



Community Co-operatives in Wales

Ordinary people doing extraordinary things



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You can do it too!



This report was researched and written by the Bevan Foundation. The Bevan Foundation is an independent charity and social enterprise working for social justice in Wales.

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INTRODUCTION



Wales has a long and proud tradition of thriving co-operatives. The first were established in the middle of the 19th century in south Wales, and developed especially in mining communities in the south Wales valleys, in coal and slate communities in north Wales, and in small towns in mid Wales.

These early co-operatives provided support from 'cradle to grave', offering everything from food to hairdressing, funeral services to optical services, travel to banking. They even provided housing in some areas, a cinema and other entertainment, and education for hundreds of adults and children. Co-operation became a part of the culture of the community, and not only provided services but were part of building a fair and decent society.

In the early 1980s, co-operatives in Wales enjoyed a new lease of life when the Wales TUC and others sought to emulate the success of the Mondragon region of Spain to counter the devastating effects of colliery closures and recession on communities across Wales. The Wales Co-operative Centre, set up in 1982, has since helped hundreds of co-operatives, from worker co-operatives to agricultural co-operatives to community co-operatives, to set up and grow. Since 1999, the Welsh Government has also lent support to the creation of co-operatives and other social enterprises.

Today, as Wales once again faces recession and further economic change, a thriving co-operative sector is more essential than ever to Wales's long-term well-being. Co-operatives are proven to be more resilient and stable in a tough economic climate than other businesses, to provide decent employment especially for people otherwise excluded from the labour market, and to have a positive impact on the environment. The Welsh Co-operatives and Mutuals Commission, announced in 2012, will identify what more needs to be done to support them.

Community co-operatives have a particularly important role to play in Wales. As well as providing much-needed jobs and retaining income in a locality, community co-operatives can also provide essential services for people. Many of Wales's communities, urban and rural alike, do not have a local shop or pub, and lack local childcare, learning opportunities and community facilities. At the same time, many communities have a severe shortage of jobs.

Yet what almost all localities in Wales have in abundance is a common purpose and community spirit – it is a hallmark of Wales's society. The community co-operative model is an ideal way to harness that energy and commitment to meet the community's needs.

WHAT IS A COMMUNITY CO-OPERATIVE?

Owned

Owned and controlled by members of the community

A community co-operative is a business which provides a service or services to a particular neighbourhood, village or town, and which has adopted the seven co-operative principles and values to guide their activities. These include being owned by and accountable to its members.

Some co-operatives provide services to people in the community but access to the service is restricted to co-operative members. Examples include working-men's clubs, housing co-operatives, fuel-oil purchasing co-operatives, credit unions and some food co-operatives.

Specific

Provides services to a specific geographic community

A community co-operative can have a number of different legal forms, including an Industrial and Provident Society (IPS), a company limited by guarantee, a Community Interest Company (CIC) or it may be an unincorporated body.

Some co-operatives have not only adopted the seven principles, have community members and provide services to the wider community – yet they don't think of themselves as a community co-operative!

Identifies

Identifies itself as a community co-operative

As with all definitions, what constitutes a community co-operative is not neat and tidy. Some co-operatives provide goods or services to the community, but are owned by their workers rather than by the wider community (i.e. they are workers' co-operatives), while others are owned by people or organisations to sell their products to the community (i.e. they are producer co-operatives).

A Community Co-operative:

- + owned and controlled by members of the community
- + provides services to a specific geographic community



COMMUNITY CO-OPERATIVES IN WALES

100

There are more than 100 community co-operatives in Wales, and they come in all shapes, sizes and sectors

2,000

Wrexham Supporters Trust which owns Wrexham Football Club has more than 2,000 members

20-30

Grwp Adfywio Dinas Mawddwy is just starting up and has 20-30 members

There are more than a hundred community co-operatives in Wales, and they come in all shapes, sizes and sectors and are found in almost all parts of Wales.

Some co-operatives are long established, with a few having operated for about 25 years, as well as others that are in their infancy.

Some community co-operatives are relatively large, for example Wrexham Supporters Trust which owns Wrexham Football Club has more than 2,000 members, while others are relatively small, such as Grwp Adfywio Dinas Mawddwy, a community development co-operative, which is just starting up and has 20 – 30 members.

Community co-operatives can be found in almost all parts of Wales, rural and urban, and provide a wide range of services that benefit their locality:

Village shops	Food co-operatives
Child care	Training and education
Pubs, cafes and restaurants	Outdoor pursuits
Community centres	Sports
Renewable energy	Refurbishing buildings

The rest of this report sets out the results of a survey of 23 community co-operatives, undertaken by a face-to-face, telephone, online or postal questionnaire.

Our research shows that community co-operatives offer economic, social and environmental benefits to their communities and to Wales as a whole, because they bring together people who are committed to their community to deliver services that the community needs and wants.

Community co-operatives offer the best of both worlds. They are businesses, so they trade and have to think about their costs, prices and markets. But they also have social values, trading fairly and responsibly for the good of everyone.





International Case Study – Ilígora Co-operative

Established: 2005

Employing: 100 people

The Ilígora Co-operative is located in Montora, a town of 10,000 inhabitants in the province of Córdoba, Spain. It was created in 2005, and now provides jobs for 100 people in the town.

The co-operative began by operating the Jesús Nazareno Residence, which provided hospital, maternity and other health services to the community. In 2008, the co-operative began to provide home care services on behalf of the local authority. In just 8 years Ilígora has already gone from managing one care centre to four. It now provides cleaning services for various municipal bodies nearby as well.

Training of workers is at the core of the co-operative's activities, providing professional training in social care and in geriatric nursing.

Looking ahead, the co-operative is working with another co-operative to develop food production, and in the long term Ilígora Co-operative intends to create a large co-operative group along with other enterprises, to energize the economy in the province of Córdoba.

ECONOMIC BENEFITS

Community co-operatives are businesses. While many get financial help to start-up and grow, just like mainstream businesses, they have to at the very least break-even and ideally make a profit if they are to survive in the medium and long-term.

Creating Jobs and Opportunities

Many community co-operatives employ people. The number of people employed is typically relatively modest, but in small, often disadvantaged, communities every job makes a big difference.

Glyncorrwg Ponds co-operative in the Upper Afan Valley, Neath Port Talbot employed 7 people directly and 23 people indirectly on 1st September 2012, in a community where nearly a third of the population of working age claims an out-of-work benefit.

Deudraeth Cyf currently employs 6 people in Penrhyndeudraeth, Gwynedd, where less than half the population of working age has a full-time job and there are few job opportunities in the surrounding area.

It's not just about paid jobs - almost all community co-operatives involve volunteers. Volunteers can have a variety of roles, from occasional helping-out to volunteers who are relied on to deliver services. By volunteering, people can acquire valuable experience of

the workplace, increase their self-esteem and confidence and acquire new skills. A survey of 156 people who volunteered in food co-operatives¹ found that 81 per cent felt that they had benefited by learning something new, 62 per cent felt that they had developed their personal attributes, e.g. confidence, and 68% felt that they had improved their skills and enhanced their C.V. This is a remarkable achievement as almost all volunteers had become involved in food co-operatives to help the community, not to help themselves.

Helping people to find employment is part of the business of some community co-operatives, as they provide a range of educational and training courses. Delivering education and training within the community means that provision is close to where people live, particularly important in rural areas where public transport is often poor.

Deudraeth Cyf has a training suite and currently offers a variety of IT courses in Penrhyndeudraeth and in other locations in Gwynedd. Over the years, the co-operative has trained 5,000 people in a variety of skills, improving the employability of many of them. The nearest college to Penrhyndeudraeth is over an hour away by bus, or 35 minutes away by a 2-hourly train service, so training provision in the community is vital.



Attracting and Retaining Income

Community co-operatives support the local economy, for example by attracting income into the area by bringing visitors into the locality. While the income and impact of community co-operatives may be relatively small, it is nevertheless a valuable contribution especially in areas which have lost almost all of their economic base, whether that was mining or agriculture.

Glyncorrwg Ponds Community Co-operative

has developed a river valley, by sculpting coal waste from the local colliery, into a series of ponds. They have established an angling club to fish the ponds and a visitor centre on adjacent land reclaimed from colliery waste. A series of mountain bike trails have been developed in partnership with Cydcoed (part of the Forestry Commission). The mountain bike trails, have an international reputation, being rated amongst the most rewarding in the UK. They attracted 20,000 visitors in 2011. The Skyline Planet café at the Visitor Centre has established a reputation for good food and friendly staff. B&B and cottage rental services have emerged in the area to cater for mountain bike enthusiasts.

Other community co-operatives help to retain and circulate income within the community. They themselves often purchase goods and services produced locally, so supporting other local businesses.

Penhow Village Shop, in Penhow near Chepstow, Monmouthshire, sources locally made products where possible. It buys free range eggs, milk and bread from the Newport and Cardiff area, cakes from Raglan, preserves from Llangwm, butter from Lydney and even greeting cards from Usk.

Community co-operatives also mean that household income is retained, as people spend their money within the community rather than in large towns and cities, so preventing much-needed income from leaking outside the area.

Carmarthenshire Country Markets Ltd gives people in Carmarthen, Llandovery and Llandeilo access to high quality, local produce. It also provides a market for local food-producers and crafts-people, providing them with an income.

The evaluation of the Welsh Government's community food co-operatives programme² found that although sales to food co-operatives were only a small part of the turnover of large suppliers, there were a few for which supplies to co-operatives represented over 10 per cent of their business, and a minority of suppliers for which the food co-operatives represented a significant proportion of their business. In addition, suppliers identified cashflow and advertising advantages that came from supplying food co-operatives.

A survey of 156 who volunteered in food co-operatives found that:

81%

81% felt that they had benefited from learning something new

68%

68% felt that they had improved their skills and enhanced their CV

¹ BMG Research (2012) **Evaluation of the Community Food Co-operative Programme in Wales**, Cardiff: Welsh Government

² BMG Research (2012) op. cit.





Llanmadoc Siop y Bobl, Gower

Established: 2007

Business: Community Shop

Number of members: 200+

Turnover: £75,000

Llanmadoc Siop y Bobl was established in 2007 as a response to the needs of the community in North Gower. After being left literally overnight without a local shop, the community pulled together to create Siop y Bobl as a community co-operative.

It now provides a wide range of products from fresh goods, home baking, frozen and chilled foods, an off-licence, post office and coffee shop. It buys their produce and goods from local producers or suppliers, helping to keep them in business and retaining income in the area.

Siop y Bobl has won numerous awards including the Welsh Volunteers Award, the Best New Business Award, Best Village in South Wales and Best Community in Wales. Members attribute part of their success to the advice they have received from the co-operative movement and along with this have received small amounts of funding to help with the setting up

and running of the co-operative. Membership is open to anyone in the area who wants to join – without them Siop y Bobl would not exist.

One of the most significant benefits of the co-operative comes from its volunteers, many of whom are local people who have retired. The shop is a “social hub” where people can meet and get together on a daily basis, especially people who live on their own and would not see other people.

Siop y Bobl has faced a number of challenges along the way, especially relating to its current premises. However, it has plans to move to a new building by December 2012, which is in a better location and will have lower running costs.

Siop y Bobl firmly believes that having co-operative principles has meant that a “dying rural community” has been able to thrive.

ENVIRONMENTAL BENEFITS

Benefits

Community Co-operatives deliver environmental benefits even though this is not their main objective

Food miles

Community food co-operatives reduce food miles and reduce the amount of packaging used

Some community co-operatives have been set up with clear environmental aims, whether to generate renewable energy, encourage organic agriculture or reduce the amount of waste going to landfill. They are delivering benefits for the local environment as well as the local community.

Cwm Arian Renewable Energy (CARE) is developing renewal energy generation capacity in the communities of Hermon, Y Glog and Llanfyrnach, Pembrokeshire.

The main benefit will be an income stream from energy sold to the national grid. 40% of the income will be used to increase the energy efficiency and generation capacity of local households, 20% will be used to support investment in low carbon social enterprises and in renewable technology, with the balance being used for reducing the community's carbon footprint by other means.

Other community co-operatives are delivering environmental benefits even though they are not their main objective. Community co-operative shops, for example, reduce the number of journeys made by car to shops further away, while community food co-operatives reduce food miles, reduce the amount of packaging used and disposed of, and discourage food waste.

Dyserth Food Co-operative in Denbighshire has reduced the distance that food travels from field to plate, as it uses a local supplier in Hawarden, only 20 miles away, plus locally-grown produce in season. People no longer have to travel by car to buy fresh fruit and vegetables and in addition, the co-operative uses minimal packaging. Several community co-operatives have brought derelict or disused land and buildings into new use for the community.

4CG in Ceredigion has already bought three shops, two warehouses and car parks, as well as two offices and a house in the Pwllhai area of Cardigan. The sites have since been redeveloped to create a range of community facilities including a children's centre, market and low-cost car parks. 4CG is currently raising money to buy an old police station and court house to convert to community offices and possibly a hostel. It is aiming to raise £250,000 through community shares – it managed to raise £220,000 in just one month from the initial offer.





International Case Study – Evergreen Co-operatives, Cleveland, Ohio, USA

The Evergreen Co-operative initiative was launched in 2008 by a number of institutions based in Cleveland, Ohio to build “community wealth” by creating living-wage jobs in six low-income, disadvantaged communities.

The initiative builds the local economy from the ground up rather than relying on wealth trickling-down from elsewhere or offering government grants to companies to set up in the area. It increases asset ownership, anchors jobs and wealth locally, gives economic stability and strengthens the tax base.

The Evergreen approach is based on leveraging some of the expenditure of local institutions into the area which totals \$3 billion, building a network of community co-operatives to meet local needs and those of the institutions and ensuring the jobs are environmentally sustainable. Central to this is a focus on expanding sectors of the economy and scaling-up of the co-operative businesses.

The initiative aims to help the formation of 10 new co-operatives employing 500 people in the medium term. Today Evergreen Co-operatives comprise:

- + Evergreen Co-operative Laundry
- + Evergreen Energy Solutions
- + Green City Growers

The co-operatives established will donate 10% of their profits to the Evergreen Co-operative initiative to be reinvested in creating new co-operatives.

SOCIAL BENEFITS

Essential

The services community co-operatives provide are essential to the community

Start-up

Gwynfi Community Co-operative offered units which provided a start-up opportunity to a number of local businesses

Community co-operatives excel at benefiting the communities in which they are based. Whether it is bringing old buildings back into beneficial use, providing vital services or being the 'glue' that holds the community together, community co-operatives are proving to have a significant role in community cohesion across Wales.

Providing Vital Services

Many community co-operatives have their origin in providing vital services and facilities, often prompted by the threat of closure of a much-needed shop, pub or community centre.

Saith Seren/Seven Stars pub in Wrexham closed its doors in 2011 and lay empty for several months. A co-operative has bought the building, refurbished it and established a Welsh language centre, with Welsh language classes, meeting rooms for hire, and of course a pub with a variety of Welsh cultural performances.

The services community co-operatives provide are essential to the community, especially to older people or people without access to a car in isolated areas who are unable to travel to use services elsewhere.

Gwynfi Community Co-operative Ltd, based in Blaengwynfi, Neath Port Talbot, took over the running of a local supermarket in the early 1980s when it was to close. There were already very few other food shops in the area – a situation which has got worse since – and nearly half the population doesn't have access to a car. The co-operative offers a wide range of fresh and packaged groceries. Without them, there would be a "massive hole" in the community. In addition the co-operative initially offered units which provided a start-up opportunity to a number of local businesses, some of which still exist. More recently these units have been converted to six rented, affordable high quality flats.

Other community services provided by co-operatives include childcare (for example at the Oasis Centre, Barmouth), community facilities (such as Caban Cyf.) and energy (as is planned by Cwm Arian Renewable Energy).





Cyfarthfa Fruit and Veg Co-operative, Merthyr Tydfil

Established: 2011

Business: Fruit and Veg Co-operative

Number of members: 80+ customers

Turnover: £2,400-£3,600

Cyfarthfa Fruit and Veg Co-operative was set up to provide fresh fruit and vegetables to customers in the Merthyr Tydfil area. Currently, the co-operative serves 80+ customers and has distributed a total of 2,400 bags and 1,500 eggs in its first year. A number of community venues in Merthyr Tydfil act as collection points for the fruit and vegetables, and there are plans to offer a delivery service in future for people who are housebound or unable to collect the bags themselves.

A fruit and veg co-operative was first established in 2006, when the local greengrocer closed and people faced a bus journey into the town to get fresh produce. Experience showed that quality, variety and price really mattered to people in the area, and a new co-operative, that aimed to address these issues, was set up in 2011.

The new co-operative has had help from several other organisations, which have, for example loaned vehicles for food collection, donated food bags and scales and provided venues for distribution.

The co-operative has not only benefited the community, which now gets great quality fruit and vegetables at an affordable price, but it has also helped its 10 volunteers, who feel that they have been able to learn new skills and improve their confidence, whilst doing something that helps others. The hard work of the volunteers was recognized when they won Wales and West Housing Association's "Making A Difference" Community Project Award in 2011.

SOCIAL BENEFITS

Hub

Many community co-operatives have found that they have become a hub or focal point for the community

Key role

A number of community co-operatives have played a key role in supporting and sustaining the Welsh language

Improving health and well-being

A number of community co-operatives have been established to provide particular types of food, especially fresh fruit and vegetables which small, local shops are often unable to supply and which are heavy to carry without a car. The evaluation of the Welsh Government's community food co-operative programme found it had encouraged healthy eating, with four out of five food co-operative customers agreeing that they were eating more fruit and vegetables and were buying more local produce as a result of it.³

Some community food co-operatives have been established to supply foods that are not available locally, such as Mawddach Wholefood Co-operative in Dolgellau, which bulk-buys grains and other dried foods at wholesale prices for distribution to its members.

Other community food organisations follow the 'community-supported agriculture' model, which is a partnership between a community group and a farmer. The aim is to produce local, seasonal produce, supporting local farmers directly and involving people in the life of the farm. Members buy a full or half share in the co-operative, and in exchange can choose produce from the weekly harvest. These, like other community food co-operatives, have health benefits associated with healthy eating.

Caerhys Organic Community Agriculture has 40 members who visit Caerhys Organic Farm, near St David's, Pembrokeshire, to collect their weekly share of freshly-harvested seasonal vegetables and herbs. They can also buy other local produce, some provided by other nearby farmers. Surplus produce is sold on a market stall, which means people don't need to travel to the farm itself.

Supporting other community groups

Community co-operatives are not just in it for their own benefit – several community co-operatives recycle the profits they generate to support other community groups and projects. Several also said that they had generated spin-off community activities as a result of their work.

Deudraeth Cyf uses income from its commercial activities to create match-funded local projects to lever investment into the community.

Gwynfi Community Co-operative makes donations to local community groups and also supports the local primary and secondary schools – they were recently asked for help with the costs of a trip for the whole school!

Rhuddin Housing Co-operative's main purpose is to provide affordable housing for its members, but it has also set up a Community Supported Agriculture scheme in Kidwelly, Carmarthenshire, established a garden for the local school to use, and has opened up 22 acres of woodland to the public.

This 'recycling' of profits for the benefit of the community is an extremely important way in which community assets can be developed, and is likely to be of increasing importance as other sources of grant-aid for community groups are squeezed in the current financial climate.

³ BMG Research (2012) op. cit.



Developing Community Cohesion

One of the most significant contributions of community co-operatives is to community cohesion. All community co-operatives help to increase community spirit and community identity, because they bring people together to work towards shared aims. As such, community co-operatives should be seen as a key and integral part of developing and sustaining thriving communities in rural and urban parts of Wales alike.

Pengwern Cymunedol Cyf run a pub (with plans to re-open the restaurant and hotel shortly) in Llan Ffestiniog, Gwynedd. Set up in 2010, it raised £25,000 by issuing £100 shares to people in the community, which, together with grants, enabled them to take over their village pub. They feel that “We have proved that the community pulling together can succeed” and say that there’s been an increase in community spirit. Many community co-operatives have found that they have become a hub or focal point for the community, sometimes by accident and sometimes by design. They provide information about other activities that are taking place in the area and offer a place for people to meet.

Penhow Village Shop Ltd in Chepstow sells a range of goods and has commented that as well as its main retail business ‘it acts as a centre to promote, advertise and support other activities within the community’.

Community co-operatives also increase trust and understanding between people and involve people who might otherwise feel excluded. They provide friendship and social contact, especially for older people. For example, four out of five volunteers in the Welsh Government’s community food co-operatives programme said that they had benefited from meeting new people.⁴

Dyserth Food Co-operative provides fresh fruit and vegetables to the surrounding community from their base at a church in Denbighshire. It said it had had a “great social response to the co-op. People can meet others, have a chat and a cup of tea, especially older people. It has increased the community feel.”

Grwp Adfywio Dinas Mawddwy is establishing a co-operative to purchase an old post office to house a community café, art gallery, community centre, meeting room and small gym. Already it has raised awareness of their community’s identity, with people especially older people “who will now have a place to visit and meet up with others”.

Supporting Welsh Culture

Uniquely, community co-operatives are an intrinsic part of local culture and society because they are owned and controlled by local people – they are not ‘parachuted in’ to the area or accountable to someone else far away. A number of community co-operatives have played a key role in supporting and sustaining the Welsh language, either explicitly or implicitly, by operating bilingually, with bilingual staff or volunteers.

Saith Seren in Wrexham, employs five bilingual staff and as well as being a pub is also a Welsh Centre. It hosts Welsh language classes and organises at least one event a month in Welsh, with performers such as Dafydd Iwan and Gwibdaith Hen Fran.

⁴ BMG Research (2012) op. cit.



Saith Seren, Wreccsam

Established: as a co-operative in 2011, centre opened 2012

Business: Community pub and Welsh language cultural centre

Number of members: 100+

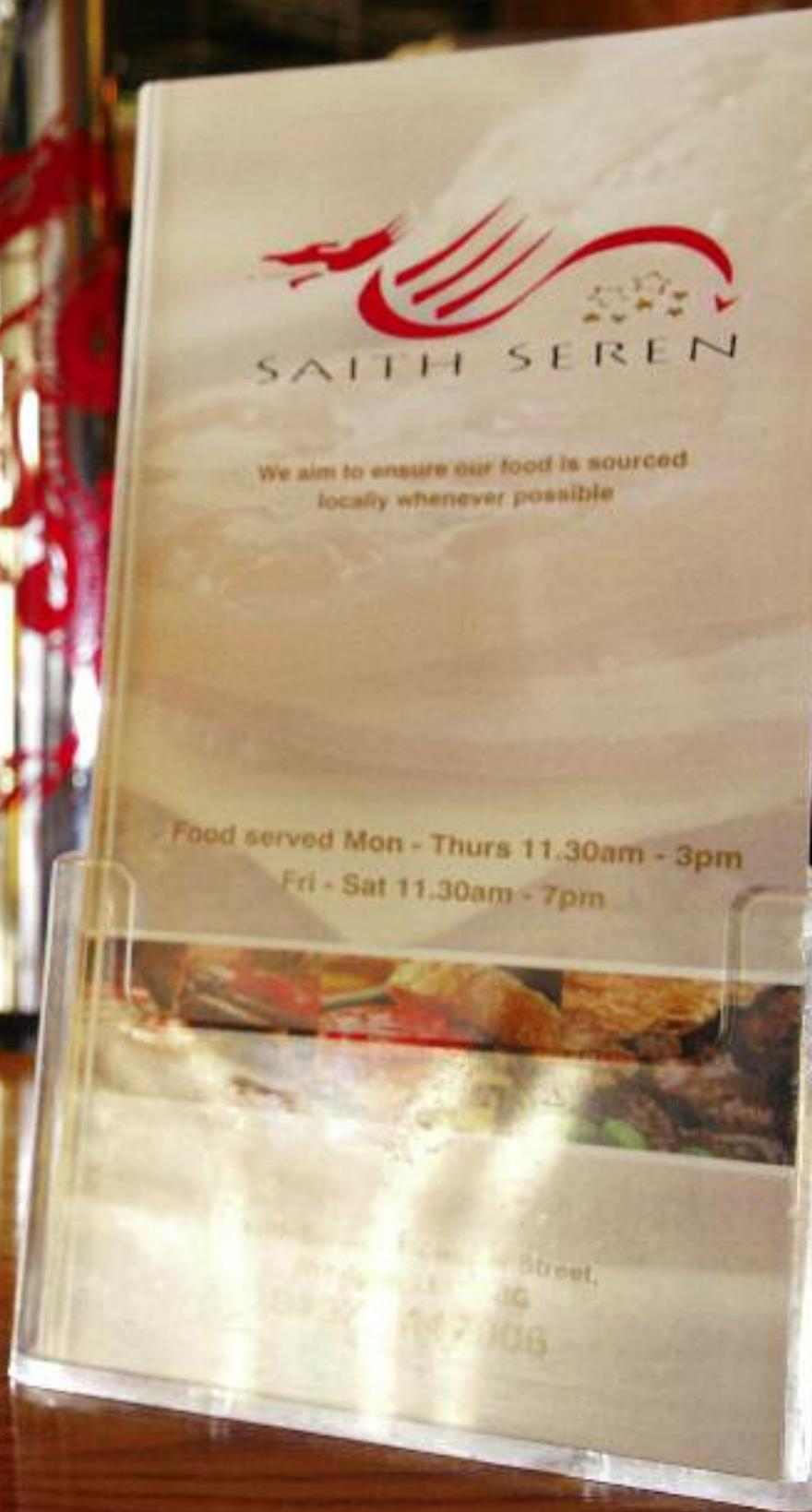
Turnover: £200,000 anticipated in the first year

Canolfan Gymraeg Wreccsam in Wreccsam is a newly-established co-operative that runs a community pub, Saith Seren, and Welsh cultural centre. It provides a range of activities at the pub including live entertainment and Welsh language classes, and it also offers food and drink, meeting rooms and offices for community organisations. Its activities are proving very popular, with a number of events being sold-out!

Membership of Canolfan Gymraeg Wreccsam is open to anyone who wishes to join, and was key to raising money to get the co-operative going. Canolfan Gymraeg Wreccsam purchased the listed, Victorian building that had previously housed the Seven Stars pub but had lain empty for some time. Using funding from members, the co-operative put in a brand new kitchen, redecorated, bought stock and appointed staff, opening its doors as Saith Seren in early 2012. The upstairs is currently being refurbished and is due to reopen by the end of the year.

Canolfan Gymraeg Wreccsam employs five people, three on a full-time basis, and there are in addition about 20 volunteers.

Being a co-operative has been crucial to Canolfan Gymraeg Wreccsam success – it brought people together and generated vital finance. It is a means, says Chair of the co-operative Marc Jones, of *“ordinary people doing extra-ordinary things”*.



THE CO-OPERATIVE ADVANTAGE

Democratic

Co-operatives are democratic organisations controlled by their members

Education and training

Co-operatives provide education and training for members, elected representatives, managers and employees

Community co-operatives are one of many different types of organisation providing valuable services and supporting communities, including social enterprises, charities, development trusts and numerous unincorporated associations. These other types of organisation can do a great job and are often hard to distinguish from community co-operatives – except that community co-operatives adopt and adhere to seven co-operative principles. These principles shape everything that community co-operatives do.

SEVEN CO-OPERATIVE PRINCIPLES

1. Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all people able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Co-operatives are democratic organisations controlled by their members—those who buy the goods or use the services of the co-operative—who actively participate in setting policies and making decisions.

3. Members' Economic Participation

Members contribute equally to, and democratically control, the capital of the co-operative. This benefits members in proportion to the business they conduct with the co-operative, rather than on the capital invested.

4. Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If the co-operative enters into agreements with other organisations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the co-operative's autonomy.

5. Education, Training and Information

Co-operatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operative. Members also inform the general public about the nature and benefits of co-operatives.

6. Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for Community

While focusing on member needs, co-operatives work for the sustainable development of communities through policies and programs accepted by the members.

Dynamix is a workers' co-operative which also sees itself as a community co-operative. It develops people's participation and co-operation skills through creative training and consultancy. Dynamix explicitly aims to put the values and principles of the co-operative movement into practice, both in the work it does and the way it operates.

Two of the most important of the seven principles concern membership and democratic control. Unlike a social enterprise, which may be owned and controlled by just a handful of people, community co-operatives are owned by and accountable to their members. Their structure *requires them* to belong to the community as a whole – community engagement is not an added extra.

At the heart of community co-operatives are their members. All co-operatives, of any type, have members and in the case of community co-operatives members are drawn from the local area. Amongst co-operatives which responded to our survey the number of members ranged from a high of 950 members at Glyncorrwg Ponds Community Co-operative to 20-30 at Grwp Adfywio Dinas Mawddwy which is still in development.

Providing capital

A number of community co-operatives explained that their members' purchase of shares in the business had provided the capital needed to get the co-operative off the ground, and that without the contribution of members, the co-operative would not have been able to have sought subsequent grants and loans to develop their business.

Pengwern Cymunedol Cyf has about 160 members each of whom purchased a minimum £100 share. Membership is open to anyone in the area who wants to join. The funds raised by the share issue helped Pengwern to purchase the former pub that it now operates.



THE CO-OPERATIVE ADVANTAGE

Showing support

Being a member of a community co-operative is an on-going commitment, and several community co-operatives said that this encouraged members to be active in the organisation, either as volunteers or as users of the co-operative's services.

Penhow Village Shop Ltd has 295 members, drawn from the local area. It has no paid employees but instead operates with 50 volunteers. The co-operative feels that *"members are more likely also to be volunteers and customers"*.

Grwp Adfywio Ddynas Mawddwy has 20 – 30 members and said that the advantage of members is that *"it is great on a volunteer basis. They can contribute themselves and it helps them to be more active in the community."*

Members also mean that the community co-operative has a wider range of skills and expertise on which to draw, whether these are management and professional skills or services that can be offered to the community via the co-operative.

Light Spirit UK, based in Pembrokeshire, was established as a co-operative to promote positive living and help people to realise their potential, by teaching simple tools to empower and uplift people. Membership is free and open to professionals working in the holistic health field, such as complementary therapists, as well as anyone who is interested in Light Spirit's work and who shares the company's ethos. Members are given *"opportunities to promote and offer their services and to be involved in the development and delivery of an interesting range of projects."*

Involvement, Accountability and Transparency

Because members actually control the organisation, many community co-operatives felt that members had a greater sense of involvement with the organisation than they would with another type of organisation.

Saith Seren, a community-owned pub and Welsh Cultural Centre in Wrexham, said that its 90 members felt a *"greater sense of ownership and involvement"* than they would otherwise do.

Dyserth Food Co-operative, in Denbighshire, said that the advantages of having members include *"the fact that they can plan and feel committed. It creates a sense of community and this in turn helps people to come back regularly."*

Following on from this, almost all co-operatives surveyed stressed the importance of their co-operative being answerable to their members, both formally, through their Annual General Meetings which elect the board and set the organisation's strategic direction, and informally through day-to-day contact.

Gwynfi Community Co-operative's membership dates back to the 1980s when £5 shares in the organisation were sold to raise start-up funding. Although it reports that getting members to attend its AGM is difficult, it nevertheless said that *"the co-operative is answerable to its members"*, mostly informally.

Grwp Adfywio Dinas Mawddwy said that *"adopting the [co-operative] principles make the co-operative more transparent. We are trying to do our best for the community and want to bring all residents along with us. The goal is that we will share the successes and the failures"*.

YOU CAN DO IT TOO!

Hundreds of people have already set up community co-operatives in Wales – and there is scope for many more.

Every co-operative and every community is different – but there are some golden rules that apply to all.

STEP 1 A GROUP OF PEOPLE

People are vital to setting up a community co-operative – one or two individuals cannot do it on their own.

You must want to make your community a **better place** and have bags of **energy and enthusiasm!**

STEP 2 A BUSINESS IDEA

What service will the community co-operative provide?

It might be something that the community needs, like a shop or a café, or it might be an opportunity, like a tourist attraction or renewable energy.

Most co-operatives focus on **one** idea at the beginning – though they can always expand! A co-operative is a business so think about:

- + How much will people pay for the service?
- + How many people are likely to want the service?
- + How much will it cost to provide it?

There might be some grants to help you to get off the ground but sooner or later the co-operative will have to be self-financing.

STEP 3 SUPPORT FROM THE WIDER COMMUNITY

Is there support from other people in the community?

They will need to give their time and skills to help the co-operative to get going and to keep going, and they might need to give some money too.

Some people test how much support there is by calling a public meeting or organising a community survey.

Keeping the enthusiasm of members is also important. Many community co-operatives say it is difficult to maintain interest once they are up and running – the co-operative becomes ‘part of the landscape’ or ‘part of the furniture’.

STEP 4 GET ADVICE

Once you’ve got a group of enthusiastic people, a good idea of what you want to do and interest from the wider community, it’s time to get help!

There are several organisations that are specifically geared to helping co-operatives, as well as others that help social enterprises or other businesses. Sometimes businesses like yours can help too.

Whoever helps you should guide you through the next steps.

If you need any support on starting a community co-operative, please contact the Wales Co-operative Centre:

Tel: 0300 111 5050

Email: info@walescooperative.org

Website: www.walescooperative.org



A public meeting was held in the village just prior to the closure of the last pub in the village. Feelings were very strong that the community could work together to buy and run the pub. Our biggest challenge has been keeping enthusiasm going and keeping volunteers involved.

Pengwern Community Co-operative



Support from other groups doing similar activities has been invaluable because they have often faced the same challenges and understand much better than most funding bodies what the processes are.

Cwm Arian Renewable Energy Co-operative

YOU CAN DO IT TOO!



The biggest help came from Wales Co-operative Centre. Ecodefi, the Forestry Commission and Gwynedd Council have also been instrumental throughout the years. The National Park also offered financial help.

Grwp Adfywio Dinas Mawddwy



[The biggest challenge is] cashflow – we have been landed with substantial rates and utilities bills after six months' trading.

Saith Seren Community Co-operative

STEP 5 DECIDE ON YOUR LEGAL STATUS

You will need help to decide what the best organisation is for you, for example an Industrial and Provident Society, a Company Limited by Guarantee or a Community Interest Company.

And you'll probably need help with the various forms that need to be completed to register your organisation.

STEP 6 PREPARE A BUSINESS PLAN

Preparing a realistic business plan is absolutely vital. If your organisation isn't viable as a business it won't survive.

You'll need to work out:

- + **Who is likely to want to use your service?**
How much would they pay? How often would they pay for it? How many people would pay? How will they find out about it? How will they get the service e.g. online, at one centre or multiple centres?
- + **What do you need to provide the service?**
What premises will you need? What equipment and supplies will you need? How many staff or volunteers will you need – and what training will they require?
- + **How much will it cost?** How much will registering your co-operative cost? What about accountancy fees, insurance, energy costs, computers, phones and stationery? How much will staff cost – don't forget pensions, training and National Insurance?

It is important to be realistic about your business plan! Don't over-estimate demand or the price people will pay, and don't underestimate your costs.

Community co-operatives are not immune from economic pressures – so ask yourselves if your village hasn't managed to sustain a privately-owned village shop or pub how will a co-operatively-owned shop or pub survive?

Co-operatives in general are out-performing other businesses and very few have gone out of business. However, they are not immune from the wider economic climate and some community co-operatives in Wales said they were feeling the effects of the recession. You need to understand how you will cope with changing conditions, whether it's competition from a supermarket opening nearby or difficulties moving to new premises.

STEP 7 RAISE SOME MONEY

You will need money to help you to get started. There are various sources of money that might help:

- + Selling shares to members of the community
- + Start-up grants
- + Start-up social loans