

**One million
employee and
worker owners
by 2030**



**A proposal for
the 2019
Comprehensive
Spending Review**

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June 2019

Key points

- We propose allocating **£2.17 million in over the next three** years to support the *voluntary* expansion of employee and worker ownership in new and existing firms, as a first step towards achieving an ambition for **one million employee and worker owners** in the UK by 2030
- Such an expansion in employee and worker ownership would help government to achieve its objectives for a more productive, inclusive and geographically balanced economy, with more good work and widespread wellbeing
- The £2.17 million would support five LEPs to **pilot an intervention** developed by the Employee Ownership Association and Co-operatives UK to **raise awareness and practical understanding** of employee and worker ownership, among entrepreneurs, business owners and those who advise them, during start-up, early evolution and succession, and to **provide them with expert facilitation and technical support**
- Our proposal has a lot to offer when assessed through government's new Public Value Framework

1. Introduction

The UK urgently needs an economy that is better at generating and broadly sharing opportunity, influence and wealth, in increasingly narrow ecological constraints. Business as usual is not an option. Government is already committed to delivering an inclusive economy.¹ As commonly understood, an inclusive economy is one that through day to day business is great at sharing opportunity, influence and wealth between people as earners, asset owners and citizens, wherever they live and whatever their background.² It is also government policy to promote 'good work' across the economy through the Good Work Plan.³ At the same time through its Industrial Strategy, government is working to enhance the resilience and productivity of firms, supply chains and places in every part of the UK.⁴

To further boost government's impact on inclusive growth, good work, productivity and local resilience, there is a compelling case for making a *voluntary* expansion of employee and worker ownership a policy objective nationally and locally, with funding for this purpose allocated in this Spending Review.

In 2018 Scottish Government set a target of increasing the number of employee and worker-owned businesses in Scotland from 100 to 500 by 2030.⁵ We propose the Westminster Government is similarly ambitious for England and supports Wales and Northern Ireland to be just as aspirant. If, by 2030, there were five times as many employee and worker owned businesses in the UK as there are today, this could mean **one million UK workers would have a stake and a say in business**. The economic and social benefits of this, for individuals and households, businesses, communities and the country as a whole, would be significant.

Of course, government cannot make this happen, only businesses, workers, entrepreneurs and communities can. Evidence suggests that the biggest barriers to a more widespread adoption of employee and worker ownership during start-up, early evolution and succession, are a lack of awareness, practical understanding, and confidence and conviction, among entrepreneurs, business owners, workers, communities and, crucially, those who advise them.^{6 7} In response, the Employee Ownership Association (EOA) and Co-operatives UK are working together to develop

an intervention that operates in particular localities to raise awareness and practical understanding of employee and worker ownership and to improve access to expert support. The evidence suggests that when people and businesses are given the right information, in the proper contexts, with access to expert help, more of them will choose to adopt employee and worker ownership.

To be successful, ambitions for the voluntary expansion of employee and worker ownership must be shared by Local Enterprise Partnerships (LEPs) and Combined Authorities across England, as well as by local businesses and communities. There are signs that this is a distinct possibility in many places.⁸

This Spending Review is a golden opportunity to allocate seed funding to assist LEPs and Combined Authorities in developing effective interventions, building on what we know has worked, specifically learning from interventions in Scotland and in the United States.

By allocating **£2.17 million over three years** in this Spending Review, government could support five LEPs (or Combined Authorities) to pilot our intervention model, to support a *voluntary*, expansion of employee and worker ownership by increasing awareness, practical understanding, confidence and conviction among entrepreneurs, business owners, workers, communities and those who advise them.

What is employee and worker ownership?

Employee and worker ownership in a business can be partial, controlling or total. It can be exercised through employee shareholding schemes, worker co-operatives, employee ownership trusts (EOTs) and hybrids of these. It includes business owned by their employees, workers (a wider definition in terms of employment status) or the self-employed.

There are currently more than 1,100 employee and worker owned businesses in the UK, at least 650 of which have corporate purposes, democratic governance and financial arrangements that meet the internationally-recognized definition of a 'co-operative'.

What processes currently drive an expansion of employee and worker ownership?

There are two key processes driving the current growth in employee and worker ownership:

- **Conversion** of SME and family owned businesses using the EOT model and/or hybrid with employee shareholding schemes
- **Start-up** of businesses that are worker owned either from the outset or very early in their evolution, using the worker co-operative model

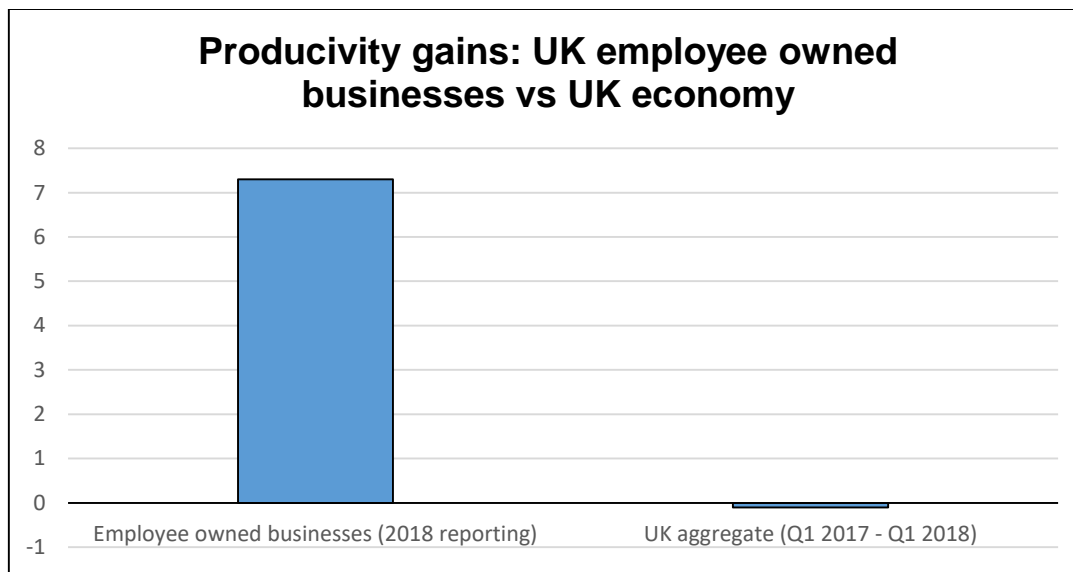
The **EOT model** is particularly well-suited to the conversion of SME and family owned businesses. It allows for a phased, full or partial, transfer of equity and control which locks in collective employee ownership and stewardship of the business for the long term, whilst protecting local jobs and supply chains. Trusts can be designed to allow for genuine accountability and voice for employees, which is not always the case in wider employee shareholding models.

The **worker co-operative model** is particularly well-suited to start-ups, early evolutions and in some cases, conversions. It is very simple and flexible in terms of legal and governance arrangements and can evolve easily as the business develops. The co-operative model can also be useful for self-employed workers as well as employees. Co-operatives use a wide variety of democratic governance models that, in different ways, put worker-owners firmly in control of the business.

2. Ownership: a missing piece linking the productivity and inclusivity puzzles

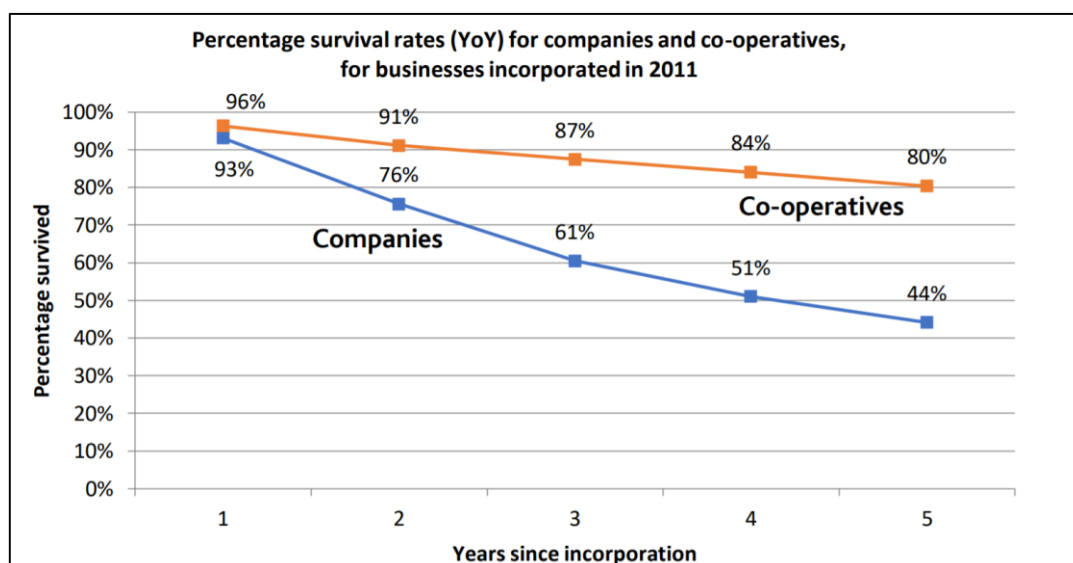
Models of value creation based on motivated, accomplished and engaged workers, a common purpose and a collaborative culture, deliver both higher productivity⁹ and more good quality work.¹⁰ This model of value creation is optimized in employee and worker owned businesses. This optimization - what is often called the 'ownership dividend' - derives from the powerful alignment of interests achieved when everyone has a stake and a say in the business.^{11 12 13}

There is a broad body of evidence that links strong commercial performance to employee and worker ownership, explained by increased discretionary effort on the part of worker-owners, stronger teams, a unifying culture, greater degrees of trust, more efficient management and easier implementation of decisions.^{14 15} Specifically on productivity, there is evidence suggesting a link between workers sharing beneficial ownership and control and higher productivity.^{16 17}



Data from EOA (2019) 'EOA 2018 Annual Review'

Furthermore there is robust statistical evidence from official UK datasets, backed up by similar findings elsewhere in the world, showing that co-operatives tend to be more resilient than businesses at large. Data shows co-operatives are almost twice as likely to survive the first five years of trading as non-co-operative businesses.^{18 19}



From Co-operatives UK (2019) 'Co-operative Business Survival'

At the same time, evidence shows that in employee and worker owned firms the dividends of strong performance are shared broadly and fairly.²⁰ Furthermore evidence suggests that there are causal links between individual wellbeing and the degree of agency, autonomy, ownership and

control people have over their livelihoods.²¹

Government should embrace employee and worker ownership as a missing piece linking the productivity and inclusivity puzzles. But we know there is a limit to what can be done at a national level to increase awareness and understanding of employee and worker ownership. To succeed, interventions need to engage with people and businesses in their real world contexts, through their networks and communities. Some of the greatest benefits of employee and worker ownership come into sharpest focus at a local level. The Industrial Strategy rightly has a strong focus on geo-economics and place. Interventions to support employee and worker ownership must do the same.

3. The resilience of local economies

Weaknesses in ownership succession throughout the lifecycle of UK businesses threatens the economic resilience of many places in the UK, especially those already struggling to stem the drain of capital, talent and jobs. This weakness in succession can also erode local supply chains in relatively successful local economies. This is a major concern as these local businesses and supply chains play a vital role in facilitating inclusive growth, by transmitting opportunity and wealth from local star firms and sectors to other local businesses, workers and their communities.

The survival of 3.4 million SMEs in the UK is at risk because of the lack of a sustainable succession plan.²² Around 120,000 family-run SMEs are expected to need to undergo a transfer of ownership in the next three years.²³ Only 13 percent of family owned business have a robust documented and communicated succession plan.²⁴ A survey of over 800 small businesses found that without the necessary preparations, only 27 per cent of family businesses would survive the transition to the second generation. The impact of the death or critical illness of a business owner was likely to be particularly negative, with 57 percent of family-run firms saying they would have to cease trading within a year and a quarter stating they would have to close their doors immediately.²⁵

These are vitally important businesses that act as a foundation for local economies, supply chains and labour markets. In an era of mobile and itinerant capital and talent, their succession risk presents significant threats to the resilience and strength of local economies, especially in already struggling places. But an erosion of the local business base can also reduce the prospects for inclusive growth in relatively successful places, because these businesses function as a crucial transmitter of opportunity and wealth from star firms and sectors to the rest of a local economy.²⁶

Trends in ownership succession earlier in the lifecycle of businesses should also concern policymakers. The ONS reports an ongoing upward trend in the number of acquisitions of home-grown firms by non-UK owners.²⁷ Government should be concerned about the impact of this trend on the resilience of local economies.

Analysis by the Department for Trade and Investment suggests that the net impact of foreign direct investment on the UK economy is positive. But the same analysis also suggests the impact at a regional level can be far more variable, with statistically clearer, stronger positive impacts where the local economy is already strong.²⁸ Government should be worried that an uptick in failed successions, as discussed above, will erode already fragile local business bases, reducing the already less positive impacts of inward investment for struggling regions.

To improve the resilience and inclusivity of local economies, policymakers should set an objective of growing local ownership of businesses for the long-term, including growing employee and worker ownership. Practically this can be done in the following ways:

- Supporting the **start-up** of more local businesses that are worker owned from the outset
- Supporting more local businesses to **adopt** worker ownership **early in their evolution**

- Supporting the **conversion** of local SME and family owned businesses to employee ownership as part of planned succession,

Crucially, evidence tells us that for start-ups and conversions the most significant barriers to a faster expansion of employee and worker ownership are about awareness, practical understanding, confidence and advice. This is where local interventions should be focused.

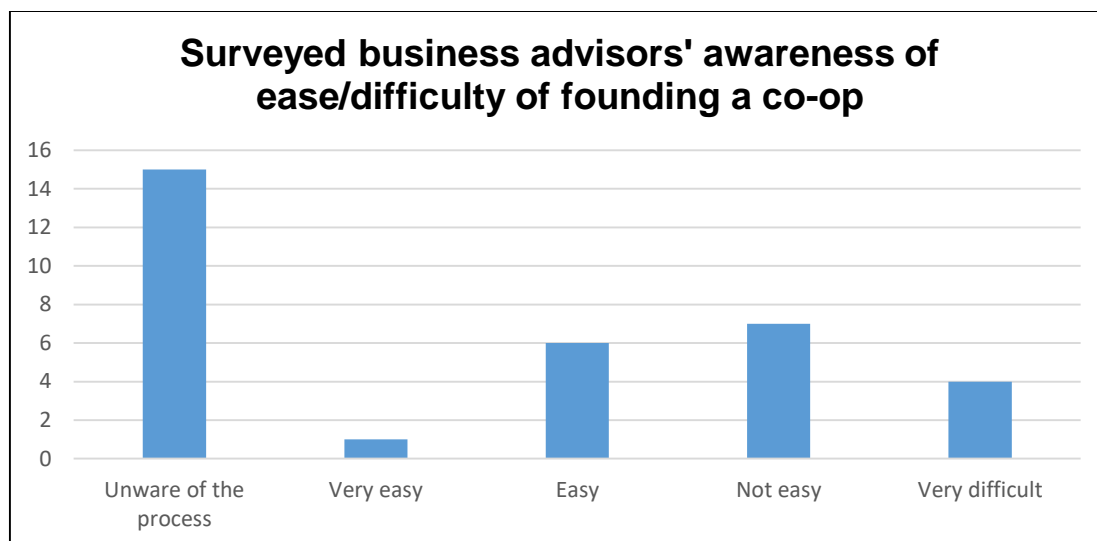
4. Barriers: awareness, practical understanding, confidence and advice

The most significant barriers to a faster expansion of employee and worker ownership are very similar for both conversions and start-ups.

The number of conversions to employee ownership as part of planned succession is limited by a lack of awareness, practical understanding and appreciation of the relevance of this option among business leaders and those that advise them. Without the right information and advice, business leaders too often lack the confidence and conviction to choose employee ownership. Furthermore, research has shown that not enough business leaders consider succession properly and are under-informed about the risks and opportunities involved.²⁹ Too often the EOA hears that businesses found their employee ownership solution “by chance”.

Meanwhile co-operative approaches to entrepreneurship are still rare, but interest in working and doing business in more purposeful, ethical and collaborative ways is growing.³⁰ In many sectors individuals and small groups want to retain ownership and control of their livelihoods but also benefit from collaboration.³¹ This is especially common in the digital and creative industries but can apply elsewhere too.³² And while these new entrepreneurs want to found successful, rewarding businesses, they also increasingly want to create something that reflects their ethics and wider social concerns and aspirations. And thus they sometimes want their business to evolve in a way that gives everyone a stake and a say, partly as a means of protecting the mission and values of the business after they exit. These individuals and groups are potential founders of worker co-operatives.

But the number of such individuals and small groups who found their business as a worker co-operative is limited by a lack of awareness, practical understanding and appreciation of co-operative options among these potential founders. We know from running awareness raising workshops that there are a lot of would-be founders who are looking to work and do business in a more fulfilling, ethical and collaborative way, but who lack a clear understanding of what their practical options are. Research for Co-operatives UK has also identified unhelpful gaps in the knowledge and advice offering of those who influence the decisions of these founders.³³ Without the right information and advice, would-be founders can lack the confidence and conviction to choose a co-operation option. Too often, Co-operatives UK hears from founders who came to a co-operative option “by chance.”



From Alliance Manchester Business School (2018) 'The Co-operative Business Model: promoting awareness amongst business advisers'

5. Current interventions

Tax policy

The UK government maintains a number of tax measures aimed at supporting broad employee and worker ownership in the economy, including two 'all employee' shareholding schemes. In addition, a package of tax breaks was introduced in 2014 that are designed to incentivise the sale of a controlling interest in a business to an EOT. There is evidence that the 2014 package has helped increase interest in and take up of employee buyouts. But without properly resourced programmes of awareness raising and support to help businesses through the process, the impact of tax incentives will be limited.

Furthermore the tax package does not currently incentivise the establishment of a business that is employee or worker owned from the outset or during early evolution.

Privately funded and business-led awareness raising and advice

Co-operatives UK, in partnership with the Co-operative Bank, currently runs a development programme called The Hive. The Hive currently provides a nationally managed programme of mentoring, skills training and direct business support for around 100 new and existing co-operatives a year, for just under £300,000 per annum. This includes up to six days of subsidised expert advice for people founding worker co-operatives. The Hive also runs free one day 'Is a Co-operative Right for You?' workshops around the country that help people understand their co-operative options in a general way. The Hive is a successful but limited programme. Feedback from clients and advisers is that the amount of subsidised support is not always enough. In particular, there is a need for more pre-formation facilitation to help groups understand and explore their particular co-operative options. The impact The Hive has in terms of awareness raising among would-be founders is also limited, because resources do not allow this to be targeted and integrated into local networks and contexts.

Separately, Co-operatives UK's Development Unit is working with experts in grassroots advocacy to promote the co-operative option to freelancers in the digital and creative service industries. This work is much more targeted but is in its infancy.

The EOA is a not for profit, limited by guarantee business and the recognised 'go to' source of information/support/guidance for any business owner exploring employee ownership. These services are delivered as required via phone-based support, online resources and an 'Affiliate' membership proposition which is priced to enable access by the maximum number of businesses.

With no dedicated fund/allocation for one to one support or feasibility studies to assess suitability, business owners are encouraged to meet with others to learn, prior to engaging with professional advisors. The wider membership proposition of the EOA services the majority of the UK's employee owned businesses, who, amongst others things provide inspiration, mentoring and support to those business owners seeking to transition.

In addition, with the launch of the Ownership Dividend report, the EOA is now engaging with a range of professional and membership bodies, seeking their support at a national level in awareness building, via co-authored articles, guides and online resources.

Publically-funded/government-led awareness raising and advice

The Scottish Government currently invests around £500,000 each year – plus wider costs of infrastructure through Scottish Enterprise - in a service that raises awareness of employee ownership conversions among business leaders and provides expert support for businesses pursuing conversions as part of their planned succession process. This cost includes direct staffing and consultancy. It is important to note that this has taken time to establish and institutional patience is a key ingredient for success.

Scotland now leads the UK in the number of such conversions, averaging one a month and reportedly with more than 100 in the pipeline. An independent evaluation for Co-operative Development Scotland cited a tenfold return on investment in gross value added for every pound invested in on-the-ground support.³⁴ The Welsh Government is also funding a service through Social Business Wales, more recent in origin, which is delivered by the Wales Co-operative Centre.

Scottish Government's success in establishing employee buyouts as a mainstream option for succession demonstrates that of properly funded and integrated awareness raising and technical support, targeted at SME and family business leaders, works. There is every reason to think that an equivalent level of government backing in Wales can deliver equally well. The most obvious gaps are in equivalently-funded awareness raising and advice programmes in England and Northern Ireland, and in support for worker owned start-ups anywhere in the UK.

Municipal interventions in the United States

While Scotland and Wales provide excellent demonstrations of how to 'mainstream' employee ownership conversions, we have to look outside the UK, and particularly to the United States, for examples of municipal-level interventions to support the start-up of worker owned businesses. Notably, New York City Council funds and convenes the 'Worker Co-operative Business Development Initiative', which combines awareness raising through networks and communities with specialist support for worker owned start-ups. A \$2.9m commitment in 2018 has supported almost 50 new worker co-operatives.³⁵

6. Inclusive ownership ambitions

There is a compelling case for the UK as a whole, and the Westminster Government specifically, to adopt Scottish Government's ambition for a fivefold increase in the number of employee and worker owned businesses by 2030. Based on current levels of employee and worker ownership, such an increase could result in **one million employee and worker owners in the UK** by the end of the next decade.

The table below displays key 2018 baselines and projections to 2030 in a scenario where we have seen a fivefold increase.

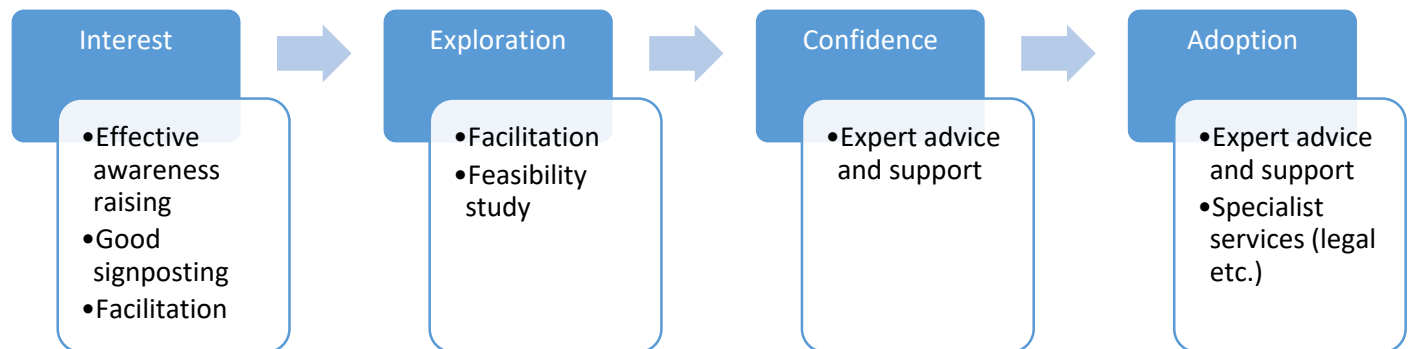
	2018 Baseline	2030 following fivefold increase
Number of employee and worker owned businesses (EOTs and co-ops)	1,100	5,500
Number of EOT-owned businesses	450 (EOA data)	2,250
Number of worker owned co-ops (inc self-employed)	650 (Co-operatives UK data)	3,250
Number of employee and worker owners	200,000 (EOA data)	1,000,000

These projections are ambitious but with the right interventions to provide expert support and increase awareness, practical understanding and confidence in employee and worker ownership, they are certainly attainable.

7. Our intervention model

The EOA and Co-operatives UK are working together to develop an intervention that can operate in particular localities to increase awareness, practical understanding and confidence in employee and worker ownership options, among entrepreneurs, business owners, workers, communities and those who advise them, during start-up, early evolution and succession.

The intervention includes targeted awareness raising, up-skilling advisers and the commissioning of expert facilitation, advice and support. These measures will assist people on a journey from general interest, through to more detailed exploration of options, with growing confidence and conviction, towards adoption of employee and worker ownership, where appropriate.



The optimum spatial level for the local interventions in England would be LEP Areas or, where applicable, Combined Authorities. This will allow the intervention model to fully align with wider business support, networking and funding infrastructure. LEPs and Combined Authorities with inclusive ownership ambitions would choose to be partners and hosts for the intervention. There are encouraging signs of an appetite for this in a number of places.³⁶

The EOA and Co-operatives UK envisages a scalable ‘hub and spoke’ model, with minimal central administration supporting locally embedded interventions.

At the local level our model breaks down into three interventions (awareness raising and promotion, adviser capacity building and direct technical support) and two pathways (start-ups/early evolutions and conversions).

	Start-ups and early evolutions	Conversions
Awareness raising and promotion	<p>Marketing, promotion and grassroots engagement targeted at cohorts of would-be founders</p> <p>Using shared workspaces, enterprise hubs, business networks and communities of place and interest</p> <p>Digital and creative services to present opportunities in most urban centres</p> <p>There may also be aspirations to expand worker ownership as a means of improving livelihoods in 'low pay low productivity' sectors in many places</p>	<p>Marketing, promotion and engagement targeted at SME/family business owners/leaders</p> <p>Offer to help SME/family business plan ownership succession</p> <p>Positioning employee ownership as part of a wider menu of options for planned succession</p> <p>Working through local Chambers of Commerce etc. to raise local awareness of succession and employee ownership</p> <p>Gathering intelligence and mapping the 'succession landscape' in the city/region</p>
Adviser capacity building	<p>Offer of CPD-like training to individuals working in relevant professional services within LEP Areas, to improve their basic awareness and understanding of worker co-operatives, triage and sign-posting</p> <p>Including offer of training for advisors working through Growth Hubs, New Enterprise Allowance providers and Start-up Loans providers</p>	<p>Offer of CPD-like training to individual working in relevant professional services within LEP Areas, to improve their basic awareness and understanding of employee ownership and conversions, triage and sign-posting</p> <p>Including offer of training for advisors working through Growth Hubs</p>
Direct technical support	<p>Two days of paid-for expert-led sessions to explore would-be founders' specific co-op options in detail, with a diagnostic/feasibility objective</p> <p>Five days of paid-for expert co-operative development support covering formation, business planning and co-operative organising</p>	<p>Two days of paid-for diagnostic/feasibility activities</p> <p>Five days of technical support should the diagnostic identify a viable transfer opportunity</p>

Outcomes

Our intervention in five LEP areas is designed to deliver the following outcomes at the end of three years:

- approximately 300 SME and family businesses helped to plan their ownership succession and to understand the employee ownership option, up to technical diagnostic and feasibility study
- approximately 300 founders (of founder groups) helped to explore a co-operative option for their start-up, up to technical diagnostic, feasibility study and group facilitation
- approximately 50 business advisors (or advisor firms) with enhanced awareness and understating of employee and worker ownership
- approximately 100 additional businesses adopting employee and worker ownership through either start-up or conversion
- continuous action learning to inform future interventions to support employee and worker ownership

In participating LEP Areas, we envisage that these outcomes will lead to a self-sustaining expansion of employee and worker ownership that will continue long after the three year pilot ends. Employee and worker ownership options will become more 'mainstream' within the local business community and its supporting eco-system.

Outside the participating LEP Areas, this success will engender greater awareness of and

confidence in employee and worker ownership among policymakers, business groups and professional associations. We envisage that this momentum will result in many more LEPs allocating resources to support and expansion of employee and worker ownership in their areas.

On conservative estimates, predicated on an assumption that the baseline of 146 new employee and worker owned businesses per year continues unchanged over a decade, and each participating LEP Area contributes 20 additional new employee and worker owned businesses over three years, with the number of participating LEPs growing over the decade, the intervention could deliver at least 800,000 employee and worker owners by 2030 (see table below).

	Number of LEPs participating	Baseline three year start-ups and conversions	Additional employee and worker owned businesses created through intervention	Total additional employee and worker owned businesses over three years with intervention	Total number of employee and worker owned businesses	Total number of employee and worker owners
2017-19 (baseline)	0	438*	N/A	N/A	1,100	200,000
2020-22	5	438	100**	538	1,638	297,818***
2023-25	15	438	300	738	2,376	432,000
2026-28	30	438	600	1,038	3,414	620,727
2029-31	38	438	760	1,198	4,612	838,545

* The most recent annual data from EOA and Co-operatives UK multiplied by three

** Based on the projected 20 additional employee and worker owned businesses per LEP over three years of the intervention

*** Increasing by the same percentage as the total number of employee and worker owned businesses

Crucially, this intervention is intended to act as a catalyst that over time significantly increases the frequency with which people and businesses become aware of, explore and adopt employee and worker ownership. The direct outcomes modelled here would not account for the total knock-on impacts over a whole decade. Nor do these figures account for all the activity we would like to see in Scotland, Wales and Northern Ireland.

Once the approaches we advocate here are mainstreamed in business eco-systems across the country, and as the momentum builds, there is every chance of achieving one million employee and worker owners in the UK by 2030.

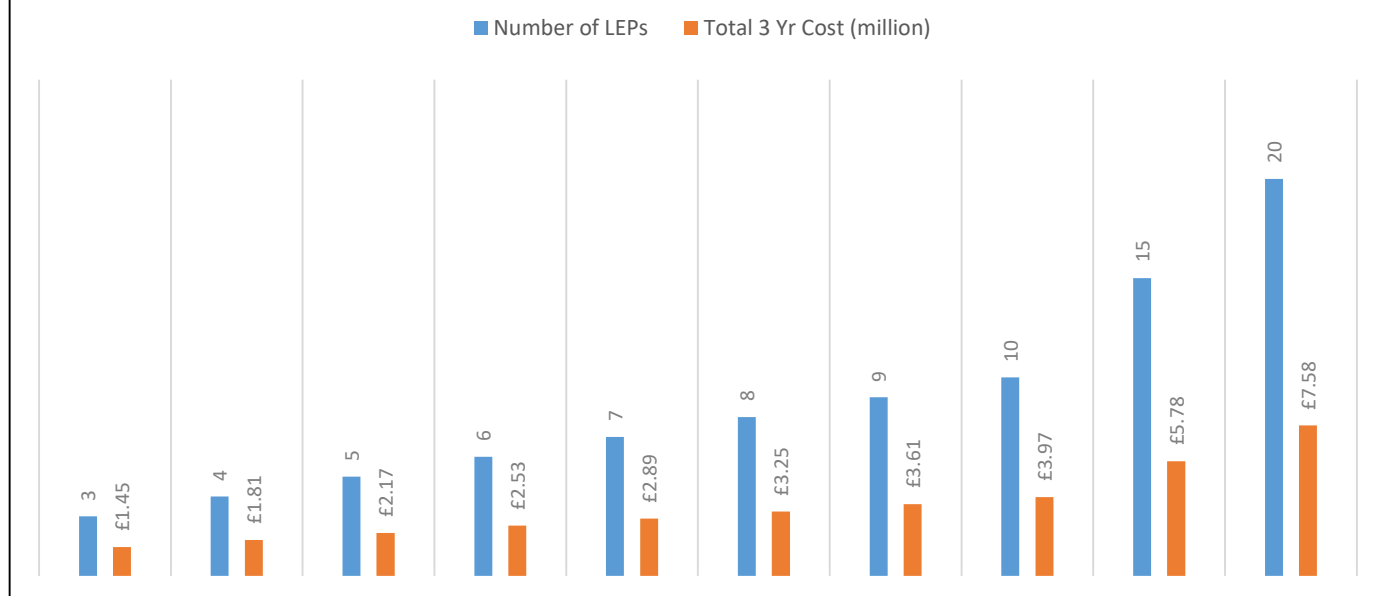
Modelled Costs

We have undertaken detailed modelling of costs for a three year pilot working with five LEPs. Taking account of initial 'mobilisation' costs, and per annum costs for programme management, awareness raising and promotion, adviser capacity building and direct technical support, we estimate that this would cost a total of **£2.17 million over 3 years** (see below).

	Year 0 (mobilisation)	Year 1	Year 2	Year 3	Total 3 year cost
Modelled costs	£66,562	£777,742	£664,926	£667,155	£2,176,386

In our intervention model costs grow depending on how many LEPs are participating. But some central 'hub' costs remain static even as more 'spoke' LEPs are added, up to certain inflection points. And crucially, our model has the potential to produce substantial economies of scale as the number of participating LEPs increases. For example, were the number of participating LEPs to double from 5 to 10, the total modelled costs would be less than double, rising from £2.17 million to £3.97 million over three years. These economies of scale are visualised below.

TOTAL EST. 3 YEAR COST, INCREASING BY NUMBER OF PARTICIPATING LEPS



8. Proposal for government

Government could set a clear national policy objective to support a *voluntary* expansion of employee and worker ownership. It could also adopt Scottish Government’s ambition to see a fivefold increase by 2030.

As a first step, in this Spending Review government could allocate **£2.17 million over three years** to support five LEPS to pilot the awareness raising and support model being developed by the EOA and Co-operatives UK.

The EOA and Co-operatives UK are well-placed to provide accountable and effective programme management in partnership with participating LEPS and local networks.

Public value

In the table below we suggest how allocating public money for the intervention we’ve described would deliver ‘public value’ using the framework proposed by Sir Michael Barber and adopted for this Spending Review.³⁷

Public value pillar	Our proposal
1. pursuing goals	<p>We have proposed clear and measurable three year goals for engaging with businesses and would-be founders, enhancing the capability of advisors and supporting employee and worker ownership start-ups and conversions.</p> <p>We have also suggested an achievable ambition of one million employee and worker owners by 2030.</p> <p>These ambitions and our proposals for how to achieve them are informed by evidence of what works and current barriers.</p>
2. managing inputs	<p>Our financial and non-financial resource planning has been informed by our considerable experience of designing and delivering successful interventions to promote and support co-operative business, not least our work to support the development of the</p>

	<p>community shares market³⁸ and our national co-operative business development support programme The Hive.³⁹</p> <p>We have a deep practical experience of projecting, monitoring and managing supply and demand and costs relating to engagement, training and the provision of expert advice and support for employee and worker owned businesses.</p>
<p>3. engaging users and citizens</p>	<p>Evidence suggests that public perceptions of employee and worker ownership are very positive.⁴⁰ Furthermore, there is evidence that the public is in favour of efforts to foster a more inclusive economy.⁴¹</p> <p>The intervention we're proposing will broaden the reach of business policy by engaging employees and workers who may never otherwise aspire to business ownership. It will provide more people with practical options for having a greater stake and say in the economy.</p> <p>Our theory of change is that furnishing businesses, workers, entrepreneurs and communities with the relevant information in the most relevant contexts, and then providing access to expert help, enables them to make the most of a wider range of options, empowering them to build a more productive, inclusive economy for themselves, <i>voluntarily</i>.</p> <p>In designing and implementing the proposed intervention, the EOA and Co-operatives UK draw on the knowledge and assistance of the hundreds of employee and worker owned businesses and specialist advisors in our membership networks.</p> <p>We are also drawing substantially on the Scottish Government's success in engaging with businesses that might convert to employee ownership.</p>
<p>4. developing system capacity</p>	<p>First and foremost this intervention is intended to enhance the capability of local ecosystems of LEPs, Growth Hubs, business advisors, networks and communities to support employee and worker ownership.</p> <p>It also provides a practical means for a different parts of national and local government to collaborate on an inclusive economic agenda, such as BEIS, MHCLG and the Inclusive Economy Unit in Whitehall and LEPs across England.</p> <p>Our proposal responds to evidence and experience telling us what the biggest barriers to expanding employee and worker ownership are in existing private and public sector delivery chains.</p> <p>Both the EOA and Co-operatives UK are trusted, respected and accountable membership organisations that are not-for-profit, politically independent and socially purposed. Both have track records in working successfully with public bodies, businesses and civil society. Co-operatives UK has a track record of successfully managing multi-million pound projects for public and charitable partners, such as the Community Shares Unit, The Hive and Empowering Places⁴².</p> <p>Our intervention has been designed to facilitate continuous improvement with live feedback loops to ensure the activities can be effectively refined, adapted and scaled, during each year, over</p>

	multi-year cycles and across different locations through the hub and spoke model.
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9. Closing remarks

The UK urgently needs an economy that is better at both generating and broadly sharing opportunity, influence and wealth, in increasingly narrow ecological constraints. Business as usual is not an option. Employee and worker ownership offers a more inclusive, distributive way of doing business that optimizes a people-centered value creation model.

The Westminster Government could boost its impact on inclusive growth, good work, productivity and local resilience, by making a *voluntary* expansion of employee and worker ownership a policy objective nationally and locally. It could adopt Scottish Government's ambition for a fivefold increase in employee and worker ownership by 2030, which if achieved UK-wide could help one million workers to have a stake and a say in business.

Of course, government cannot make this happen, only businesses, workers, entrepreneurs and communities can. Government can help ensure they are furnished with the right information in the right contexts, with access to expert help, so they can make this happen for themselves.

As a first step, government could allocate £2.17 million over three years in this Spending Review, to support five LEPs to pilot an intervention that increases awareness, practical understanding and confidence in employee and worker ownership among businesses, entrepreneurs and those who advise them.

About the Employee Ownership Association

The EOA is a not for profit, politically independent organisation that works in close partnership with its members to champion, promote and provide insight into the business case for employee ownership. The EOA is the recognised 'go to' source of information, support and guidance for any business owner exploring employee ownership.

About Co-operatives UK

Co-operatives UK is a politically independent, not for profit association that unites, develops and promotes thousands of co-ops across the UK. From high street retailers and community owned pubs, to agricultural producer organizations and worker owned businesses, co-ops are everywhere and together they are worth £36.1 billion to the UK economy.

Please contact

James Wright, Policy Officer

Co-operatives UK

james.wright@uk.coop

0161 214 1775

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