 community co-operatives have been supported to start across the region. The development of community co-operatives is supported by a network including the regional government, the Association of Tuscan Municipalities, co-operative umbrella organisations, and community co-operatives themselves. This network was formed to share a vision and plan for the further development of community co-operatives.

This intervention is an example of how a strong partnership between co-operatives and regional government enables a programme of co-operative development to take place that fulfils mutual ambitions. It is also made resilient by having significant resources attached to it over the longer term and by the passing of legislation that recognises the role of these co-operatives and makes specific concessions in their favour. For example, the granting of unused land and real estate to community co-operatives by public bodies.

## **Worker buy-outs in France** <sup>i</sup> <sup>ii</sup>

According to the French National Federation of Co-operatives (CGSCOP) around half of co-operatives created every year are a result of a business transfer to a co-operative model. Studies on business transfers emphasise the benefits of internal takeovers in terms of both business survival and long-term job preservation. Nationally, there are various pieces of legislation and incentives that support the financial side of this. At a regional level, co-operative bodies also provide support. For example, Co-operatives Regional Union Auvergne Rhone Alpes supports worker buyouts by awareness raising, comprehensive wrap around support for businesses to go through the worker buy-out process, and assistance for businesses seeking finance for their buy-out. Where regional organisations like this exist, clear pathways and specialist

advice are promoted, enabling worker co-operatives to be created. Success so far in increasing the popularity of worker buy-outs has been put down to the synergy between different types of support, where different stakeholders have established roles in providing certain types of support on a routine basis. Literature suggests that regional government could play a key role in bringing different stakeholders together to create a clear and well-resourced development pathway to further support worker buy-outs.

### **West Midlands Ownership Hub <sup>iii</sup>**

The West Midlands Ownership Hub (WMOH) was a two-year pilot designed to test how employee and worker ownership (E&WO) could be supported in a regional setting, with a distinctive focus on the creative industries. A hub co-ordinator was embedded within West Midlands Combined Authority's cultural team to stimulate the formation of worker co-operatives and employee-owned businesses in the creative industries in the region. The WMOH hub then focused on attending and co-producing events to raise awareness of the E&WO, offering workshops for pre-technical support, offering or signposting to 1-2-1 coaching, peer support or specialist business support as needed. The Hub demonstrated the value of place-based, sector-focused investment in alternative ownership models. Key learnings for future development work included the importance of having dedicated, physical support in a region, co-producing events with target audiences, peer support from existing co-operatives, focusing on a specific sector, and integrating with existing business support provision including training business advisors.

### **Business Support for Co-ops <sup>iii</sup>**

Delivered by Co-operatives UK with grant funding from The Co-operative Bank, this programme has played a critical role in co-operative development for almost a decade. While the main activity has been a business support offer for new and existing co-operatives, the funding has also delivered a range of additional activities. These include resources and digital tools; free workshops and webinars; and innovative tech and digital pathways, including a business accelerator.

Between 2016 and 2024, over 4000 groups benefited from the Business Support for Co-ops programme. Activities are delivered by a national network of co-operative development advisors and peer support from existing co-operatives is also often offered. A regional support package tailored to local

priorities and context could be funded through a regional authority becoming a paying partner in the programme. This would give them a clear regional resource that could connect with existing development infrastructure, co-operative networks and the existing business support offer.

# END NOTES

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- iii [Theory of Change - Cooperative Councils Innovation Network](#)
- iv [cooperatives-ecosystems.pdf](#) p.10
- v [West Midlands Ownership Hub Evaluation Report | Co-operatives UK](#) p.54
- vi [Policy Plan for Co-operative Growth | Co-operatives UK](#)
- vii [Enabling Policy Environments for Co-operative Development: A Comparative Experience | Canadian Public Policy](#)
- viii [\\*Co-operatives in transition \(EN\)](#) p.33
- ix [About | Soundpound](#)
- x [Bee Network Tickets | Soundpound](#)
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- xxix [New York Worker Co-operatives - Innovation in Business](#)
- xxx [Data from Co-operatives UK open data](#)
- xxxi [About – Owned by Oxford](#)
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- xxxiii [History of the cooperative movement in Finland - Pellervo](#)
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- xxxvii [The school co-operative – a training ground for future entrepreneurs](#)
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- xxxix [Start, grow or convert to a co-op with tailored business support | Co-operatives UK](#)
- xl [CAG Consultants \(2022\) Evaluation report: Next Generation peer mentoring scheme](#)
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- xlii [Elkar-lan](#)
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