Newsletter *By Peter Clarke*

In September 1982, a conference was organised jointly by the Tenant Participation Advisory Service and the Co-operative Union Ltd with the support of Glasgow District Council to look at the experience of housing Co-operatives in Scotland. Over 100 participants attended, many from housing authorities. The conference was endorsed by the Government with the attendance of its Housing Minister for Scotland. As a consequence the Housing Co-operatives Review Committee was established by the Co-operative Union and the Tenant Participation Advisory Service. The Committee consisted of a mixture of individuals and representatives of organisations with a role in the various aspects of housing Co-ops in Scotland. The Committee was chaired by Anja Amsel, Director of the Scottish Council, YWCA Housing Society Ltd.

"Housing Co-operatives in Scotland"

The Report of the Review Committee "Housing Co-operatives in Scotland" was published in December 1983. It points out:

> "Co-operatives do not just happen: they require promotion to create more awareness by tenants and housing agencies of what they are and can achieve, and to create interest amongst a particular group of tenants who may go on to set up a Co-operative.
>
> More and better promotional material is required, accessible at different stages of promotion and aimed at different audiences", complemented by new approaches by the various agencies concerned.

As to establishing housing Co-operatives:

> "Co-operatives cannot be expected to create and organise themselves even when interest exists. The role of local authorities is crucial, and in the case of management Co-operatives in their own housing they must play an active role.
>
> Central government should continue to encourage the establishment of housing Co-operatives and should consider recognising their setting up costs as a legitimate cost of running a housing service."

The main opportunity for developing housing Co-operatives in Scotland is believed to be in the Council sector:

> "important opportunities also exist to set up par value Co-operatives as an alternative type of housing association, and management Co-

operatives within housing association housing, perhaps starting with community-based housing associations."

On 16 March 1984, Michael Ancram, Minister of Housing for Scotland, told Jim Craigen MP, a member of the Review Committee:

"The report of the Review Committee, is of considerable general interest. I am considering those of the recommendations which are addressed to central Government."

Copies of the Report of the Housing Co-operatives Review Committee, *"Housing Co-operatives in Scotland"* can be obtained from: Co-operative Union Ltd., 95 Morrison Street, Glasgow G5 8LP. Price £1.00.

Creating Successful Co-operative Business

The Co-operatives Research Unit of the Open University has been awarded a £76,700 research grant by the Leverhulme Trust to study the development of worker Co-ops in the United Kingdom. During the next three years the Unit aims to:

1. Identify the factors and conditions necessary for creating successful producer Co-operatives.
2. Provide information and practical advice on how to establish successful Co-operatives.
3. Describe and evaluate the efforts to promote Co-operatives, and suggest which strategies are most successful.
4. Consider the actual and potential contribution that Co-operatives can make to local economic development.

The Co-operatives Research Unit anticipate that this work will be of substantial practical benefit, to policy makers involved in local economic development (such as central and local government, financial institutions, trade unions and community organisations) and to people directly involved in setting up Co-operative initiatives. It will involve significant development of existing theories on the performance of producer Co-operatives.

Enquiries to: Chris Cornforth or Roger Spear, Co-operatives Research Unit, The Open University, Milton Keynes, MK7 6AA. (0908) 652102 or 653749.

A Strategy for Co-operation

The Greater London Enterprise Board's blueprint *A Strategy for Co-operation* makes informative reading, clarifying procedure whereby Co-ops in Great London can apply for assitance from GLEB. First, an embryo Co-op approaches its local CDA. After preliminary assistance it may be granted up to £2,000 under GLEB's "small sums scheme" (cf. p. 23 Bulletin 49) to fund a feasibility study. If the feasibility study is positive and the request for further funding is less than £25,000, it goes to the London Co-operative Enterprise Board. If the request is for more than £25,000 it goes to the Structural Investment Division of GLEB.

The booklet is introduced by sections setting the national CDA, local CDAs, ICOM, ICOF, the Co-operative Union and Job Ownership into an historical and European Co-op context. Co-op support services supplementing GLEB's work are then detailed. The national CDA does not figure as a support service. Perhaps a page is missing from my copy of the booklet, since I am sure GLEB recognise the importance of the support services of one of its co-sponsors of the London Co-op Trade Fair.

A Strategy for Co-operation. Worker Co-ops in London. £1 from Greater London Enterprise Board, 63-67 Newington Causeway, London SE1 6BD.

Consumer Advisor

Here is an idea from Sainsbury's:

> "IF YOU ARE LOOKING FOR A SPEAKER . . .
> Mrs Adele Brazier has given talks to more than three and a half thousand people who are members of women's groups in the Bedfordshire, Hertfordshire, Buckinghamshire and Oxfordshire region over the past year.
>
> Mrs Brazier is just one member of a team of 12 trained home economists who give talks for Sainsbury's, wherever there is a Sainsbury's supermarket nearby. Between them, the team gave nearly a thousand talks last year.
>
> Married with two children, Mrs Brazier finds her meetings with so many of Sainsbury's customers give her the opportunity to feed back to head office staff some pertinent comments. And with the company's constant emphasis on improving customer service, while still offering the best food at value-for-money prices, this information proves particularly valuable.
>
> Talks by Sainsbury's home economists are free to the organising group, though Sainsbury's does expect an audience of at least 40 people."

From *The Biggleswade Chronicle* 6 January 1984.

Mini Co Kit

The Mini Co Kit, originally published by Strathclyde Regional Council's Education Department, has been enlarged and developed and published by Longman. Its author is Elizabeth Bray.

Elizabeth Bray developed the original kit at the Dalmuir Education Resource Centre, of the Strathclyde Regional Council. Mini Co – short for "mini co-operative companies" was developed to enable young people, whether in school, further education college, or on a Manpower Services Commission course, to set up, manage and work for their own Co-operative enterprise as a learning experience under the guidance of advisers. It grew from one such group of fifteen year olds working in Clydebank Technical College.

The new Mini Co Kit published by Longman, still focuses on Co-operatives but aims to be more flexible, putting the Co-operative option as an alternative to the conventional company. The student's handbook has been enlarged to two 32 page booklets. There is new material on costing and pricing, which gave particular problems with the original kit, and there is a section on the importance of obtaining profit in order to pay for our welfare society. More material has been included on publicity. The adviser's manual has been completely rewritten.

The kit contains ten copies of each of the student's handbooks (Director's Handbook One: *Setting up you Mini Co* and Handbook Two: *Running your Mini Co)* two copies of the Adviser's manual, *Mini Co Forms* (a booklet containing master copies of every document needed for the fulfilment of standard administrative procedures) and five copies of the *Fund Raising Booklet.* It costs £20 per kit. Components of the Kit may also be purchased individually. The Kit is supplemented by a Mini Co Newsletter. The first issue appeared in April 1984.

Information from: Longman Resources Unit, 33-35 Tanner Row, York YO1 1JP.

Agricultural Co-ops – More Financial Assistance

A Private Member's Bill currently before Parliament, the Agricultural (Amendment) Bill, extends existing financial assistance for agricultural Co-ops. The Bill was promoted by Edward Leigh, Conservative MP for Gainsborough. It amends the Agriculture Act, 1967. Under that Act the government can give loan guarantees to farm businesses via the Agricultural Credit Corporation. (The Agricultural Credit Corporation was set up by the National Farmers Unions of Great Britain and Northern Ireland.) These guarantees offer, in the words of Mr Leigh, "credit worthy farmers and growers lacking the necessary collateral access to bank loans to develop their businesses". Agricultural Co-operatives qualify as farm businesses.

The Agricultural (Amendment) Bill will enable second tier, "federal", Co-ops to qualify for loan guarantees in the same way as primary agricultural Co-ops (defined as, "agricultural marketing businesses composed of members directly engaged in agricultural or horticultural production"). Federal Co-ops involve primary Co-operatives as well as individual members.

At present 370 guarantees cover about £9 million, 75 per cent of these being to tenant farmers. About £300,000 is currently being guaranteed to four Co-ops. Since the scheme started 927 guarantees have been given covering almost £16 million. Of these £2 million have covered loans to Co-ops.

The government meets 80 per cent of any loan in default; the bank bears 5 per cent and the Agricultural Credit Corporation the remaining 15 per cent. Since the scheme started 53 defaults have occurred, involving payments of just over £500,000.

The Agricultural Credit Corporation charges the recipient of the guarantee 2 per cent – 2.5 per cent of the amount guaranteed to meet the costs of the scheme. This fee is an expense admissible for tax purposes, so the effective cost to farm businesses is reduced.

Once again, agricultural Co-ops lead where worker Co-ops should follow.

Milk Production

The future of Milk rounds has been a major concern to retail Co-op societies during the past three years. With a twist, milk has again being featuring in the national headlines. The twist is that this time it is not the milk retailers (milk rounds) who have been hit but the milk producers, i.e. the farmers.

The March 1984 meeting of the Council of European Community Agriculture Ministers, agreed to try to bring community-wide milk production in line with milk consumption. They agreed a system for insisting that individual dairy farmers only produce a specific (lower) quantity of milk (based on 1983 production levels).

Three cheers for bringing the Common Agricultural Policy under control, consumers might think. However, it is debatable whether there is an overproduction problem in the United Kingdom, though there is clearly a problem taking the Community as a whole. Moreover, some retail Cooperative societies have found themselves in difficulties. These are the societies which own farms and have dairy herds.

They are "Producer-retailers". These societies have, along with other farmers, accepted the verbal and financial encouragement of the Ministry of Agriculture to produce more milk. They are selling all the milk they produce. Now they find themselves facing the prospect of having to cut back their own production, thereby jeopardising their capital investment, and having to buy milk from other dairy farmers to supply milk rounds.

Leicester Model Rules

Leicester and County CDA have issued rules for collectively run workers Co-ops. Such Co-ops are incorporated as Companies limited by guarantee under the Companies Acts. 1948-1981. More than ten Co-ops have already been registered using these rules.

The Companies Act was chosen to enable less than seven people to start as a Co-op; as few as two are needed by these rules. Leicester found that using model rules drawn up under the Industrial and Provident Societies Acts, the requirement of seven founder members – with only some working for the Co-op – could create unacceptable tensions. They were unhappy at the prospect of the Co-op " 'inventing' members to reach the magic figure of seven". Over two-thirds of the Co-ops registered by Leicester have had less than seven working members. Only a few have any prospect of employing seven or more in the foreseeable future.

The Leicester rules facilitate collective management. All employees automatically become members, subject only to a possible probationary period, and members of the Management Committee (Board), the workers collective. This allows wherever possible for consensus decision making (rather than majority voting) by workers' meetings.

Other benefits of Companies Act registration are lower registration fees, only £50 compared with £190 for ICOM model rules and £290 for non-model rule under the I & P Societies Acts, and Companies House is easier to deal with.

Details from: Leicester and County CDA, 30 New Walk, Leicester LE1 6TF. (0533) 554464.

"Co-operation": A New Magazine

The second issue of a new magazine "for everyone interested in Co-operatives" has appeared. Called "Co-operation" it is attempting to provide a lively mix of news and more serious articles, together with cartoons, on a wide variety of Co-operative matters. It is published by an independent voluntary organisation, Co-operative Information Services Group (CISG) and aims to appear quarterly. CISG developed from a group of members of a housing Co-op in East London but reports that it now includes "people involved in all the main sectors of the Co-operative Movement". It aims to take a non-party political stance and seeks to get people outside the Co-op Movement interested in Co-ops.

Information on "Co-operation", including membership of Co-operative Information Services Group, can be obtained from: CISG, c/o 67 Glenkerry House, Burcham Street, London E14.

Recent Reading

Berry, John and Roberts, Mark: *Co-op Management and Employment.* ICOM Co-publications £3.50 from Corner House Bookshop, 14 Endell Street, London WC2.

Cockerton, Peter and Whyatt, Anna: *The Worker Co-operative Handbook.* ICOM Co-publications. £3.75.

ICOM North: *North East Co-ops Directory 1984.* £1 from ICOM North, 2 Jesmond Road, Newcastle-upon-Tyne NE2 4PQ.

London Co-op Trade Fair: *Co-op 84. Programme of events and list of co-*

ops in the U.K. including exhibitors at the Fair. £1 from Greater London Enterprise Board, 63-67 Newington Causeway, London SE1 6BD.

Swanson, Christine, Phillips, Patrick and Barrow, Beverley; *Co-operating for Work. An introduction to partnerships and Co-operatives.* Careers and Occupational Information Centre, Manpower Services Commission. 95 pence. From Manpower Services Commission c/o Papworth Industries, Papworth Everard, Cambridge CB3 8RG.

Wales Co-operative Development and Training Centre: *Working together in Wales. A guide to Welsh Co-operatives.* From Wales Co-operative Development and Training Centre Ltd., 55 Charles Street, Cardiff, South Glamorgan CF1 4ED.

West Midland County Council: *Directory of Worker Co-operatives in the West Midlands.* From West Midlands County Council, 1 Lancaster Circus Queensway, Birmingham B4 7DJ.

Note of the Author

PETER CLARKE is Research Officer of the Co-operative Party. His published work includes studies of Government promotion of new Co-operatives, of closer relations between the retail Co-operative Movement, the agricultural Movement and the new Movements and of the Land Settlement Association, and a bibliography of recent literature on new Co-operatives.