

Community & economic development:

Building back strong Bristol co-operatives

Final report, October 2021

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Summary

The aim of this project was to identify and contact the local co-operative sector to (1) compile up-to-date data on its size and health, comparable to available historical sector data held by Co-operative Assistance Network Limited (CAN), and (2) understand what ‘build back better’ means to local co-operatives. Outputs were an updated database of co-operatives and community benefit societies in the West of England area; this project report and a short survey. Key findings include:

- Co-operatives and community benefit societies are **widespread and successful** in the West of England area, covering a broad range of sectors.
- The co-operative model is **resilient**. Although the co-operatives faced significant challenges during the Covid-19 pandemic, the co-operative values of membership, solidarity and democracy had contributed to the development of a unique skill set that helped the co-operatives to survive.
- Start-ups, activism and imagining a better future: people come to the co-operative model with a keen sense of wanting an alternative to ‘business as

usual’ in work, housing and community relations.

Democracy, joint decision-making and ethical choices are at the heart of the decision to choose co-operation.

- Co-operation among co-operators: **getting and giving advice** in a key part of co-operative working. Co-operators value learning from others’ experiences, but equally they understand the importance of sharing their expertise as well. Formal assistance is also important and is not just for start-up groups. Issues such as **updating their Constitution / Rules / Articles of Association, conflict moderation, accounting and legal problems often require external expertise**.
- ‘Build back better’: co-operators care about community and social justice. Building a more **sustainable and equitable society** is at the heart of their operations.

Key recommendations from the report are:

- To explore and facilitate online network development, to help co-operatives to find each other, to help customers find co-operatives and to raise the visibility of co-operatives among the wider public.
- To explore, facilitate and raise awareness of local sources of finance for social and co-operative development.
- To conduct further research to identify successful exemplars of co-operatives across different sectors in order to promote the co-operative model, raise awareness and build the co-operative support and development offer in the local area.

Introduction

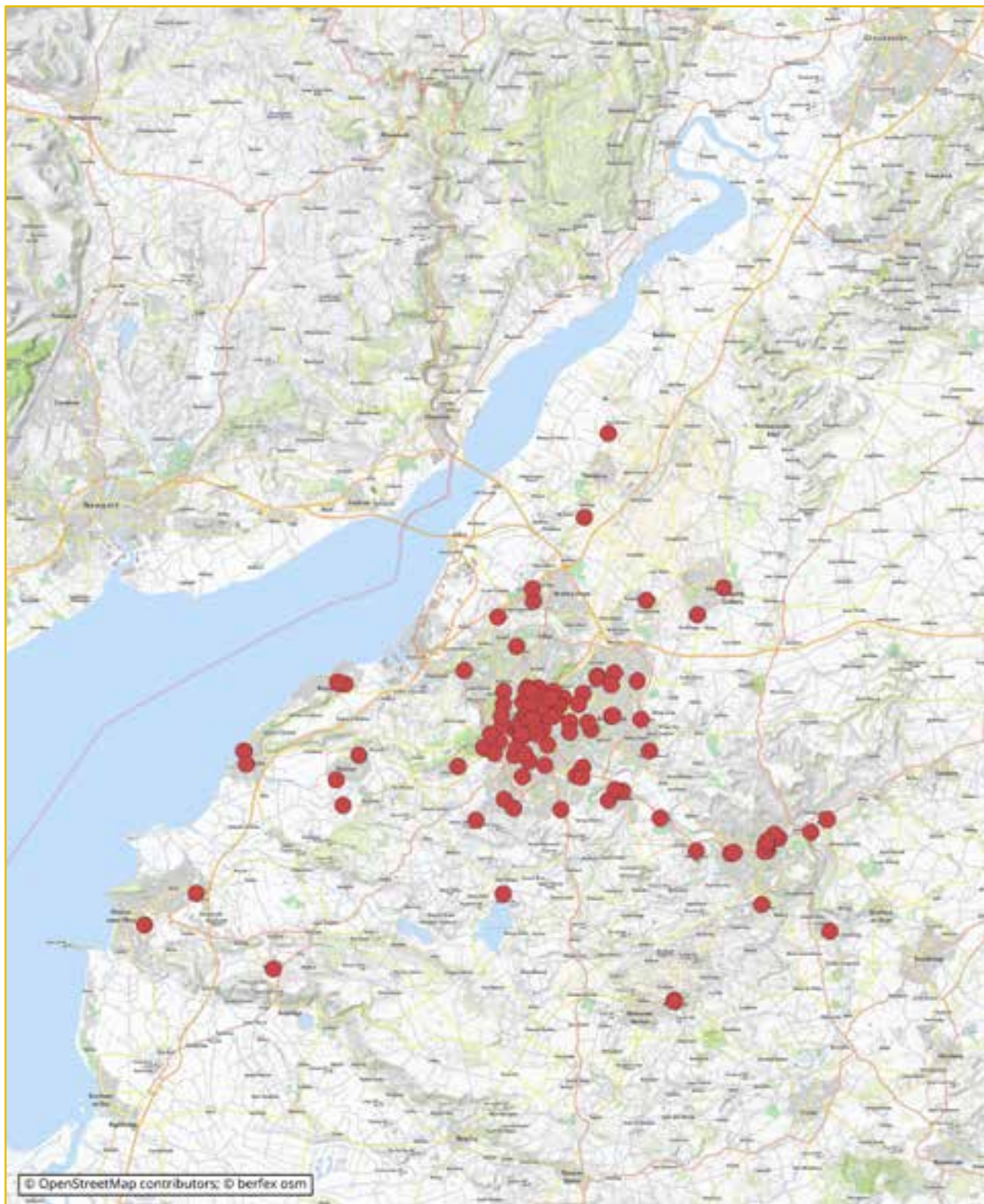
The *Building back strong Bristol co-operatives project* was a collaboration between the University of Bristol and Co-operative Assistance Network Limited (CAN), funded by the university's Temple Quarter Engagement Fund. Co-operatives are democratically owned and controlled by their members and are almost twice as likely to survive the early years of business, compared to other types of companies. Therefore, they can contribute significantly to a local economy's ability to recover from crises such

as COVID-19. To enable co-operatives to emerge as an increasing part of the local economy, the project aimed to understand their issues and support needs. The aim of the project was to identify and contact the local co-operative sector to (1) compile up-to-date data on its size and health, comparable to available historical sector data held by CAN, and (2) understand what 'build back better' means to local co-operatives.

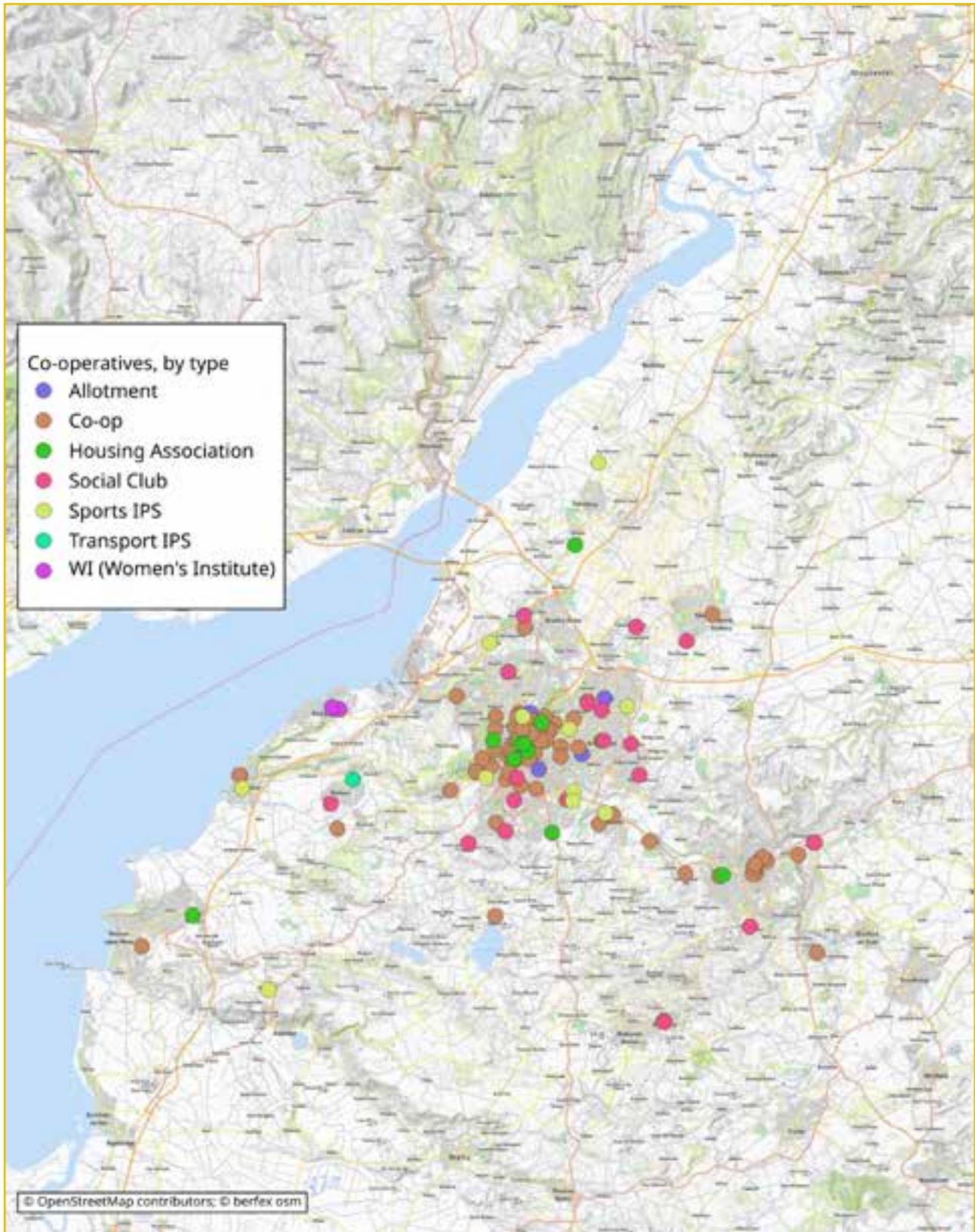


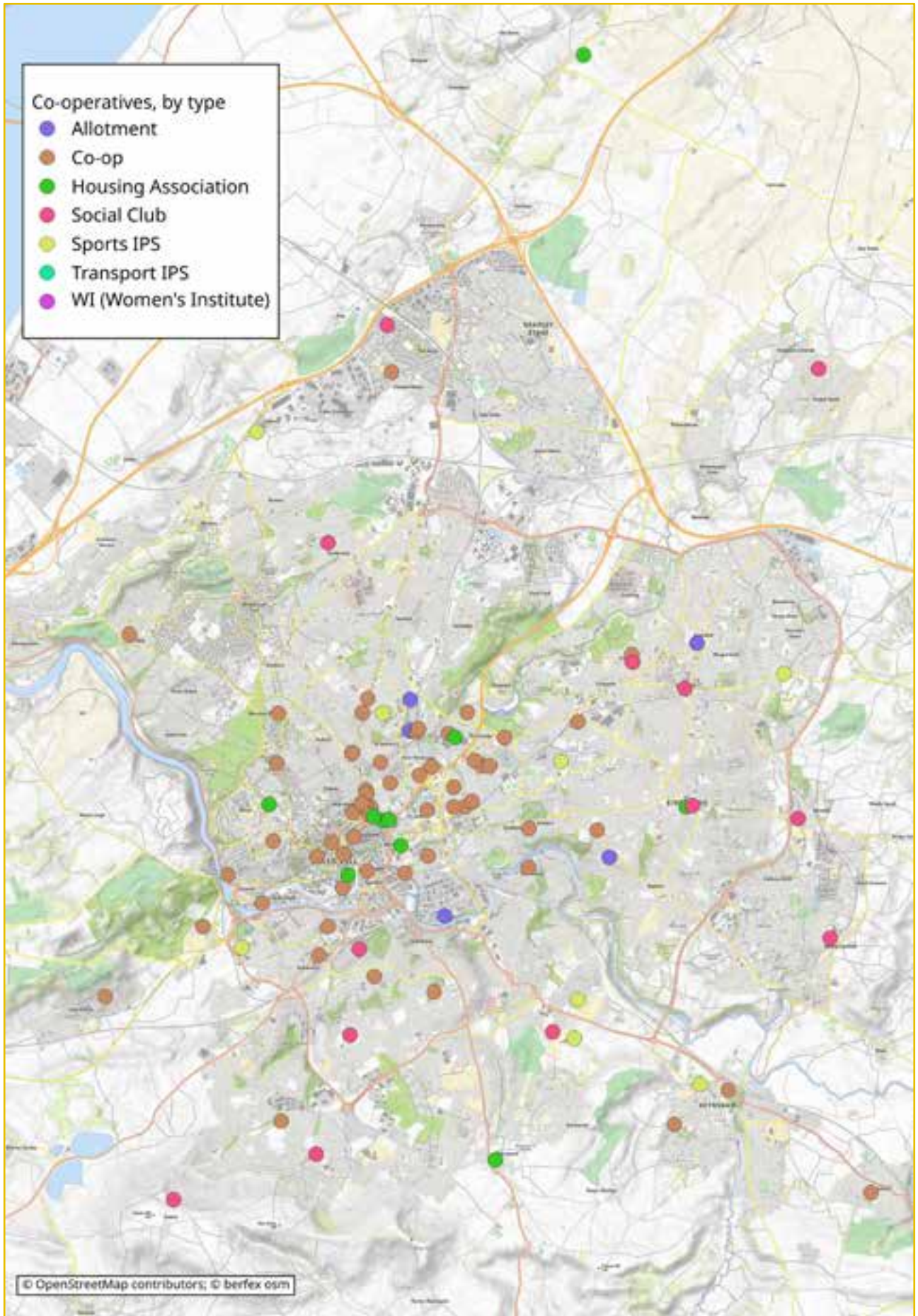
1. Co-operatives and Community Benefit Societies: widespread and successful

The first part of the project compiled sector intelligence on the size and health of co-operatives and community benefit societies in the West of England area. This identified 152 organisations ranging from newly registered start-ups to well-established co-operatives that have been trading for decades. They are spread across the region (see Map 1).



Co-operatives and community benefit societies operate across the social and business spectrum. Map 2 divides them into categories by type: allotment, co-operative, housing association, social club, sports IPS (Industrial and Provident Society), transport IPS and WI (Women's Institute). Map 3 shows the same information for Bristol and the surrounding areas.





These categories do not do justice to the diverse activities of co-operatives and community benefit societies. The 'co-operative' category, for example, includes: agriculture and allotments, arts and creative industries, childcare, community asset management, consultancy, counselling, education, energy and environment, finance, food (retail and wholesale), housing, services, supporters trusts, as well as a range of unique businesses. Co-operatives and community benefit societies are not limited to one type of business: the model is adaptable across industry sectors and communities.

2. Co-operatives and Community Benefit Societies: a resilient business model

A key part of the project was to understand the impact of Covid-19 on the West of England area co-operatives and community benefit societies. We conducted a series of 17 interviews during the project with co-operators representing a broad range of categories (see Map 2), evenly split between start-ups and well-established businesses. What emerged from the interviews is that the co-operative model is resilient in times of crisis: the co-operatives all experienced challenges during the Covid-19 pandemic, but the co-operative model provided local, swift decision-making, as well as flexibility and solidarity.

2a. The challenges created by Covid-19

The challenges faced by co-operatives were significant. Many of them were similar to those experienced in the wider community: public spaces, premises and workspaces had to shut; bookings were cancelled; all activities moved online; processes were altered in response to regulations; there were redundancies; staff were furloughed; co-operatives faced an existential threat as income dried up, but costs still had to be met; sources of external funding dried up; and the majority (but not all) had reduced turnover and profits.

“ We faced an existential threat.. we bit the bullet and decided to restructure the business. We took the staffing down. We availed ourselves of all the government help that was available through the furlough scheme... and then the third strand was that we decided that we would open for business as quickly as we could in a safe way between lockdowns.

“ Operationally, it's had a really huge impact, because we've moved at quite a fast pace from being primarily not quite paper-based ... to being almost wholly digital.

“ So we had to furlough people who are vulnerable because of their health ... We had to close [the premises] because we couldn't make that Covid safe.

“ Our bookings that we had were either postponed or just cancelled. We couldn't do any work and it's really hard to get funding as well, because we can't do the work that we will be asking for funding for.

Some challenges were unique to the co-operative model, particularly the impact that the pandemic had on members. Some members had to move from paid to voluntary work in their co-operative in order for the business to survive. Start-up co-operatives and well-established ones found that members dropped out during the pandemic:

“ The co-op's a baby. It's got big visions, but it's an embryo. We were a very small group of people. One of the things that's happened with Covid is we've lost numbers. We're down to four now and we were up to about ten.

As well members dropping out, co-operatives also had members who were unavailable because of ill health or sabbaticals. This meant that there were fewer members available to serve on boards and committees, increasing the workloads for those members. Many co-operatives had to hold additional decision-making meetings and communication with members became more difficult, especially when it came to informing them of difficult decisions:

“ Coming up with fair formulas was tense. It was fine in the end, but you don't know how people read the communications. We had more meetings than normal.

“ I think the business aspect of the pandemic was relatively straightforward. More important was the kind of the pastoral support and the softer edges of co-operative working that we weren't able to maintain.

As the last quote suggests, although co-operatives and community benefit societies had robust business plans and processes that could cope with unexpected crises, moving online disrupted the easy, everyday interaction and support of co-operative working.

2b. Strengths that emerged during the pandemic: membership, solidarity and democracy

There were strengths and unexpected benefits that also emerged during the pandemic. Co-operatives and community benefit societies' strength is the membership model. As democratic organisations, they distribute wealth and power more equitably, and are more diverse and inclusive in governance and employment. This came to the fore during the pandemic as the organisations responded to the challenges of Covid-19 in flexible, creative and inclusive ways:

“ *But I think that sense of shared ownership means that as the pandemic loomed into focus and that crisis became very real, those who were here were able to make decisions collectively about how they wanted to respond to it, and I think that really helped with a sense of empowerment within like a pretty horribly disempowering situation.*

The solidarity between members and years of experience working together meant that several co-operatives were able to move their decision-making, meetings and processes online without too much disruption. This often produced unexpected benefits in areas such as product development and business opportunities outside the West of England area:

“ *But the core team came together and we worked together. And like lots of people, we shoved a whole load of stuff online and made stuff up as we went along, but out of that came some really interesting products.*

“ *We've done a couple of things that were outside of Bristol and we can hopefully do that in the future, so we don't have to go through the rigmarole of booking trains and stuff.*

Equally, some co-operatives benefited because they were local and could respond quickly to the evolving situation:

“ *We were solving their [customers] new headache rather than their old headache so it was you know being small and being light of foot and not having a decision-making system that was elsewhere, so, unlike the colleagues who furloughed their staff instantly, where the decision was made in London on a blanket basis. We managed to not lose a single customer.*

Start-up co-operatives also experienced some unexpected benefits during the pandemic. The disruption to 'business as usual' delayed much administrative processes, so while these co-operatives were waiting to register or open bank accounts, they had additional time to educate themselves about the co-operative model, refine their business plans and discuss their vision and values:

“ *It has obviously been a bit annoying that we've had to have loads and loads of delays, but (it) also has allowed us time to do a lot of research and kind of establish ourselves ... like all of this is like serious legal stuff I don't think any of us have had much experience with, so I think the time, as frustrating as it's been, has allowed those of us who've been involved from the beginning to fully understand more what we're doing or talking about, I think.*

Finally, solidarity between members remained very strong throughout the pandemic. Many co-operatives observed that their members continued to support them, even though premises were shut, businesses suspended or online:

“ *All members stayed!*

“ *We had a bunch of members who had continued their memberships kind of in solidarity (even though the co-operative was closed).*

“ *You know it's been difficult for people's mental health as well, so having that sense of co-operative responsibilities also helped carry some of that too.*

These comments show the bonds of solidarity between members. They also point to the wider social and health benefits associated with co-operative forms of working.



3. Start-ups, activism and imagining a better future

There are many new co-operatives and community benefit societies being set-up in the West of England area. For these newer co-operators, the co-operative model is seen as a perfect fit for their activism, whether in terms of political outlook, environmental concerns or the search for a better way of living:

“ We were lefties and didn't want to do – you know, it just seems like a natural fit. We definitely don't want to do charities, because we don't want to be hierarchical. And you have to have a board of trustees or something in it. It just wasn't going to work for us, so we didn't want to do that. So it wasn't it wasn't difficult to choose co-op and not for profit.

The search for alternatives to ‘business as usual’ drives the start-up groups across the board, whether in work, housing or community settings. Many argue that the current approach to the environment, care, work and community relations does not work and that co-operatives offer a different way of thinking about social, environmental and business problems:

“ The co-op structure allows that kind of blurring of edges between community and business... they can get into corners of society that the big boys can't cope with and business men in suits don't get.

“ It's a practical democracy... if you're happy in your work environment then it just makes the rest of your life so much easier.

Democracy, joint decision-making and ethical choices are at the heart of the decision to choose co-operation. For some, that translates to a broader critique of capitalism and individualism:

“ I think one of the problems we're facing ... is that culture's become so individuated and so separated that everybody's trying to look after themselves and everybody's got their own trajectory. So we've lost touch with the common wealth, with the common ground and with, ‘How do we work well; how do we put aside our differences and honour them and work within that framework to create something together?’

In this view, co-operation is a way of sharing control and decision-making, so that all members of the group are treated in an inclusive and respectful fashion. That is not

to claim that co-operating is easy. If that were the case, there would be no need for conflict resolution, written rules and detailed procedures:

“ It's co-operative life, you know. It's sharing and working out ways forwards. When we interview people now we're aware of this thing about a kind of co-operative utopia or co-operative Shangri-La. They do not exist!

“ You know it's not always as egalitarian and as it might be perceived, but at the same time, I think it's a hell of a lot better than a hierarchical system.

Thus, despite the challenges involved in running a co-operative or community benefit society, on the whole co-operators see the co-operative movement as a powerful alternative way to organise society.

“ I just want to compliment the fact that the co-operative movement is still going and it is something to be, I think, to be proud of – I say that from a historical perspective. And yes I'm still a member of two co-operatives and would encourage others to consider it because it's a structure that, because it is a democratic structure, it gives you a confidence to know that somebody else has already had a go at this and are there, if you like, there are other people we can talk to and get some reassurance that we're doing things the right way. And so I think that's one of the great benefits of it! I mean it is evolving, but it still has its roots in the right place, which is people democratically deciding what is best for each other, for the body.

4. Co-operation among co-operatives: the need for co-operative expertise

The co-operative movement has a long history in the West of England area and co-operatives benefit from learning about the experiences of other groups in their area:

“ Whenever someone contacts us to ask for some advice or something like this, I always feel like that's part of the beauty of the co-op is to share ideas.

As well as co-operation among co-operatives, getting formal advice is often key to a start-up's success or to resolve challenges within the co-operative. Avon CDA (Co-operative Development Agency) was set up in the 1980s to be a dedicated advice resource to promote the co-operative option, advise people wanting to set up co-

operatives and also advise the local existing co-operative network. In 2001, it merged into Bristol and Avon Enterprise Agency (BRAVE) to become known as CDA (BRAVE Ltd). BRAVE ceased to trade in 2021. The CDA is fondly remembered for the expertise and advice ('the CDA did amazing work') it gave over the years and there is a similar recognition of the role of CAN to present-day co-operatives and community benefit societies:

“ It's been a long process and a lot of learning, which I think will never stop! [CAN] came and did some excellent seminars and working sessions with us. It's been a very interesting process in getting this clarification going.

“ With the help of [CAN], we changed our constitution and set ourselves up as a community benefit society and our trading activities and we're organised under a community interest company.

“ CAN is a co-op so you know they have that knowledge.

Co-operative development is an area of concern, however, because there are succession and skills issues:

“ The people who are receiving the work need to know that that work is worth what they're paying for it each day and if you don't have someone that skilled in it or experienced enough and actually gives the confidence to the customer, then they're not going to want to pay the money.

This is at the heart of co-operative development in the West of England area: experts in co-operative development have learned their skills over decades. This experience includes developing their own co-operatives, but also learning co-operators' experiences across the UK and internationally. Such practical experience takes time to develop, so finding the next generation of co-operative development advisors is a pressing concern.

5. 'Build back better': building a more sustainable and equitable society

Co-operatives have a long history in the West of England area, dating back to Robert Owen's visit to Bristol in 1840. Rather than dwell on the past, however, modern day co-operatives and community benefit societies are more interested in the future and how to create a more sustainable and equitable society. Co-operatives are democratically owned and controlled by their members and are almost twice as likely to survive the early years of business, compared to companies. They can

contribute significantly to local economies' efforts to #BuildBackBetter from COVID-19. Co-operators care about community and social justice.

The Bristol advantage: As Map 2 and Map 3 demonstrate, there are a wide variety of co-operatives and community benefit societies in Bristol and the wider West of England area. Bristol has a long history of seeking sustainable and alternative ways of organising and living. This makes it amenable to co-operative businesses and community benefit societies because there is a wealth of practical experience among the members and multiple examples of decades-old, successful co-operative businesses. Many of those interviewed suggested that now is the time for more co-operatives in Bristol:

“ I really feel as though Bristol has a very supportive audience for independent businesses and social enterprises and characters and community businesses and everything.

“ I'd love to see personally more co-operatives appearing. You know, if you look at something like the Preston Model, I'd love to see Bristol engage with that. I mean, I still find especially despite all of that background there's also a creeping corporatism to Bristol.

There is a note of caution in this last comment. For co-operatives to grow, there needs to be action on several fronts, including visibility and promotion of co-operatives, getting young people involved, having external expertise available, the support of local government, strengthening the local co-operative network and thinking about the role of co-operatives and community benefit societies in creating a more sustainable and equitable society. In the interviews, co-operators made the following suggestions for how to promote robust, resilient and fairer businesses post COVID-19:

Visibility and promotion: co-operatives and community benefit societies are relatively unknown among the general public:

“ The other thing is no one's really promoting co-ops at a local level as an option. It's off the agenda. And that's what the CDA did, they kept it on the agenda.

“ People don't have a clear idea of what the co-op is, and I think that's something that we can do individually to sort of communicate better.

“ There's an abundance of people and groups willing to help but yeah it just sort of floated under our radar for a long time, and it does for most people.

For new co-operators or new members, this means that a lot of additional research, education and training is needed at the outset:

“ Lots of people don't know about co-ops and have to learn how to be a member.

Principle Five relates to the education, training and information of members, the wider community and legislators. Promoting and teaching people about the co-operative model and values is an important part of increasing the movement's visibility.

External expertise: Principle Six is about co-operation among co-operatives. This was referred to in all the interviews. New co-operatives benefit from the experience of existing ones and there is a thirst for information about the wider state of co-operatives and community benefit societies in Bristol and the West of England area:

“ I think is there's so much work in just keeping your head above water and stuff that in the end you're sort of focusing on keeping your thing afloat, not really like looking outside that much but there's so much to gain from doing that.

Co-operators also mention the value of having external expertise to draw on, particularly in advising on legal issues, business plans and conflict resolution.

Young co-operators: Interest in co-operatives often comes in waves, prompted by an economic or social crisis and driven by grassroots activism. Co-operatives offer a powerful model for pressing issues such as the green economy, affordable housing and workplace democracy. Young people are at the heart of many of the newer co-operatives in Bristol. Their enthusiasm, activism and desire for social justice are inspirational. Many of those interviewed highlighted the importance of getting some control and agency, both at work and in their living arrangements:

“ I wouldn't say take back control – I don't want to say that because of the limitations that expression – but yeah, just having a bit more say in and agency in it [work] as well.

“ I think people are looking for some agency and some control over things and something to build themselves ... and wanting to produce things and not just like consume things. And I think co-ops are a good example of that. It is an opportunity to build something together and to be in control.

A challenge for local co-operators is to think about the future of co-operative development. The skills needed to help co-operatives set-up and thrive are usually learned over years of experience, both in the UK and around the world. To help co-operative development in the future, succession planning needs to start sooner rather than later and the experiences of the new co-operators can help those in the future.

Co-operators care about social justice: The co-operative and community benefit society members who took part in the study have a drive to make their workplaces and communities fairer, more sustainable and more enjoyable places to live and work. Sustainability and social justice are built into these organisational models. Any attempt to 'build back better' needs the democracy, inclusion and fairness of co-operatives and community benefit societies.

Recommendations: What next for co-operatives and community benefit societies in the West of England area?

The study highlighted the need for a local network so that members can learn from each other and see what other co-operatives are in Bristol. Key recommendations are as follows:

- To explore and facilitate online network development, to help co-operatives to find each other, to help customers find co-operatives and to raise the visibility of co-operatives among the wider public.
- To explore, facilitate and raise awareness of local sources of finance for social and co-operative development.
- To conduct further research to identify successful exemplars of co-operatives across different sectors in order to promote the co-operative model, raise awareness and build the co-operative support and development offer in the local area.

This report is the result of a short study of local co-operatives and community benefit societies. We are interested in hearing what practical support or next steps would be useful to your co-operative or community benefit society. If you have suggestions, please contact Hilary (hilary@assist.coop) or Anita (anita.mangan@bristol.ac.uk).

Information about the project

The project was funded by the [Temple Quarter Engagement Fund](#).

Final report by:

Dr Anita Mangan, School of Management, University of Bristol anita.mangan@bristol.ac.uk

Research was conducted by:

Alice Firebrace, Co-operative Assistance Network Limited, www.can.coop

Anita Mangan, School of Management, University of Bristol anita.mangan@bristol.ac.uk

Hilary Sudbury, Co-operative Assistance Network Limited, hilary@assist.coop

John Merritt, Co-operative Assistance Network Limited, john@assist.coop

GIS mapping:

Dr Nicholas Nourse, School of Humanities, University of Bristol

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