



Great political attention is being given to housing Co-operatives, particularly in relation to the Housing Bill which is currently before Parliament - and was examined in Journal 62.

### **Tenant Co-operatives**

There have been recent speeches in praise of Co-ops by the Housing Minister William Waldegrave and Environment Secretary Nicholas Ridley. Both have said that they want tenants to consider housing Co-operatives as one option for opting out of local authority control.

However, the Housing Bill contains no specific assistance to tenant management or tenant ownership Co-operatives. The Government is relying, partly, upon powers contained in the Housing and Planning Act 1986. Section 11 allows tenants associations to serve notice on their local authority that they wish to form a tenant management Co-operative and protects their right to form such a Co-operative. Section 16 allows the government to give grants for the promotion of tenant management Co-operatives and a range of grants have already been approved for 1987-88 and, provisionally, for 1988-89.

It was, however the Housing Rents and Subsidies Act, 1975, which put tenant management Co-ops on the map. This Act gave local authorities power to enter into agreements with any group of tenants who wanted to form a tenant management Co-operative. The tenant management co-operative could also be paid by the local authority to act as its managing agent for the estate.

In 30 cases local authorities took action under this Act to set up tenant management Co-ops. Since the 1986 Act came into force on 7 January 1987

nine applications have been made by local authorities seeking approval for the transfer of management powers to a housing Co-operative, housing association or private landlord.

### **Wide Ranging Review**

Housing Minister, William Waldegrave, announced on 16 June 1988 a wide-ranging review of the arrangements to promote, support and develop housing Co-operatives.

“It is the Government’s policy to encourage the formation of Co-operatives in order to broaden opportunities for tenants to play a greater part in the management of their homes.

I am commissioning a wide-ranging review of the arrangements to promote, develop and support Co-ops, with the following terms of reference:

- a. To consider the administrative, financial and legislative framework necessary for the promotion, development and support of housing Co-operatives on a local and national scale, both generally and in the context of Tenants’ choice.
- b. To consider the role of secondary housing Co-operatives as promotional and servicing agencies; and
- c. To make recommendations”.

### **All Party Housing Co-ops Group**

An All Party Housing Co-ops group of MPs has been set up, with the backing of the National Federation of Housing Co-ops. Sir George Young MP (Conservative) is Chairman, John Evans MP (Labour) and Simon Hughes MP (Social and Liberal Democrat) are Vice Chairmen and George Howarth MP (Labour) is the group’s secretary.

### **Friends of the Co-operative Ideal**

Meanwhile the Parliamentary Co-operative Group, (Labour Co-op MPs) has launched a new group, Friends of the Co-operative Ideal. This brings together about 100 Labour MPs who believe in the importance of Co-operative principles to the Labour Party.

Forty five of them attended a reception on 14th June in the House of Commons.

Sir Denis Landau, Chief Executive Officer of the Co-operative Wholesale Society gave a progress report on the state of the retail Co-operative Movement.

Roy Hattersley conveyed his, and Neil Kinnock's, firm intention of making Co-operation a major part of the Labour Party's political platform.

### **Living the Difference**

The première of an international documentary film on housing Co-ops, *Living the Difference* will take place in Glasgow on 11 October 1988. This is a 50 minute documentary showing how housing Co-operatives work and are managed across ten nations in Europe and North America. The film illustrates their role in providing housing through democratic mutual assistance and shows the diversity of Co-ops in capitalist and socialist countries. The film looks at how the close community spirit can overcome problems.

The second part of the film details housing Co-operative approaches to the pressing housing issues of the day: tenant alienation, racial discrimination, reduced subsidies, and increased housing costs and the special needs of the handicapped and elderly.

The film has been directed by Joffre Pomerleau, the professional organiser of over seven hundred units of Co-operative housing for the Columbia Housing Advisory Association, Canada's largest non-profit sponsor of housing Co-ops. It was produced by Douglas Mulhall, media advisor to the Co-operative Housing Foundation of Canada.

For further information contact: David Rodgers, Chairman of the UK Film Steering Committee, c/o CDS Co-operative Housing, 140-142 Stockwell Road, London SW9 9TQ Tel: 01-737 3512.

### **Co-operation Mail Order Catalogue**

An enterprising new reminder of the vitality of worker Co-ops has appeared, the Co-operation mail order catalogue. Produced by Co-operation (Marketing) Ltd, it offers a range of products including garden equipment, soaps and shampoos, tee shirts and shoes, as well as wine and recycled paper.

Dave Tittle, of Co-operation (Marketing), tells me that the venture grew out of the direct selling pages of *Everywoman* magazine, the successful worker Co-op - produced *Women's* monthly. The first catalogue, started in February 1988, will be followed every six months with an updated version. The next edition will contain more products. Ten Co-ops have contacted Co-operation (Marketing) offering products, following the appearance of the first catalogue.

Another novel feature is that Co-operation (Marketing) are bringing back the 'divi'. For orders worth more than £50, or upon payment of a £1 membership fee, a 'divi' number will be issued. This will entitle members to a discount on

items in the next catalogue and 'divi' number holders will be the first to receive the new catalogue. They will get exclusive details of any special offers and limited editions. And they guarantee not to sell their mailing list, thus giving some protection against junk mail.

For further information or a copy of the catalogue contact:

Co-operation (Marketing) Ltd 34 Islington Green, London N1 Tel: 01-266 9448.

### **Worker and Community Co-ops in South Africa**

Interest in worker Co-ops in South Africa is growing. In February 1988 the Southern Africa Labour and Development Research Unit (SALDRU) issued a plea for information. "We are particularly interested in audio visual material with special reference to Co-operatives in the third world".

The Co-operative movement is still at an infant stage in South Africa. There are no real state supporting bodies for community based Co-operatives, with the result that they look to service organisations for education, financing and co-ordinating their newly formed Co-operatives. In response SALDRU is developing a resource centre for community based Co-operatives in South Africa. The resource centre will consist of books, pamphlets, videos, slides and any other material which would be used for education and servicing community based Co-operatives.

"For various reasons there does not exist much education material on community based Co-operatives in South Africa and that's why we wrote to a variety of organisations in the United Kingdom", said Garth Van Der Horst, Research Assistant.

SALDRU is a research unit attached to the Social Science Faculty at the University of Cape Town. This Faculty has produced numerous reports on poverty, labour unions and employment conditions in South Africa.

### *National Council of Trade Unions*

In May 1988 Mr Phiroshaw Camay, General Secretary of the National Council of Trade Unions, and Ms Dale Tifflin, Information Officer, carried out a study tour in the United Kingdom organised by the Plunkett Foundation for Co-operative Studies. They sought information about the development of worker Co-operatives which are seen by the National Council of Trade Unions as one means of organising unemployed or dismissed workers.

“We cannot sustain our members on strike,” said Mr Camay, “but Co-ops offer themselves as a natural structure for giving support. So we are looking at ways of providing seed money, expertise to explore markets and go through feasibility exercises. There is little working experience of Co-ops in our trade union movement.”

“We have made a start. In Durban a small sewing Co-op was set up by fired workers who taught themselves to sew. They produce tee shirts, and bags for use by trade unions.

“We have sent one person on a Co-ops course in Turin and have looked at the development of Co-ops in Botswana.

“Our Co-ops will be set up under the same Co-operatives Act which Afrikans farmers use to establish their highly successful wheat and food industry Co-ops, so we don’t see how the government can stop us.”

If you can offer information and especially audio visual material please contact:

Garth Van Der Horst, Research Assistant, Southern Africa Labour and Development Research Unit, School of Economics, Robert Leslie Building, University of Cape Town, Private Bag, Rondebosch 7700 South Africa.

Phiroshaw Camay, General Secretary, National Council of Trade Unions, PO Box 10928, Johannesburg 2000, South Africa.

### **The Training of Agricultural Co-operative Directors**

The Agricultural Co-operative Training Council, (ACTC), formed in January this year to provide training for agricultural and horticultural Co-operatives, identifies as one of its priority objectives the training of directors.

Ian Hammonds, the Director of the ACTC tells me “Most of the approximately 5,000 directors in the sector are farmers and many have difficulty in making the transition from sole businessman back home to corporate director in the boardroom. Further, the Co-operative needs a strong board of directors, each able to fully understand the business, and able to make strategic decisions based on management information. Such a board, however, must allow their professional managers to manage, and must recognise the narrow dividing line between their duties and responsibilities and interference with management.

#### *General Courses*

With this in mind, A.C.T.C. offers courses for directors covering their full role and responsibilities. These are from one to two days in duration and may be

run either as an open course or as an in-house basis for an individual board of directors. The subject matter studied may vary according to need, but normally includes functional role and responsibilities and financial and legal responsibilities. Other areas covered may be strategic planning, communication, executive/non-executive relationships, boardroom practise and better meetings. These courses are offered at two levels, firstly for the new director, or a follow-up course for the more experienced director.

### *Seminars on Forward Planning*

A.C.T.C. is also involved with individual Co-operatives in helping them plan the future of the business. To this end it runs Private Seminars for individual boards, where the directors are guided to formulate plans for the next five years. These events are run on a "think-tank" basis, the objective being to provide, at the end of the day, a blue print for future action. The directors are then able to take this back into the boardroom to make their final decisions.

By placing such emphasis on director training, A.C.T.C. is convinced it can help to improve the efficiency of Co-operative businesses."

### **Agricultural Co-op Profits up on Reduced Turnover**

Total turnover of UK agricultural and horticultural Co-operatives in 1986/87 was £2,715 million, a decrease of over 4% on the previous year, while net profits increased by more than 2%. Share capital was down £2 million, but reserves rose by £13 million. Loans from farmer members increased slightly while bank borrowing for the year dropped by 13%. Payment of interest and bonus to farmers was nearly 10% higher.

These are the main features of the annual statistics compiled and published by the Plunkett Foundation on behalf of the Co-operative Development Division of Food from Britain, and the Federation of Agricultural Co-operatives (UK) Ltd.

Farm inputs were down in 1986, and this is reflected by the fall in turnover in the requisite sector from £1,318 million in 1985 to £1,245 million. Lower prices, a reduction in the scale of operations by some Co-operatives, and a general uncertainty over the CAP were other factors. From the 107 multi purpose requisite Co-operatives in this group there were 29, each with a turnover exceeding £10 million, which handled 85% of the total trade.

The combined turnover of 461 marketing Co-operatives was £1,456 million, a decrease of under 4% on 1985. The loss of two meat producing Co-operatives was a major cause of the fall in sales. In the over 10 million category 37 Co-operatives handled over 60% of the business.

The returns for the 636 Co-operatives in existence at 31st March show a membership of 304,000 farmers and growers, and the number they employ at almost 15,000.

Tables of data of Marketing Boards are shown in the marketing Co-operatives' section, but their details are not included in the overall Co-operative figures.

The booklet: "Statistics of Agricultural Co-operatives in the United Kingdom 1986-87" is available from the Plunkett Foundation for Co-operative Studies, 31 St. Giles, Oxford OX1 3LF, price £6 including postage.

### **France and the Social Economy**

The return of Michael Rocard as Prime Minister of France, quickens the heart beat of Co-operators. When the socialists first came to power in 1981 Rocard was the first Minister responsible for the "social economy", and was described as close to the French Co-operative Movement.

The idea had its ups and downs in France and since the fall of the last socialist government in 1986 news has been scarce. In the meantime, sadly, the French consumer Co-operative Movement has been in deep trouble. (Newsletters' 57 & 58). According to the Research Institute on Co-operatives at the University of Vienna, this was an alarming case of an "explosion" brought about by the "extreme financial strain" of some big regional Co-operatives in economic problem areas. "In order to guarantee the survival of the financially sound regional Co-operatives the central wholesaling, production and lobbying organisms had to be sacrificed in 1985-86."

If like me, you think that the idea of the social economy is worth reviving in France, join me in dropping M. Rocard a line reminding him of his previous commitment to the policy!

His address is: Prime Minister, Hotel Matignon, 75700, PARIS, France.

### **Co-operative Bank - Ethical Personal Equity Plan**

The Co-operative Bank has cashed in on the growing interest in ethical investments by launching an ethical Personal Equity Plan. They are marketing the plan developed by Dominion Investment Management Ltd and its stockbrokers Buckmaster and Moore who have developed ethical investment unit trusts. 75% of the money is to be invested in UK stocks and shares, subject to ethical criteria - no South African holdings, no alcohol or tobacco and no dealings in arms or gambling. The remainder will be put into the Fellowship Unit Trust, one of the well known ethical unit trusts.

Roll on the day when The Co-operative Bank will develop an ethical investment scheme which encourages its one million current account customers to invest in retail and worker Co-operative societies.

### **The Author**

DR. PETER CLARKE is Research Officer of the Co-operative Party. He is a Tottenham Councillor and a member of the committee of Co-ops for Labour. He is an authority on closer relations among the Co-operative sectors and on the Co-operative Movement's relationship with Government. His published work includes studies of the development of new Co-operatives and Land Settlement Schemes for the unemployed in the 1930's.