

## **Business & Administration Cabinet Advisory Committee**

**11<sup>th</sup> February 2015**

### **Report on Cooperative Council Conference, Plymouth, June 2014**

In June 2014 I attended a Cooperative Council conference in Plymouth and this paper provides a brief overview of the day and some areas where Swansea should consider making further links with the Cooperative Council movement.

The first part of the morning comprised a tour of some regeneration activity within Plymouth. The second part of the day focused on how Plymouth has addressed some of the challenges that it faces in adopting the cooperative council methodology.

#### **Regeneration in Plymouth**

Direct comparisons between Plymouth and Swansea are difficult due to two factors-

- Plymouth is a regional capital for the area southwest of Bristol, and through this status is able to attract the type of investment that Swansea struggles to achieve. It is able to attract businesses such as Waitrose; perhaps a more direct comparison for Plymouth would be Cardiff, and in a southwest context the direct comparison for Swansea would be more appropriately Exeter.
- Plymouth has a different split between the private and public sector employment levels in comparison with Swansea; Plymouth has approximately 77% of its workforce employed in the private sector as opposed to approximately 60% in Swansea. The reason for this is that Plymouth does not have any significant UK government offices located in its area; its public sector employment are almost exclusively the local authority, the health service, and the military, which is a declining presence due to the rundown of the Devonport dockyard.

Regeneration in Plymouth has been focused on the Devonport area, which in 1999 was in the top 5% of deprived areas of England. It had some of the worst health statistics of any NDC area. This area was one which comprised large social housing estates intended to provide housing for people working in the Docks and Military. The regeneration area initiatives have been focused on three issues-

- The Plymouth New Deal for Communities Programme (NDC) area. The NDC was an area-based regeneration programme introduced in 1999. The NDC Programme was a key part of the Labour Government's strategy to tackle multiple deprivations in some of the most deprived neighborhoods in England. Thirty nine NDC Partnerships have been allocated a total of approximately £2bn with which to achieve transformational change over a ten year period. Plymouth NDC was allocated £53 million for an area with a population of approximately the

size of Penderry. This money was available to match funds against European funding bids and consequently the actual investment into the area totaled over £60 million.

- Due to the poor health statistics of the community a significant amount of work was dedicated to improving public health in the area; this work focused on improving public health through a series of interventions designed to improve amongst other things housing stock for the area which was considered extremely poor, and through provision of new public open spaces and play facilities
- The decline in the dockyards at Devonport contributed significantly to the deprivation in the locality with a dockyard and military workforce of approximately 20,000 in the 1970s being reduced to around about 5000 in 2010. This has generated both a challenge for the Council and an opportunity; the challenge has been to address the consequences of a sudden loss of skilled and stable jobs within the community, whilst the opportunity was that the Ministry of Defense has signed over significant acreage of land to the council at no cost or below market value, including a working dockyard with all of the infrastructure in place.

The combination of having over £50 million available to regenerate an area while at the same time being having a significant amount of land with dockyard facilities means that Plymouth have been able to focus the regeneration on a variety of schemes to transform the public realm of the area while at the same time using the dockyards to attract significant inward investment to build new opportunities within the maritime sector. They have replaced a large amount of the early post war period council housing with modern social housing, integrated with private developments (where Affordable Housing has been an integral theme), resulting in estates of mixed ownership.

A review of the Health Impact Assessment of improving the social housing in Devonport can be found at - [www.apho.org.uk/resource/view.aspx?RID=49873](http://www.apho.org.uk/resource/view.aspx?RID=49873)

One issue which has some relevance to a current debate in Swansea is that they have rehoused some residents from low-level flats to a new high rise block; this has not caused any significant problems etc because people were aware that there would be significant benefits to living in better quality housing, and the block has been appropriately managed so that many of the issues which are often associated with tower blocks have not occurred.

### **Plymouth as a Cooperative Council**

Plymouth Council decided to become a cooperative council partly as a response to the ending of the NDC programme in 2011 and the need to find a way of providing a framework for continuing some of this work, along with a need to find a response to the financial austerity that all local government has been wrestling with since 2010. A change of control of the council in 2012 was the catalyst for the decision to become a cooperative council.

The new administration in 2012 set out a challenging agenda to establish Plymouth as Britain's Ocean City (this has become the strapline for the Council). It opted for the co-operative model as the means to deliver on this agenda. What does this actually mean in practice? -

- The authority endorses the internationally recognised co-operative and ethical values as a basis for work that it takes forward as a co-operative council
- There is a Cabinet Member whose portfolio has responsibility for Cooperative Council activities
- Plans for local economic development, such as for jobs, investment and housing, include an explicit component focused on the development of co-operative enterprise, including credit unions
- **There is an explicit recognition in commissioning of the added value that can come from co-operative and mutual enterprises**
- Commissioning staff have received training in co-operative models
- **They are open to the potential of services that are spun out services where appropriate being run on high quality co-operative models**
- **Services that are spun out of direct provision encourage a co-operative or mutual form and protect assets through common ownership or a wider asset lock where they have been developed with taxpayer money**
- It operates as a Fairtrade Town, recognising the value of this as a form of support for producer co-operatives overseas
- They encourage schools, where the national context allows this, to convert to co-operative schools, following the options now available for this
- They encourage agencies that act as partners locally, such as further education colleges and social housing, to consider co-operative and mutual models of governance
- They have given consideration / had a debate on sourcing utility services, including banking, energy and telephony from co-operative providers.
- The authority operates as an employer with an appropriate partnership and form of consultation with trades unions.

I have highlighted the two issues above which might have particular relevance to current debates in Swansea; They are a Labour Authority but see no conflict in establishing cooperatives out side of direct local authority control. They see this as a far more preferable option than full privatization. They also have established a joint commissioning partnership to work with Partners at the equivalent of the LSB to achieve greater savings through large-scale joint procurements.

[http://www.plymouth.gov.uk/cooperative\\_commissioning.pdf](http://www.plymouth.gov.uk/cooperative_commissioning.pdf).

### **Some examples of Plymouth Cooperative Council in Action**

#### **Plymouth Energy Community**

Plymouth Energy Community (PEC) is a members' co-operative run by local people to give the Plymouth community the power to transform how they buy, use and generate energy in the city.

Plymouth Council established it in 2013 to take forward ideas to assist in dealing with Fuel Poverty.

It has assisted over 10,000 people to switch suppliers since being established.

It has also overseen the establishment of PEC Renewables Ltd, a Community Interest Company to install solar panels on school and community building roofs; there is a second phase plan to install solar panels on other council buildings across the city. Their first share offer raised over £600 000, with over 50% of investors being local Plymouth residents with the average investment being £2800. There is a cap on the amount of share capital one investor can have, which ensures ownership and control does not fall to a small group of investors.

Further information can be obtained at –  
<http://www.plymouthenergycommunity.com>

### **School Meal Catering Cooperative**

Faced with the need to cut budgets, Plymouth council decided to create a local authority trading co-operative company, the first of its kind in the country, to provide school meals. Working on the principle of one school, one vote, it will bring together the pooled budgets of 64 primary schools, five special schools and one alternative complementary education service.

Staff will be transferred from the council's education catering service to the co-op, meaning their conditions of service; hourly rates, hours and length of service will be unaffected. A co-operative joint partnership board of elected representatives from the schools and local councilors will take decisions about the school meals service, which last year served over 1.5 million lunches to local children.

Work was carried out to build the confidence of the Trade Unions in the employment transfer arrangements.

This cooperative will commence operation in September 2014.

### **Financial Inclusion**

Advice Plymouth is a formal consortium of not-for-profit advice agencies, commissioned by Plymouth City Council to deliver a co-ordinated advice and information service for the people of Plymouth. The service is available to people who live, work or study in Plymouth.

Consortium members, selected for their track record in delivering quality advice services to groups, including those with special needs, comprise of Plymouth Council, Plymouth Credit Union, Plymouth Citizens Advice Bureau, Age UK Plymouth, Plymouth Guild and Routeways.

It provides a one-stop shop for all advice services including Financial Inclusion work.

This is an area where apart from the actual formal consortium arrangements to deliver the service, Swansea is actually ahead of Plymouth in terms of the work we do to deal with Financial Inclusion & Payday loan type companies etc, and I have suggested that people attending the conference contact Cllr Mitch Theaker for more information on things like the Bonymaen Young Mothers work.

### **Conclusion**

There is certainly value in Swansea continuing to build links with councils operating on a cooperative model and the example of the School Meal catering cooperative is one which might contain lessons for us in setting up some alternative provisions within Swansea.

Whether this is as formal members of the Cooperative Councils network with attendant membership fees etc is a moot point. I would suggest that as a next step in developing a cooperative approach in Swansea, Officers visit councils already delivering services in this way for the visit to Plymouth confirmed that visiting and speaking with people is a far better way to develop an understanding of the issues involved than a mere review of information available via the Internet.

**Councillor Ryland Doyle**