

Community Wealth Creation



The Preston Community Wealth Creation Initiative aims to focus the purchasing power of 'Anchor Institutions' in Preston at the local level. The total purchasing power of local anchor institutions is considerable and the initiative is working with anchors to increase local purchasing, protecting and creating jobs in the local community.

Where there is no local provision or there is an identified gap in the market the initiative is committed to exploring the potential to fill the local market gap through the creation of local co-operatives.

The Preston scheme draws its inspiration from the Community Wealth Building initiative in Cleveland Ohio. Set up with support from the Democratic Collaborative of the University of Maryland, this has led to the creation of the 'Evergreen Co-operative' whose approach is based on the Mondragon co-operative model from the Basque Region of Spain.

<http://evergreencooperatives.com/>

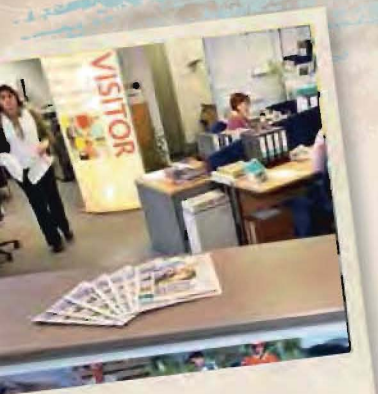
The aim of the Cleveland model is to 'regenerate' deprived communities by creating wealth through fairly paid work and the Community Wealth Building initiative in Preston is exploring what scope there is to implement a similar approach locally.

For further information on the Preston Co-operative Initiative please contact

Gordon Benson at
g.benson@preston.gov.uk
or 01772 903410



The Preston co-operative... Initiative



In 2011, Preston City Council committed to an alternative approach to economic development through supporting co-operatives.

The council has learned from the experiences of the co-operative development movement in the 1980s and has decided not to create a separate dedicated agency to promote co-operatives, but to work with a range of experts including Co-operative UK, Co-operative NW, the Co-operative Hub and specialist consultants.

This is more cost effective as it co-ordinates the resources of a number of organisations.

The council aims to promote co-operatives through three linked initiatives.:

- The Guild Co-operative Network which brings together members of existing and prospective co-operatives to provide mutual support and advice;
- Simply Buyout which aims to promote employee buyouts of existing enterprises, especially from owners wishing to exit their business; and
- The Community Wealth Building initiative which aims to increase local purchasing by anchor institutions, and to support the formation of co-operatives to provide services where there is a proven market gap.



Preston City Council does not provide grants or enhanced business support for prospective co-operatives. Its priority is to publicise the benefits of the co-operative approach and encourage individuals and businesses to engage with the philosophy.

Business support and finance is provided by our partners. SELNET and the Co-operative Hub provide of business advice; and Co-operative and Community Finance are a source for finance.

<http://www.co-operative.coop/enterprisehub/>

Starting New Co-operatives..

New starts - where a group of people come together to form a new co-operative business can be a lonely experience. To support and encourage groups in this process, the Guild Co-operative Network has been established.

The Network exists to support those interested in forming or developing a co-operative and meets every two to three months offering an opportunity for members to promote their co-operative and to get one-to-one business advice. This is an effective way to promote and to develop new co-operatives, and costs are minimal.

The network's activities are supported by information on the council's web site which links to partner sites such as that of the Co-operative Hub, which can provide consultancy support and small loans to prospective or developing co-operatives. The council also produces a regular electronic newsletter that promotes the Guild Co-operative Network and related activities. <http://www.preston.gov.uk/businesses/co-operatives/>

Employee Owned Business

Many of the most successful employee owned businesses have been formed through the workers either buying or being given the existing business. The John Lewis Partnership, Arup and Scott Barden are examples of this and their success has caught the attention of policy makers.

The government is committed to supporting employee owned businesses and commissioned the Nuttall Review on how to develop the sector. The Review reported in 2012 <https://www.gov.uk/government/publications/nuttall-review-of-employee-ownership> and the government has acted on a number of the recommendations - particularly on promotion of co-operative principles to the wider public, the scope for succession planning, and on working closely with advisors, such as accountants and lawyers.

New helpful publications which promote employee ownership include:

- **Employee Ownership: an Employees' Guide**, published by ACAS and the Employee Ownership Association and Co-operatives UK. <https://www.gov.uk/government/publications/employee-ownership-guide-for-employees>
- **The Simply Buyout Tool-kit**- which includes a booklet, model rules and videos, provides detailed advice to all parties involved and promotes the co-operative structure. The tool-kit has been financed by Co-operatives UK, Co-operative Development Scotland, Wales Co-operative Centre and Preston City Council.

The Simply Buyout pack will have its English launch in Preston in late 2013. The pack will be used locally by Preston City Council to promote employee ownership to employers through local Chambers of Commerce, employee organisations and trade unions in the Preston area. The aim is to set up a regular network that can explore the issues involved and promote the concept.

