CO-OPERATIVE AGENCY PROJECT:
FEASIBILITY STUDY FOR A CO-OPERATIVE DEVELOPMENT AGENCY IN MILTON KEYNES
by
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The Open University
This working paper is the (unedited) final report of "a feasibility study into the formation of a community co-operative agency." The feasibility study was conducted largely by setting up and running such an agency on a trial basis for one year. The context, aims, sponsorship and organisation of the experimental agency - as well as, of course, its work and conclusions - are described in the report. However, since the report was prepared for the sponsors and those who provided the finance (most notably, the Department of Industry) it quite understandably does not cover a few points that may be relevant to a wider audience. This preface is intended to balance it up a little.

The Co-operative Agency Project (CAP) had a long gestation. Members of Alternative Co-operative Enterprises Limited (ACE, a members co-operative formed in 1975 to promote small co-operative and alternatives to conventional work in the Milton Keynes area) and what was to become the Co-operatives Research Unit at the Open University, discussed a number of ideas for promoting and assisting local co-operatives from about 1976 onwards. The Government's Job Creation Programme and the Milton Keynes Development Corporation's willingness to promote new enterprises and support social experiments seemed to offer considerable scope. In due course, and with the involvement of members of the Alternative Technology Group at the Open University, Milkwood Co-operative was born. The ultimately, rather sad, story of this initial venture in 'social entrepreneurship' is told in a separate publication.*

But in the heady early days, all kinds of schemes were discussed for related initiatives. The most ambitious of these was the idea for a 'Community Enterprise Resource Centre', the vision for which incorporated:

i) a training workshop and one or more MSC funded embryo co-operative,

ii) these would be housed in (or close to) a building converted to provide economical industrial workspace for the small businesses which would occupy and manage it, sharing secretarial and other facilities,

*Milkwood Co-operative Limited by Peter Cockerton, Rosemary Rhodes, Co-operatives Research Unit, Open University.
iii) the equipment and sheltered position of the training workshop would be used to develop possible products for test marketing locally,

iv) trainees would have the opportunity for temporary placements in some of the established local worker co-operatives,

v) this level of activity would enable the centre to obtain the level and range of skills required both for its own purposes and to provide (for modest fees) advice and management services to other small co-operatives in the area.

The ideas of both mutually sustaining developments and overcoming the characteristic isolation of co-operatives - not to mention tacit cross-subsidy - were delightfully seductive.

While there would undoubtedly have been some real advantages to such a scheme (had it been feasible) it must be admitted that to orchestrate a single venture incorporating all these activities would almost certainly have been an organisational nightmare! As it was the idea of a community co-operative agency was rapidly disentangled from this grand vision when a route to funding it suddenly appeared - the Small Business Division (of the Department of Industry) had a scheme for promoting collaboration between small firms. At about the same time wheels started turning for the development of what became, in due course, New Bradwell Workspace - the low cost units for small businesses on which a report is currently being prepared. Recently approval was finally obtained by a consortium including members of the Alternative Technology Group and the Co-operatives Research Unit, for a training workshop.

So CAP was one among a number of related initiatives (Tugboat, mentioned in the report, was another) over the last five years. These were aimed at promoting, more or less from outside (perhaps 'above' would be more accurate), viable co-operative alternatives to conventional organisations. Members of the Co-operatives Research Unit were involved because of the belief that, aside from any other benefits that might be hoped for, even a partial involvement and responsibility in actual co-operatives was an effective way of learning fast, and grounding any theorising about
co-operatives. In this the projects have surely succeeded. If Milkwood and CAP have been qualified failures (there were definite benefits for individuals or co-operatives, but neither developed as had been intended) they have both provided invaluable experience about the sorts of problems involved in such undertakings. Since currently there are a mass of independent initiatives for 'local CDAs' we are publishing this report in the hope that the lessons of CAP can be shared as widely as possible and that the next generation of projects can benefit as a result.

Apart from this background to the project, one other important point is not discussed in the report. The administrator's role in any such agency will be central. This job requires a very wide range of skills and experience and the CAP steering group (formally a sub-group of Alternative Co-operative Enterprises Limited) considered itself extremely fortunate in being able to appoint Peter Cockerton to this post. Not only had he worked in two very different co-operatives (Arjuna Wholefoods Limited and Milkwood) but he possessed accountancy skills, a familiarity with the essentials of co-operative law, experience of other small businesses through his work with Cambridge Learning Enterprises in St. Ives and a concern for the 'human relations' aspects of co-operative working. Indeed, some such blend of experience, professional competence, sympathy and commitment must be an inescapable requirement (and one not easily fulfilled, alas) for success in any other co-operative agencies.

For the record, therefore, those of us involved in the project would like to record our warm appreciation for all the conscientious, good humoured effort he expended on it. And certainly he, at any rate, is immune from any charge of not putting his livelihood where his mouth is. We have enjoyed learning from and with him. Nevertheless, the report was prepared by Peter Cockerton and Rose Bailey, who joined him for the latter part of the year) and although incorporating comments and suggestions from members of CRU, should not be taken as reflecting our collective opinion (this, indeed, is the case with all CRU publications.)
A postscript to the project is that efforts to find the sort of funds required by the report's primary recommendation have so far proved unsuccessful. Therefore the work is continuing on the much reduced scale implied by the secondary recommendation.

Rob Patón,
for Co-operatives Research Unit,
Open University.
March, 1980.
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CHAPTER 1: INTRODUCTION

Objective. The study was to examine the feasibility of collaboration between a number of small co-operative enterprises in the region around Milton Keynes through the formation of a Community Co-operative Agency. The outline for the feasibility study is fully described in a prospectus dated July 1978.

Sponsor. The feasibility study was undertaken by Alternative Co-operative Enterprises Limited, of Milton Keynes, on behalf of itself and the following small co-operatives: (called the 'initial collaborating enterprises')

- Milkwood Co-operative Limited
- Tugboat Furniture Co-operative Limited
- Bradville Signs (Milton Keynes) Limited
- Tipi Co-operative Limited
- Paupers Press Co-operative Limited

This Report. The final report of the feasibility study is addressed to the sponsor and the initial collaborating enterprises. It is also being sent to the bodies which funded the study:

- Department of Industry, Small Firms Division
- Open University, Co-operatives Research Unit
- Milton Keynes Development Corporation, Planning Directorate

Co-operative Agency Project

In order to carry out the feasibility study the sponsor, Alternative Co-operative Enterprises, (ACE) set up a sub-group called the 'Co-operative Agency Project' (CAP). The members of the sub-group were: six members of ACE, one representative from the Co-operatives Research Unit at the Open University, and the two people employed on the project. Milton Keynes Development Corporation (MKDC), as the other local funding body, were invited to send a representative to sub-group meetings, but this offer was not taken up. The sub-
group met at approximately monthly intervals, received reports from the project employees, decided policy, and controlled finance.

An office for the project was provided by MKDC at 44 Shipton Hill, Bradville, Milton Keynes.

Funding the feasibility study. The overall budget for the project was £7,500, and this was obtained as follows:

£3,750 from the Department of Industry, Small Firms Division through their scheme 'Collaboration Among Small Firms'.

£2,000 from Milton Keynes Development Corporation, Planning Directorate.

£1,750 from Open University, Co-operatives Research Unit.

Conventions and abbreviations used in the report. The word 'co-operative' is used to describe organisations which call themselves 'co-operatives', 'collectives' or 'common ownerships'.

'Community Co-operative Agency' (CCA) has approximately the same meaning as the expressions 'local co-operative development agency' (local CDA) or 'local co-operative development group' (local CDG).
CHAPTER 2: THE LOCATION AND THE CO-OPERATIVES WITHIN A THIRTY MILE RADIUS

Milton Keynes *

When Milton Keynes was designated a new city in 1967, nearly 40,000 people lived within the city boundaries. Since then the population has doubled. It is regarded as an "employment centre" as it has a surplus of jobs (in relation to employed residents) and these are filled by workers who commute to the city.

Due to the extensive building programme the proportion of jobs in construction is over twice the national average. It is in this sector that the highest growth of employment has taken place since designation. Service industries have also experienced growth in employment, while the proportion of jobs for skilled manual workers has declined. Meanwhile, the proportion of jobs for professional, managerial and other non-manual workers has increased. It is in the Service and the Distribution sector that the fastest growth is anticipated in the future in Milton Keynes; this includes insurance and banking, distributive trades and professional and scientific services.

Nearly 50% of the firms in Milton Keynes contain less than six employees, 8% employ more than 50 people and only 4% employ more than 100. However whilst many of the firms are small, in terms of the employment market nearly 60% of the jobs within the city are in firms with 100 or more employees.

A survey of households and employers in 1976 found that workers in Milton Keynes are slightly more dissatisfied with their jobs than the national average. The reasons which were most commonly cited for dissatisfaction with work were poor pay and bad management.

*Source of statistical information: "Seven Years On" - summary report of the 1976 Household and Employers Surveys, MKDC.
Area of Study

Within a thirty mile radius of Milton Keynes there are about 30 co-operatives. The area includes the major centres of Northampton, Bedford, Milton Keynes, Aylesbury and Oxford. Contact was established with all the co-operatives listed in Table I, with the exception of Group(a) (Members of the Co-operative Productive Federation).

In the north of the region the co-operatives have formed into a local association known as the East Midlands Association of Co-operatives and Common Ownerships (EMACC). This association is discussed in Chapter 6 of this report. The existence of this association coupled with the difficulties encountered in relation to the overall size of the area resulted in the project concentrating in its later stages, upon those co-operatives situated in Milton Keynes and to the south and east of the city.
### TABLE I:

Producer, Worker and Housing Co-operatives within a 30 mile radius of Milton Keynes

<table>
<thead>
<tr>
<th>NAME OF CO-OPERATIVE</th>
<th>NATURE OF BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Members of Co-operative Productive Federation (CPF):</td>
<td></td>
</tr>
<tr>
<td>Queen Eleanor (Kettering)</td>
<td>Clothing manufacture</td>
</tr>
<tr>
<td>Avalon Footwear (Kettering)</td>
<td>Footwear manufacture</td>
</tr>
<tr>
<td>St. Crispin Footwear (Raunds)</td>
<td>Footwear manufacture</td>
</tr>
<tr>
<td>N.P.S. Shoes (Wollaston)</td>
<td>Footwear manufacture</td>
</tr>
<tr>
<td>(b) Members of East Midlands Association of Co-operatives and Common Ownerships (EMACC):</td>
<td></td>
</tr>
<tr>
<td>Scott Bader Commonwealth (Wollaston)</td>
<td>Chemical manufacture</td>
</tr>
<tr>
<td>Trylon (Wollaston)</td>
<td>Manufacture of consumer products from chemicals</td>
</tr>
<tr>
<td>Michael Jones Jewellers (Northampton)</td>
<td>Retail jewellers</td>
</tr>
<tr>
<td>Commonwealth Coatings and Chemicals (Wellingborough)</td>
<td>Chemical manufacture</td>
</tr>
<tr>
<td>Northampton Industrial Commonwealth (Moulton)</td>
<td>Building, plant hire and skip hire</td>
</tr>
<tr>
<td>(c) Within designated area (DA) of Milton Keynes</td>
<td></td>
</tr>
<tr>
<td>*Oakleaf Books</td>
<td>Bookshop</td>
</tr>
<tr>
<td>*Acorn</td>
<td>Wholefood shop</td>
</tr>
<tr>
<td>Comtek</td>
<td>Alternative technology co-operative</td>
</tr>
<tr>
<td>Bradville Signs</td>
<td>Road sign manufacture</td>
</tr>
<tr>
<td>In the Making</td>
<td>Publishing</td>
</tr>
<tr>
<td>Tugboat</td>
<td>Furniture and transport co-operative</td>
</tr>
<tr>
<td>M.K.O.K.</td>
<td>Motortists repair co-operative</td>
</tr>
<tr>
<td>New Bradwell Workspace</td>
<td>Co-operatively managed workspace</td>
</tr>
<tr>
<td>Milkwood Co-operative (ceased trading)</td>
<td>Pallet repair and recycling</td>
</tr>
<tr>
<td>Rainbow</td>
<td>Housing Co-operative</td>
</tr>
</tbody>
</table>
(d) Outside designated area of Milton Keynes

Tipi (Aylesbury)  
Redley (Winslow)  
Lake School of English (Oxford)  
Bedford Friends of the Earth (Bedford)  
Uhuru (Oxford)  
Oxford Printmakers  
Political and Economic Research Group (Oxford)  
Yardley Oack (Yardley Hastings)  
Indians (Hemel Hempstead)  
Paupers Press (Oxford) (ceased trading)  

Smallholding and wholefood shop (retail and wholesale) and flour mill  
Housing co-operative  
English as a Foreign Language School  
Wholefood store  
Wholefood shop and cafe, research  
Printing  
Research and consultancy  
Bakery  
Craft shop  
Printing press

*Subsidiaries of Alternative Co-operative Enterprises Ltd.  
Secondary co-operatives.
The local co-operatives

The areas of business activity of co-operatives in the region are diverse, as Table I illustrates. The larger co-operatives including several with over 50 employers, which are those in parts (a) and (b) of Table I, are concentrated to the north of Milton Keynes around Northampton. Some of these firms were originally owned privately and became common ownerships with the arrangement of the proprietor. Since the large co-operatives employ specialists with professional and management skills, their demand for the advice services of an agency is less than that of co-operatives which do not have such expertise within their own workforce. Also the large co-operatives around Northampton in the East Midlands Association of Co-operatives and Common Ownerships (EMACC) have their own system for collaboration. (See Chapter 6).

The co-operatives in Milton Keynes and the remaining region are mainly small and in most cases were formed by people holding a firm commitment to the principles of co-operative or collective working. There are some exceptions e.g. Tugboat which grew out of a voluntary group which sponsored a Job Creation Project; MKOK which was formed from an initiative by the Mutual Aid Centre; Bradville Signs which was created by a department within Milton Keynes Development Corporation to meet their demand for road signs in the new city.

Although the majority of the co-operatives are registered under the Industrial and Provident Societies Acts, they are not all workers' co-operatives. For example, there are two housing co-operatives, MKOK is a consumer co-operative and ACE is a members' co-operative which serves as an umbrella to 'Acorn' and 'Oakleaf'.

Contact was made with the co-operatives in Table I (except Group (a)). Dialogue was established with the co-operatives through a variety of conversations, visits, correspondence, pilot work and occasionally work days with co-operatives. In those co-operatives with a more traditional management structure, contact was usually made with the manager or with a member of the management group. In the smaller co-operatives, direct contact was made with one or two of the members, generally on an ad-hoc basis. These members were often likely to refer matters for discussion at general meetings of the co-operative before expressing opinions to CAP.

A pilot questionnaire was used with seven of the co-operatives to gain some insight into their background and their operations. The questionnaire was comprehensive and dealt with how and why the individual co-operative was set up, its financial standing and prospects, internal procedures ranging from decision-making structures to the way in which information is disseminated among members, and its projected needs from and relationship with a co-operative development agency. The questionnaire was administered on an individual basis, taking a two to four hour meeting with an interviewer to complete. (See Appendix).

Whilst all the co-operatives which completed the questionnaire were registered under the Industrial and Provident Societies Acts and had adopted the Industrial Common Ownership Movement's (ICOM) model rules constitution, they were found to differ considerably in their size, scope of operations and internal arrangements. However, they were found to have experienced similar problems both prior to setting-up and during trading. This information confirmed those problems identified through pilot work and discussions with co-operatives. The questionnaire further reinforced the assertion by co-operatives
that the advice-type services of an agency would be in demand from potential co-operatives i.e. by start-up groups who have little or no income. CAP helped some start-up groups e.g. New Bradwell Workspace, but did not make contact with any unsuccessful start-up groups which was unfortunate since useful information might have been forthcoming from such groups. However CAP was in contact with two co-operatives which ceased trading i.e. Milkwood and Paupers' Press, and was able to extract information relevant to the study from these situations. (See the discussion of Pilot Work in this Chapter.)

The conclusions drawn from this sustained discussion and contact with co-operatives are considered in the following chapter with reference to the aims and objectives and the feasibility of various models for a CCA. In the later stages of the project, CAP took an initiative to form an association of local co-operatives and this also is discussed in Chapter 5.

Throughout the study contact was maintained with the following national agencies which are concerned with co-operation:

(i) Co-operative Development Agency (CDA)
(ii) Industrial Common Ownership Movement (ICOM)

and the relationship between the proposed CCA and these organisations is discussed at the end of Chapter 6.

Pilot Work

A certain amount of pilot work was undertaken by CAP in the field of advice services. This work was usually as a result of a request from a particular co-operative, rather than an approach from CAP. The advice required reflected the types of problems commonly experienced: advice was required by embryo co-operatives such as Comtek and New Bradwell Workspace. Legal structures commonly create difficulties for co-operative
enterprises which are setting up. In the case of New Bradwell Workspace CAP was able to draft a constitution peculiar to the needs of the group. This service would have been difficult to obtain from local lawyers since they are unfamiliar with the principle of co-operative working which the group wanted incorporated in their constitution.

Another common request was for recommendations of professionals, usually lawyers and accountants, who were familiar with co-operatives. CAP was able to draw up a list of these and advise co-operatives as necessary.

Accounting was a widespread problem experienced by co-operatives. CAP was able to help the Lake School of English organise their book-keeping and to offer accounting advice to Bedford Friends of the Earth, Comtek, In the Making and Rainbow. Other matters which arose were those of a general nature which any small business might encounter e.g. advice to Tipi regarding road transport operators vehicle licence and Tugboat regarding contracts of employment; and those which were peculiar to co-operatives e.g. information required by Tipi Co-operative regarding issuing loan stock and share certificates.

Pilot work of a different nature was undertaken with two co-operatives which ceased trading during the period of the project.

(i) Paupers Press:

A printing co-operative with six employees was founded in October 1976 in Oxford. CAP was approached in December 1978 and was asked to undertake a feasibility study to determine the long term future of the Press and to write a prospectus in order to apply for appropriate finance. In the light of visiting the Press to establish the facts CAP suggested a number of options to the press: that they wind up, that they expand considerably and the feasibility study be carried out, or that they find
local money in order to continue trading and also receive marketing advice from CAP. The last option was the one which was recommended to the Press. CAP fulfilled their obligation and provided skills and also made an approach to Industrial Common Ownership Finance about fund raising.

The trading position of the Press deteriorated and the amount of local funding which they needed to continue steadily increased. Eventually the enterprise went into liquidation.

The project was able to provide Paupers' Press with expertise not already contained within the workplace and to pass these skills directly to the members. This input was of importance to the enterprise, since in view of their financial situation, they would have been unable to pay for such services. Although the business ceased trading, the position was not completely hopeless when CAP first became involved and the work was undertaken in the hope that the enterprise would survive.

(ii) Milkwood Co-operative:

Milkwood was a woodworking co-operative set up in Bletchley under the Manpower Services Commission Job Creation Programme in February 1977. It originally employed a dozen people, ten of whom were school-leaver trainee carpenters. The main work was repairing wooden pallets. In June 1978, the MSC grant ended, and the enterprise was greatly reduced in size to three employees and it attempted to be financially self sufficient. The management services for the reduced co-operative were provided by a consultant and it was hoped to use this consultancy as a pilot work project for CAP. Unfortunately the business failed in September 1978 due to insufficient level of demand for its products, serious illness of a key worker and lack of capital.

CAP has assisted in providing the co-operative expertise during its winding-up. This work has been with the aim of minimising
winding-up expenses and ensuring that the creditors of the co-operative (who are mainly local traders) are paid in full. This type of work falls within the scope of a community co-operative agency in that the support of local traders is vital to co-operatives and a bad taste left by even one collapse and subsequent short-payment of debts is worth avoiding or minimising by the co-operative sector.

The pilot work was estimated to have been of particular benefit to the co-operatives concerned because:

(a) Start-up groups with no funding were able to obtain information on structures which enabled them to proceed in their formation of a co-operative enterprise.

(b) Much of the advice given would have been difficult to obtain from the usual professional services in the form in which it was presented since it was particular to co-operatives.

(c) Advice was essentially given in such a way that direct knowledge was passed on to co-operative members, unlike some professionals who regard knowledge as the possession of the profession and not to be transferred outside it.

(d) Much of the advice would have required payment if it had been sought from other sources. Many of the co-operatives were not in a position to afford such payments for advice. An agency therefore has an important role to play in increasing the knowledge contained within a co-operative which is likely to have a beneficial effect on its operations. Thus CAP was able to provide initiatives which might otherwise have been prevented by financial limitations.

(e) It is important to establish and maintain a good name for co-operatives with local traders and with the public in the area, if existing and future co-operatives are to flourish.
CHAPTER 4: ENDS AND MEANS: WHO IS TO BENEFIT AND HOW?

From the questionnaires and the pilot work it has become clear that there is tremendous diversity in the needs, aims and intentions of co-operatives in the area. What has emerged is a large number of activities which could be undertaken by the collaboration of certain of these co-operatives in the formation of an Agency. Which individuals, groups of people and organisations the Agency should serve, and what kind of activities it should engage in are the issues to which we now turn. Is it to be concerned only with the creation of co-operatives, and if so, what kind of co-operatives? Workers' co-operatives, community co-operatives even small businesses? And is it to be a service agency only, a co-ordinating body, a communications network or a combination of both?

A  Who is to benefit?

We consider that it is helpful to the arguments to define what a co-operative is, and what a workers' co-operative is at this point. It is generally agreed that the principles on which co-operatives are based are:

1. Open, voluntary membership.
2. Democratic organisation on the basis of one member, one vote.
3. Limited interest on capital invested in the organisation.
4. Equitable distribution of earned surplus or savings, decided by the members, among co-operative development and education, common amenities to members, donations to charity, dividends to members, or in other ways as the members may determine.
5. Education in co-operative principles and techniques.

In addition workers' co-operatives tend to include two further principles:

1. All permanent workers are members of the co-operative and all members work the co-operative.
2. No dissolution for personal gain.

If we are interested in co-operation, we must make it clear that it exists in many forms. Some forms are more suitable for particular circumstances than others.

Workers in workers' co-operatives have more control over the organisation than is possible in ordinary businesses. The members of a workers' co-operative are fundamentally responsible for all the decisions relating to their organisation; even though they may delegate some commercial responsibilities (for example) to hired managers they are still the creators of overall policy. By contrast in even the most benign small business it is the owner (whether a partner or the owner of shares in a company) who has ultimate control enabling him to override seemingly democratic systems. It is clear that the workers' co-operative is a totally different type of enterprise from other businesses even small businesses.

A community co-operative is an enterprise set up by a community, and members of the community subscribe for shares in the co-operative. The co-operative then employs its workers who may or may not be members of the co-operative. In this way the co-operative is similar to co-operatives in the Co-operative Productive Federation with their outside shareholdings. The community co-operative is managed by a committee of management elected by the members, and the workers are responsible to the committee.

CPF co-operatives differ from workers' co-operatives in two important aspects. Firstly they can be legally wound up, and
the assets distributed among the members. This enables a majority of the workers to close the co-operative against the will of the minority. Secondly, because the CPF co-operatives have outside member-shareholders they are not wholly owned and controlled by their workforces. This situation gives rise to unnecessary conflict between the worker members and the non-worker members. The argument for the outside shareholding is that people won't invest in a business unless they obtain a portion of the equity. (However, ICOM worker co-operatives do not seem to have found this to be a problem with their insistence on outsiders investments in a co-operative being in the form of fixed interest loans.)

Each of these three models involve the principle of co-operation in different degrees. However it is only in the form which we are calling a 'workers' co-operative' that all the benefits of co-operation obtain.

At this stage we should perhaps mention one other type of relationship which can exist between co-operative agencies and small businesses.

At least one CCA (at Newry and Mourne) supports its operation by leasing property to all kinds of small business including co-operatives. It could therefore be said that this agency creates and supports small businesses. In fact this is a vehicle for more general co-operative development work, and the Newry and Mourne initiative is seen by its promoters as being a general community employment initiative.

There are a number of examples of this approach being used to provide work units for small firms where there is no overall strategy to create a CCA or similar body from the surplus of administration funds - an example is the Clerkenwell Workshops
in London.

More unusual is the creation of this type of scheme involving a co-operative management policy. That is where the management of the whole building is carried out co-operatively by the tenant small firms. One example of this type of scheme is New Bradwell Workspace in Milton Keynes. This is an old school which has been recently converted into 12 units for light industrial use. The experience of setting up this project has been that small firms of say up to 4 employees are reluctant to commit themselves into a co-operative structure. They are suspicious of it, because they find it very unusual, and they tend to overlook the potential savings to be made. They tend to expect that a 'manager' will be needed to tell them what to do. This illustrates the enormous amount of education that needs to be done before people can grasp the benefits of simple forms of co-operation.

To summarise then we would see that such initiatives as these have a real part to play in the wider objectives of community employment initiatives. In the context of the CCA we see them as a possible approach, but not one which we want to recommend. We prefer the idea of an externally funded agency with a more specific brief.

Our recommendation is that the Community Co-operative Agency should concern itself with all organisations engaged in economic activity which profess to practise co-operation to whatever degree, but not with those, such as small businesses, which make no such claims. The main objective of the CCA would, then, be: to aid the creation of workers'co-operatives. Its secondary objectives would be

- to support existing co-operatives
- to aid the creation of other types of co-operatives
to promote the ideas of co-operative working
- to promote co-operation between co-operatives

This is in line with policies among some other Community Co-operative Agencies' around the country, the stated aims of which are as follows:

Northern Region CCA: "to assist the spread of industrial co-operatives/common ownerships in the north east and Cumbria."
West Glamorgan CCA: "to support the establishment of workers' co-operatives in South Wales."
SCDC:*"to encourage the growth of workers' co-operatives in Scotland"
South London CCA: "to promote the formation of co-operatives and to give advice to co-operatives and potential co-operatives as 'a group of people who have come together voluntarily to control a business activity in which they participate as equal partners.'

B How the co-operatives can benefit:

Many of the benefits of increased collaboration between co-operatives in forming some kind of agency (structure as yet unspecified) are clearly in evidence from the feasibility study; others will only emerge as needs become realised and circumstances dictate.

Advice, knowledge and skills

Embryonic and newly formed co-operatives could benefit enormously from a system which provided legal and accounting advice specifically geared to co-operative businesses. As shown in the pilot studies early problems centre around these areas. The need is for professionals specialising in co-operatives to be available at no immediate cost, or at low rates, to

*SCDC: Scottish Co-operatives Development Committee
people seeking to start co-operatives or to convert established businesses into co-operatives - whether by courtesy of a retiring owner, or through confrontation and sit-ins. Depending on the situation, the urgency and the aspirations of the potential co-operators, a straightforward advice-giving transaction may be required, or a more extended learning situation where the co-operators themselves learn the law and accounting techniques and information which they need, thereby making the "expert" redundant.

Many new and existing co-operatives want to examine areas such as marketing practices, job rotation, information systems, organisation of meetings, joint decision making procedures, and the whole arena of personal relationships. Yet others want courses to train their own personnel in management skills, such as those run by ICOM, and it is possible that some would benefit from a shared management consultancy service which kept a regular watchful eye on, say, the books or the personnel although during this feasibility study we found no evidence of this being in demand in this area.

At the beginning of this feasibility study we anticipated that we might find that shared management services would be one of the major activities of a local Community Co-operative Agency. By this method the co-operatives would either eradicate duplication of skilled personnel - accountants, etc. - or alternatively provide themselves with more and better services than heretofore. However we found the scheme tended to be regarded with suspicion. It was out of line with the principle held by many co-operatives of self-sufficiency in management. Such co-operatives prefer to avoid the creation of experts amongst themselves and whilst they consider that in some cases there is a need to bring in outside professional experts they expect to cope with the day to day organisation of the business themselves. Therefore any joint services which might be provided under the umbrella of an Agency would probably exist only for a group of co-operatives
set up by the Agency, or where a group of co-operatives decided that they wanted to use the Agency in this way.

Sources of finance for co-operatives

Another obvious need is for advice on funding for co-operatives. Local co-operatives felt that lack of sources of finance was a problem not only in the initial stages of setting up a co-operative but also in the later stages of the co-operatives activities.

As well as providing access to existing sources of finance, the Community Co-operative Agency could set up a loan fund of its own. The reason for setting up such a fund would be that co-operatives, especially when starting up, represent a high risk to traditional funding agencies and therefore find it more difficult to raise capital than ordinary small businesses. The loan fund could be funded by public subscription (as in the case of Newry and Mourne) and by levies on profits from local co-operatives (as in the case of the proposed South London CDA). By subscribing to such a loan fund members of the public would be assisting in the creation of local businesses in their community and therefore increasing local prosperity and stability of employment.

Information

The need for a communications network to share information on such matters as other co-operatives activities, trading, development plans etc. which could be of mutual benefit to several co-operatives, could take the form of a central office, newsletter or merely a local contact list. The work of an agency field worker, or regular meetings of members of several local co-operatives could facilitate suggestions of plans for mutual benefit such as worker exchanges, transport and warehousing rationalisation, as well as facilitating future collaboration as opportunities arise. It could also provide a signposting service for the relevant national and regional organisations.
which are concerned with co-operatives, by pooling information to and from such bodies.

Promotional work

It is clear that the amount of work that could be done in this field is very elastic. It depends on the philosophies of the local co-operatives, the funds available, the economic climate and available information. Schemes such as the Monaragon Scheme in Spain, which has a list of carefully worked out plans for proposed products for potential co-operatives to take up, requires a great deal of prior research. There is much to be gained by the co-operatives and other potential co-operators broadening the discussion and relaying information about the principles of co-operativism, to a wider cross-section of people. Methods might include publicity such as posters and leaflets and exhibitions talking to interested groups, or running courses to introduce people to the history and ideas of co-operativism. Essentially however, the agency would be a service, and actively setting up co-operations might be seen as premature.
What is the route by which these objectives can best be achieved? There are a number of ways in which different combinations of these benefits can be provided.

1. A federation of co-operatives

It is worth looking at the federation of co-operatives as a method of organising co-operative development and communication between co-operatives. A good example was the Federation of Northern Wholefoods Collectives (FNWC). This federation of wholefood shops and wholesaler enabled many co-operatives to start up. It also funded a separate body to do product research. The FNWC disbanded in 1978 and smaller, more localised groups were formed to cover the large area of the original federation.

The normal criticism of such a body acting as a Community Co-operative Agency is that the overall nature of the organisation would tend to be restrictive and only promote development that did not compete with members interests. From many points of view this is in fact desirable as the last thing a local CCA would want to promote would be the creation of jobs in one co-operative at the expense of jobs in another by enabling two very similar co-operatives to exist in the same area.

The federation of co-operatives idea as a method of development is worth looking at in three specific cases in the Milton Keynes area.

(a) Tipi Co-operative Limited. This co-operative trades in wholefoods and at present comprises: a retail shop, a smallholding and a flour mill. Its legal structure is that of a worker's co-operative (ICOM model rules) and the group meets together as one co-operative and separately at each particular operating point. As each part of the group gets larger, economically
stable and viable it can become an autonomous group trading in its own right. Thus one umbrella co-operative spawns many smaller co-operatives.

(b) **Alternative Co-operative Enterprises Ltd. (ACE)** This is at present a members co-operative serving the communities of New Bradwell and Wolverton in Milton Keynes. The co-operative owns two workers co-operatives: a bookshop and a wholefood shop which again could become separate legal entities in time as in the case of the Tipi groups. The ACE co-operative is open to other groups of people with an idea for a new enterprise to shelter under the umbrella whilst the initial funding operation is set up and until the new enterprise can stand on its own feet. ACE is funded by public subscription.

(c) **Northampton Industrial Commonwealth Ltd. (NIC)** This co-operative operates in the building trades and nominally works in the same way as Tipi above. It has one legal entity - ICOM model rules again. In this case there is a joint management team responsible for all the groups comprising the co-operative as opposed to the two examples above where each group is self-sufficient in management services. In this case it is not anticipated that groups will become autonomous and new groups joining the main co-operative (as is the case when another firm is "taken over" by the co-operative) becomes just another part of the main group.

This feasibility study does not recommend any of the three examples above as being suitable models for the Milton Keynes local Community Co-operative Agency. The reason for this is that such models, whilst fulfilling some of the objectives, particularly the creation of certain sorts of new co-operatives which fit in to their existing schemes, do not adequately fulfil all the objectives set out in Chapter 4.
2. The three-tier system

Some way into the study it became apparent that although the need for a Community Co-operative Agency in the Milton Keynes area could be shown the main problem concerned balancing the projected costs of an agency with the funding available. Another structure suggested itself at this stage: under this system a local Community Co-operative Agency office with one field worker and one office worker would be run on behalf of any co-operatives in the area, who would support, control and use it in different degrees.

At level 1: Provide substantial management services for (say) 6 local co-operatives paid for by them on an hourly basis.

At level 2: Provide one-off services - feasibility studies, marketing surveys etc. for co-operatives over a 30 mile radius paid partly by subscription/levy and partly on hourly basis.

At level 3: Promotional and educational work and start-ups and changeovers funded by grants.

This arrangement would mean that all the services provided at levels 1 and 2 would be self-sufficient financially and the CCA would only do as much level 3 work as there were grants available.

The system was tested by visiting the local co-operatives which were potential participators at level 1 and discussing it with them. The basis for this was either: could a Community Co-operative Agency provide services which were not already being provided internally and could the co-operative afford to pay for them; or could the CCA provide the same services that were already being provided and release co-operative workers...
for other work.

The reaction of the local co-operatives was varied but in all cases negative.

Some provided all the services that they required and did not want the intervention of an "outside" agency. In particular co-operatives which wanted to be self-sufficient in management expertise (see Chapter 4) did not want this type of intervention. Others were more in the normal double bind of small businesses - the business is viable because it is run on a shoe-string, corners are cut wherever possible, decisions are made on "hunches" rather than on statistics, and to provide better information systems would not necessarily be cost-effective.

The 3-tier system was therefore ruled out at this stage as a pragmatic approach but might be applicable in the future:

(a) in the case where a Community Co-operative Agency had set up its "own" co-operative which could be linked in at level 1 without applying a paternalistic structure. For example Leeds Council of Voluntary Service has a section doing all the accounting and payroll functions of its embryo enterprises,

(b) if the CCA showed it could successfully perform this function for one (pilot) co-operative then other co-operatives might request such a service. In the original concept of a CCA in Milton Keynes it was envisaged that Milkwood Co-operative might sustain such a pilot operation during this feasibility study. Regrettably the co-operative ceased trading at the commencement of the study and no suitable substitute was forthcoming.
3. An Association of local Co-operatives

In the later stages of the project all the co-operatives in Table I (with the exception of the CPF co-operatives) were contacted with regard to the formation of an association of local co-operatives. It was intended by CAP that such an association, whilst having a rationale in itself might also form the basis and management structure of a projected Community Co-operative Agency. There was a positive response from most of the co-operatives, except those grouped in EMACC for the reasons discussed in Chapter 6.

Table II lists those co-operatives with a sustained interest in an association and gives some detailed information about them.

After some discussion with the individual co-operatives a meeting was arranged whereby representatives of the co-operatives could meet together. There was general agreement to form an association which would facilitate collaboration between co-operatives and which might manage an agency if funds became available to finance one. Most co-operatives were confident that they would be able to pay a levy for an agency (Chapter 6) which might at least pay for some part-time services. There was some discussion about the possibility of having an existing worker in one of the co-operatives working as an agency worker part-time. This would enable the 'part-time' employee to be available, for example, to answer telephone enquiries for most of the working day.

Co-operatives were in agreement with the objectives and functions of an agency, which CAP had proposed, (Chapter 4) and were forthcoming with ideas of practical activities that the association might usefully engage in e.g. circulation of a newsletter, joint training courses, co-operation on transport and warehousing.

The intention to establish an association is firm within the co-operatives. The degree to which the association will be
able to engage in agency activities will depend upon the funding available. The co-operatives are continuing to discuss possible arrangements and activities, whilst awaiting the outcome of the outstanding grant applications to trusts and charities.

As stated, future developments depend upon the level of funding available. The association of local co-operatives will formally constitute itself in the near future. Since the levy that they could raise is so small (approximately £350), it seems improbable that they will employ a worker, even on a part-time basis.

The association will depend therefore upon the voluntary efforts of its officers. A subscription is likely to be raised to provide funds to finance the activities of the association, but this will only encompass a small proportion of the functions envisaged of an agency. There will be little time for promotional work, and perhaps of greatest detriment to the existing and potential co-operatives there will be no facilities for an advice service. However, through the co-ordination of an association, a network of informal contacts will be set up which could expect to prove of mutual benefit to the participating co-operatives. The association may be able to compile and distribute a newsletter which was regarded as an important means of communication.

Therefore the association is to be reduced to a federated organisation which will enable co-operatives to meet for discussion and engage in some joint activities. Whilst this level of collaboration is minimal compared to that which it is envisaged an agency would facilitate, it does offer more potential for productive collaboration than has existed in the past in the region. It also offers the framework, should funds become available, for the structure of a community co-operative agency based upon and meeting the needs of local co-operatives.
In conclusion, whilst the association remains a valuable initial step it is by no means likely that it will survive, let alone thrive, without the support that at least one regular worker and an office could provide. We continue to feel that a Community Co-operative Agency should be set up, and look now at what sort of staffing structures and funds it should have to meet the needs of co-operativism in the area.
### TABLE II
Local Co-operatives interested in forming an Association

<table>
<thead>
<tr>
<th>Producer + Workers Co-ops</th>
<th>Year of Form-</th>
<th>No of Members</th>
<th>No of Emplo-yes</th>
<th>Annual Turnover £'000</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oakleaf Books</td>
<td>1979</td>
<td>3</td>
<td>3</td>
<td>20</td>
<td>C</td>
</tr>
<tr>
<td>Acorn (Alternative Co-operative Enterprises Ltd?)</td>
<td>1976</td>
<td>38*</td>
<td>1</td>
<td>12.5</td>
<td>A</td>
</tr>
<tr>
<td>Comtek</td>
<td>1979</td>
<td>7</td>
<td>-</td>
<td>4</td>
<td>C</td>
</tr>
<tr>
<td>Bradville Signs</td>
<td>1977</td>
<td>7</td>
<td>2</td>
<td>20</td>
<td>D</td>
</tr>
<tr>
<td>In the Making</td>
<td>1973</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>C</td>
</tr>
<tr>
<td>Tugboat</td>
<td>1978</td>
<td>4</td>
<td>4</td>
<td>40</td>
<td>B</td>
</tr>
<tr>
<td>Tipi</td>
<td>1978</td>
<td>6</td>
<td>6</td>
<td>61.5</td>
<td>B</td>
</tr>
<tr>
<td>Lake School of English</td>
<td>1976</td>
<td>9</td>
<td>5</td>
<td>23</td>
<td>B</td>
</tr>
<tr>
<td>Bedford Friends of the Earth</td>
<td>1978</td>
<td>?</td>
<td>?</td>
<td>15</td>
<td>C</td>
</tr>
<tr>
<td>Uhuru</td>
<td>1976</td>
<td>20</td>
<td>8</td>
<td>77</td>
<td>B</td>
</tr>
<tr>
<td>Oxford Printmakers</td>
<td>1977</td>
<td>34</td>
<td>-</td>
<td>Nil</td>
<td>A</td>
</tr>
<tr>
<td>P.E.R.G.</td>
<td>1978</td>
<td>9</td>
<td>3</td>
<td>10</td>
<td>C</td>
</tr>
<tr>
<td>Yardley Oak Bakers</td>
<td>1979</td>
<td>?</td>
<td>1</td>
<td>10</td>
<td>D</td>
</tr>
<tr>
<td>Individuals</td>
<td>1979</td>
<td>?</td>
<td>?</td>
<td>8</td>
<td>C</td>
</tr>
<tr>
<td><strong>Other Co-operatives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rainbow (Housing)</td>
<td>1977</td>
<td>8</td>
<td>-</td>
<td>10.5</td>
<td>B</td>
</tr>
<tr>
<td>Redley (Housing)</td>
<td>1977</td>
<td>22</td>
<td>-</td>
<td>9.5</td>
<td>B</td>
</tr>
<tr>
<td>New Bradwell (Workspace)</td>
<td>1979</td>
<td>10</td>
<td>-</td>
<td>12</td>
<td>C</td>
</tr>
<tr>
<td><strong>Total turnover</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>334</strong></td>
<td></td>
</tr>
</tbody>
</table>

Therefore Total product of 0.1% levy = £334 p.a.

**Notes**
A. based on published accounts for 1977
B. based on published accounts for 1978
C. Co-operative's estimate
D. CAP estimate
CHAPTER 6: MILTON KEYNES CCA - SOME PROPOSALS

A  Staffing the CCA

The functions of a Community Co-operative Agency outlined in Chapter 4 may be accomplished by a variety of methods of staffing. The main choices relate to the employment of one or a number of full-time staff, or the use of part-time staff (who may possibly spend another part of their time working for a co-operative) or the use of a network of volunteers - paid or unpaid.

A major problem is the variety of skills that are needed to fulfil the functions of an agency. For example a wide range of business skills would be required: accountancy, law, marketing etc., and also a wide range of social skills: organisation of meetings, interpersonal relations etc. It is extremely rare to find individuals who are able to successfully combine both sets of skills.

A network of volunteers is a register of people who have time to spend and want to use it helping co-operatives. These people may be retired businessmen, workers for resource agencies or existing co-operative workers who may be available 'on free loan' to other co-operatives. The disadvantage of the extensive use of such a register is that it may be unreliable, whilst the main advantage is that it is cheap to operate, especially if the volunteers give freely of their time - or work for expenses only. The register may either be operated by an agency using a referral system or by the co-operatives themselves having direct access to the register.
The experience of the feasibility study:

At present in the Milton Keynes area most co-operatives rely on professional assistance from accountants and solicitors but specific assistance on special co-operative problems is hard to come by. Some co-operatives have built up for themselves a network of voluntary assistance (including some from professionals) but others have not. Many of the specific questions from the local co-operatives dealt with in the course of the feasibility study were questions very specific to co-operatives (particularly about legal frameworks, for example) and good advice, professional or not, on these questions would have been very difficult to obtain locally.

What do other CCA's do?

Most Community Co-operative Agencies actually employ full time staff. The ones which do rely on people working in their spare time (e.g. *NRCDA) find that it's very difficult to keep going. Several initiatives for CCA's have failed to become established because they had no full time staff (Oxford ICOM branch, for example).

It should be noted that many CCA's concentrate on promotional work only. This avoids the conflict over skills needed that we outline above; they can manage with people grounded in community work relying less on those with business skills.

Remuneration of Agency workers:

In order to be in line with local government rates full time workers salary levels would have to be as follows:

- Office worker grade AP3 £4,068 - £4,518 p.a.
- Field worker grade SO £5,668 - £6,450 p.a.

(based on comparative local government pay scales - source MSC).

*NRCDA: Northern Region CDA
This raises the question of comparability between the agency workers' wages and the co-operative workers' wages. Many of the co-operatives in the area are in traditionally poorly paid trades and therefore to remain competitive their wage levels are well below the national average.

This difference in wage levels is a potential source of conflict. Our experience is that the co-operatives themselves would find the situation more acceptable if the major part of the wage costs was being found externally, and parity with those on low wages would become necessary in the case where the co-operatives were providing the major part of the funding themselves.

This argument could also be used to support the idea for workers for a CCA to be already members of one or more of the local co-operatives who then worked part time for the agency on the same wage rates. In this case it would be possible to spread the workload amongst the co-operatives in a situation where all the required funds were not forthcoming (see section below on finance).

Summary and Recommendations:

Subject to adequate finance being available we recommend that the Milton Keynes Community Co-operative Agency has three full time workers and is backed up by a network of volunteers. Three workers to enable the necessary skills to be available in two field workers: a business skills person, and a social skills person; and an office worker to run the organisation and deal with administration and telephone enquiries.

In the event of limited finance being available, a suitable arrangement would be the use of one or more part-time people already working for the participating co-operatives.
Control of the CCA

In this section we examine the people and organisations which have a "legitimate" controlling interest in the CCA.

The local co-operatives
The local community
The staff of the CCA
Relevant national and regional organisations

The Local Co-operatives

The people in the best position to judge whether the proposed local Community Co-operative Agency is fulfilling its objectives, outlined in Chapter 4, of aiding the creation of new workers' co-operatives and supporting existing ones would be the co-operatives themselves. It is important that an organisation which seeks to assist bodies which are democratically controlled should have a measure of democracy in its own control. We would therefore agree with the Socialist Environment Resources Association (SERA) that it is important to ensure that the co-operatives have a majority of seats on the management committee of the CCA.

The Local Community

One characteristic of the current interest in co-operation is that there are numbers of people around with an interest in co-operative development. For example, in Milton Keynes, a number of people at the Open University are connected with co-operatives in the area. Such people often represent a local communities interest in employment initiatives and co-operative development is part of such an interest. They would bring with them ideas which are not restricted to the current areas of co-operative development and would also have the concern of the local community. In this way they would be
a valuable resource on a CCA controlling committee. Members of the local community could be elected at an annual public forum (as is the case in the Scottish Co-operative Development Committee) or co-opted.

The Staff of the CCA

The staff of the Community Co-operative Agency need to have a representative on the controlling committee to express the staff's point of view. The staff will be the people actually carrying out the work suggested by the committee and the staff representative will be in a good position to judge whether or not proposals are practical. This structure will to some extent avoid the employee/employer relationship problems which co-operatives themselves eliminate. The staff will probably be the most knowledgeable of any of the controlling committee so their presence will be an important innovatory input.

Relevant National and Regional Organisations

Examples of such organisations already represented on CCA's are Industrial Common Ownership Movement (ICOM), Industrial Common Ownership Finance (ICOF), Co-operative Union (CU), County Councils, Trades Union Congress (TUC), and trades councils, Workers Educational Association.

We believe that only organisations that are active in supporting the formation of the local CCA should be represented on the committee. In the Milton Keynes area ICOM has expressed an interest, but only for a particular type of CCA closely connected with workers' co-operatives. The local co-operative society (and therefore the CU) have said that because of their limited resources they are not willing to be committed to the project, while the trades councils find the ideas of co-operation irrelevant to their struggles with the local employers.
Our experience of the local co-operatives tells us that they would want to be involved in a CCA but their thinking about the work of a local CCA would be limited by their lack of experience in these matters.

It is said that a local CCA controlled exclusively by local co-operatives is restrictive in that there would be an inbuilt inhibition to create new co-operatives which would be competitive with existing ones. (See section on federations of co-operatives, Chapter 5)

Examples from existing CCA's

Most existing CCA's use a combination of the groups we have dealt with above e.g. Scottish Co-operatives Development Committee, South London CCA.

Some CCA's have no local worker co-operative representation and are experiencing difficulties in their relationships with the co-operatives that they were hoping to work with (Bristol CCA, Northern Region CCA).

Recommendations:

We recommend that the CCA should be controlled by a committee consisting of:

1. the local co-operatives (6 representatives)
2. the local community (3 representatives)
3. the staff of the CCA (1 representative)
4. the relevant national organisation - ICOM (1 representative)
The traditional legal structure for voluntary organisations (where there is one, many are unincorporated) is the Company Limited by Guarantee type of structure.

An alternative would be a Society for the benefit of the community registered under the Industrial and Provident Societies Acts. It seems likely that the former structure would be most flexible and suitable for the particular problems to do with the administration of a loan fund. This is the structure used by ICOF. This type of structure is also suitable if charitable status for the agency is to be sought.

The constitution of the CCA will need to take into account the controlling mechanisms outlined above.

In general an unincorporated body will suffice, but a local CCA dealing in property management or operating a loan fund will need to be incorporated to protect its officials.

Whether or not it is decided to incorporate, a written constitution will be necessary to outline the objectives, control, membership, and functions of the CCA. (For an example see 'How to Start and Run a Local CDA' by SERA). The government of the local co-operative may well be unconventional, for example they may take decisions by consensus and have rotating official posts (chairman, secretary and treasurer). If this is the case they may well expect their local CCA to reflect their ideas about these issues in its constitution.

Our recommendation is therefore that the proposed CCA is incorporated as a Company limited by Guarantee.
Geographical area of the CCA

Three factors govern the size of the area to be covered by a CCA. These are firstly, the ease with which the officers can visit all the co-operatives in the given area. Secondly, in the case of those co-operatives which are involved in controlling the CCA, the ease with which their representatives can reach a regular meeting (central or revolving around the co-operatives). Thirdly, in the case where funding is tied to a particular area (e.g. funding by a local authority), it would probably be simpler if the same area were covered by the CCA.

It would also make a difference whether the CCA is expecting to cover a rural or urban area or both. Co-operatives like other small businesses tend to be sited in urban rather than rural areas in greater numbers and this means that there is a case for locating CCA's in large towns (say 100,000 plus inhabitants) and then covering a rural area centred on the town.

So the main criteria centre on ease of transport and communication. Many CCA's have been set up to cover wide areas. For example SCDC covers the whole of Scotland. Others just cover the area of a local authority e.g. West Glamorgan CCA.

In the area we have been looking at transport and communication is a problem. Public transport between the large towns in the area is poor and it is difficult for people to get from Northampton, Milton Keynes, Bedford and Oxford to a central point for evening meetings.

Our recommendation is therefore: that CCA's are eventually set up in Oxford, Milton Keynes, Northampton and Bedford and that the Milton Keynes CCA would just cover the DA* and the immediate area around it. In the short term however it would cover a wider area to provide some support to co-operatives

*DA: designated area of Milton Keynes
in Oxford, Northampton and Bedford until those areas had enough co-operatives to generate their own CCA.

(It will be seen from Chapter 2 Table I that the majority of co-operatives covered by the feasibility study are in the Milton Keynes area.)

**Finance (i): Costs of the CCA**

The costs of a CCA which is separate from the co-operatives that it serves will be mainly staffing expenses (wages and travelling), office expenses and promotional educational materials expenses. For the scale of operation that we have described above the following approximate budget is appropriate.

<table>
<thead>
<tr>
<th>Expense</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>office rent</td>
<td>1,000</td>
</tr>
<tr>
<td>telephone</td>
<td>500</td>
</tr>
<tr>
<td>travel</td>
<td>1,500</td>
</tr>
<tr>
<td>heat and light</td>
<td>400</td>
</tr>
<tr>
<td>insurance</td>
<td>100</td>
</tr>
<tr>
<td>printing, postage</td>
<td>450</td>
</tr>
<tr>
<td>accounts/audit</td>
<td>150</td>
</tr>
<tr>
<td>publicity/promotion</td>
<td>500</td>
</tr>
<tr>
<td>sundries/contingencies</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wage costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2 field workers</td>
<td>12,000</td>
</tr>
<tr>
<td>1 office worker</td>
<td>4,500</td>
</tr>
<tr>
<td>national insurance</td>
<td>2,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,650</strong></td>
</tr>
</tbody>
</table>

This budget could be described as the maximum funds necessary to run the type of CCA which we have described. It suggests the recommended total funding that would be required. However many of the costs could be reduced if total funds were not
available but it was felt that it was more important to reduce the scope of the CCA to the available funds rather than have no CCA at all.

Dealing with the items individually: it would be possible to reduce the office rent either by using existing unused space in a co-operative or by asking an interested organisation for support in this way. For example this feasibility study has been using a rent-free office kindly provided by the MKDC; other CCA's use space provided by their local retail societies (e.g. Bristol CCA). The administration expenses (phone, travel, heat and light etc.) could be cut to a suitable budget bearing in mind the funds available although a reduced service would obviously result from this. The accounts/audit expense could be absorbed into an existing co-operative. The promotional materials expenses (printing, postage, publicity, promotion) could be similarly cut but in this case it would probably only be possible to cut the overall promotional budget down to about £200. Below this figure the amount of promotional work possible is negligible and it might therefore be more efficient to completely scrap that part of the agency's function. Wage costs could be cut by using workers from existing co-operatives on a part-time basis. They would be paid at the same rates as their co-operatives pay.

A CCA in a much reduced form could have a budget cost as low as £4,525 made up as follows:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office rent</td>
<td>nil</td>
</tr>
<tr>
<td>Phone, travel</td>
<td>500</td>
</tr>
<tr>
<td>Promotion</td>
<td>200</td>
</tr>
<tr>
<td>Heat &amp; light, insurance</td>
<td>100</td>
</tr>
<tr>
<td>Sundries etc</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,000</strong></td>
</tr>
<tr>
<td>Wage costs - 2 part time workers @ 1.50 p.h. (inc NI)</td>
<td>3,525</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,525</strong></td>
</tr>
</tbody>
</table>
There are four sources of finance available to a CCA:

1. payment for services received
2. subscriptions from participators
3. incorporation in other (employment) initiatives
4. grants from appropriate institutions

**Payment for services rendered:** e.g. advice given, feasibility studies arranged, start-up legalities, etc. could be paid for by participating co-operatives at an agreed rate. This payment could be deferred in the case of embryo co-operatives until such time as the co-operative could afford to make it.

**Subscriptions:** participating co-operatives could pay a subscription or contribute a levy based on turnover or profit. Such a payment could be seen partly as a contribution for occasional advice sought (e.g. a short telephone enquiry as opposed to a visit) and partly as a contribution from the co-operative to further the promotional work of the agency (and the creation of new co-operatives).

**Incorporation in other employment initiatives:** apart from funding simply for assistance and promotion of co-operatives, other sources of funds may be available. These could be for employment promotion or small business promotion (for example).

**Grants:** a number of bodies may give grant-aid to a CCA. For example local authorities and new town development corporations, trades councils, appropriate trusts and charities. Some funds obtainable in this way will be limited to starting-up finance and subsequently the operation would have to be self-financing.
Examples from existing CCA's

Most CCA's use grant-aid. Some get funding by Urban Aid or Inner City Partnership money (e.g. West Glamorgan CCA). Some are funded by these same sources but provide a wide range of employment services, offering the co-operative form of small business where appropriate, (e.g. Leeds Council of Voluntary Services). Others are grant-aided directly by the retail societies through the Co-operative Union (Bristol CCA). Others are funded by MSC through the STEP scheme (ICOM North).

The findings of the feasibility study

Most of the local government finance schemes - urban aid, inner city partnership funds, MSC STEP funds - used by CCA's are not available in the Milton Keynes area. A scheme which has been suggested to us - local authority funding under S137 of the local government act 1972 - by which means local authorities can raise up to a twopenny rate to provide finance, has been tested legally by some local authorities e.g. Fife who have been subsequently advised that to use this method to finance a CCA was not within their powers. However, Wandsworth does use this method - they just have different legal advisors!

We are advised by the borough of Milton Keynes that no funds to support co-operative development work will be forthcoming from any local authority source in our area in the context of the present cutbacks on spending. Similarly we have been unofficially advised by the representatives of MKDC that funds are unlikely to be available for co-operative development although they might be available for a wider employment initiative or for an agency seeking to create a wider range of small businesses, not just co-operatives.

Most of the small co-operatives in the area would support a local CCA with a subscription or levy and the sort of figure that has been mentioned in this regard is 0.1% of turnover. This compares
with the Co-operative Union's subscription of 0.67% of turnover for the retail societies. In Table II Chapter 5 we show that the estimated product of such a levy would be about £350 p.a.

A subscription based on turnover has the advantage over a simple subscription per member firm that as the firm increases in size and prosperity so the subscription increases too. In this way the small embryonic co-operative is partially subsidised by the larger established enterprise. The advantage of using turnover instead of profit as the yardstick is the element of predictability it allows the CCA and the participating co-operative since turnover is a less variable quantity than profit. The advantage of using profit would be that the co-operative would pay a subscription in good years, but when profits were poor or a loss was made then only a nominal subscription need be payable.

Payment for services received

Most of the small co-operatives in the area covered by the feasibility study would want to obtain services from the CCA. However as is typical with small businesses most of them run 'on a shoestring' and will often try to muddle along rather than pay for advice. The more that this part of the service was subsidised the more they would be inclined to use it. Larger co-operatives (say of 20 plus employees) tend to have sufficient resources within their own staff not to need these services from a CCA.

Incorporation in other initiatives

One CCA uses a system of public subscription to buy premises which it then leases to small businesses. It then uses the profit from this administration to finance the CCA (Newry and Mourne). This method has similarities with the members' co-operative Alternative Co-operative Enterprises of Milton Keynes, (the sponsor of this feasibility study)
(see Chapter 5). One possibility would be to extend the work of ACE to become a CCA. We do not prefer this arrangement because it would be difficult to provide services for the other co-operatives in the area, giving them the controlling interest that we recommend in Chapter 4. They would not feel part of such an operation, but would see it as an outside body coming to advise them.

Our recommendations

It can be easily seen from the above that there is no way that a full-blown Community Co-operative Agency in the Milton Keynes area can be financially self-sufficient. Even more so when it is realised that only say half of the agencies work would be directly paid for - the other half covering promotion and education would have to be externally funded.

The amounts to be earned by services paid for and the revenue from a subscription levy will be small. However as co-operatives are created the revenue from these sources will increase but the agency is unlikely to be financially self-sufficient from these sources in the foreseeable future.

We therefore recommend that grants from appropriate trusts and charities are sought to fund the agency for the first five years (failing any local authority support and CDA funds which we assume are not forthcoming) supplemented by subscriptions and payments for services from the local co-operatives.

G Relationships with relevant national organisations

The principal representative and co-ordinating organisations of the Co-operative Movement are as follows:

Central Council for Agricultural and Horticultural Co-operation (CCAHC)
Co-operative Housing Agency (CHA)
Co-operative Party  
Co-operative Productive Federation (CPF)  
Co-operative Union (CU)  
Co-operative Wholesale Society Limited (CWS)  
Credit Union League of Great Britain (CULGB)  
Federation of Agricultural Co-operatives (UK) Ltd (FAC)  
Fisheries Organization Society Ltd (POS)  
Industrial Common Ownership Movement Ltd. (ICOM)  
National Federation of Credit Unions (NFCU)  
Co-operative Development Agency (CDA)

A community co-operative agency would need to have contact with all these bodies to disseminate literature and provide appropriate advice where needed.

For a description of all these bodies see 'Report of the working group on a Co-operative Development Agency' October 1977 Cmd 6972.

The CPF, CU, ICOM and the CDA are directly concerned to greater or lesser extents with workers' co-operatives (the primary concern of the proposed CCA) and we should therefore examine more closely the proposed relationship with those bodies.

The Co-operative Development Agency (CDA) is set up 'to advise co-operatives, persons seeking to establish co-operatives, and other persons seeking its advice', as well as other objects (CDA Act 1978). In practice the CDA is doing very little of this work compared to the amount being done by CCA's all over the country. We would therefore recommend that, in recognition of this state of affairs, a portion of the CDA budget is transferred to CCA's, and in particular to the proposed Milton Keynes CCA.

The Co-operative Productive Federation (CPF) is the trade association for traditional producer co-operatives. The
co-operatives belonging to the CPF can not therefore be categorised as workers' co-operatives (see Chapter 4). No formal relationship with the CPF is therefore recommended.

The Co-operative Union (CU) is the National Federation of the British Consumer Co-operative Movement (i.e. the retail Co-op Societies). Although it numbers a few CPF type producer co-operatives among its members the same considerations mentioned above about the CPF apply in the case of the CU and again no formal relationship is recommended.

Industrial Common Ownership Movement (ICOM) is an association of workers' co-operatives. It also has individual members (who support the principles of workers' co-operatives). Because this organisation is primarily interested in the same main objectives as the proposed CCA, it is recommended that a more formal link is established by allocating an ICOM representative a seat on the controlling council.

Relationships with relevant local organisations

In the area covered by the feasibility study there is only one organisation which could be described as a CCA. That is the East Midlands Association of Co-operatives and Common Ownership (EMACC). This is an association which currently consists of the following enterprises:


(See Table I, Chapter 2). All of these companies are full members of the Industrial Common Ownership Movement. Most of the firms have been converted from private companies to common ownerships and retain a conventional management structure, the management being responsible to the whole membership.

The association is in its infancy and it is at present not
clear what it will do. It does appear though that, because of its membership, it will concentrate on creating co-operatives by conversion from existing firms e.g. when the owner is about to retire and the workers want to take over ownership of the business. The association has no full time staff and will provide support by seconding members of the member firms to deal with appropriate cases (usually on a paid basis but the charge may be waived). Some members of the association see it covering a wide area - from Coventry to Corby, Peterborough to Milton Keynes - other members see the association as much more tentative and are unclear about its functions.

Because of the indefinite nature of EMACC it is difficult to make definite recommendations about the relationship with the proposed CCA. Suffice it to say that we hope the two organisations will work closely together and not attempt to duplicate each other's work. It may well happen that the CCA will refer conversion type initiatives to EMACC and EMACC will refer embryonic co-operatives of other types to the CCA.
CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

The rationale behind the co-operative movement is largely to do with creating structures in working situations which, by involving people in the ownership and/or the decision-making process of the enterprise, increase the degree of satisfaction in their work.

Milton Keynes is a growing city. It is a city of small firms - 50% have less than 6 people in them. Yet 50% of the population are employed in large firms with over 100 employees. Workers in Milton Keynes are slightly more dissatisfied with their jobs than workers elsewhere and the cause of this is said to be bad management as well as poor pay. The case for aiding and abetting the growth of co-operatives in the area seems conclusive.

A fair amount of initiative has been shown in the area over the last year by the number of co-operatives starting up, as ideas of co-operative working spread. These initiatives deserve some support not only because they are attempting to solve some of the enormous problems created by an industrialised society but also because they are providing work, indeed creating work, in a time of rising unemployment, both nationally and locally.

Enterprises operating on co-operative principles are pioneering new territory and there are few precedents with which the professions are familiar, so it is necessary to set up resource centres which specialise in the problems encountered by co-operatives.

Primary recommendation

In the light of our findings we suggest that an independent Community Co-operative Agency has a big part to play in the growing move to tackle economic problems and the alienation of people from their work. In Milton Keynes, we recommend
that such an agency be set up as described in Chapter 6, subject to funding being available.

Its main objective would be to aid the creation of workers' co-operatives. Secondary objectives would be:

1. to support all types of existing co-operatives
2. to aid the creation of co-operatives other than worker co-operatives
3. to promote the ideas of co-operative working
4. to promote co-operation between co-operatives. (Chapter 4)

Its activities should include:

1. promotional work, but not actually to set up co-operatives itself at this stage.
2. administration of a loan fund
3. provision of management services, when required (probably not wanted currently, but to be introduced at a later date).
4. provision of advice, teaching, sharing of skills.
5. provision of an information service. (Chapter 4)

It would be staffed by three full time workers, two field workers (one specialising in business skills, one in social skills) and an office worker. (Chapter 6)

It would be controlled by a committee consisting of the following representatives:

- one from the staff of the CCA
- three from the local community
- one from the relevant national organisation (ICOM)
- six from the local co-operatives. (Chapter 6)
It would be incorporated as a Company Limited by Guarantee.

It would cover the area of the Milton Keynes designated area (DA) and the immediate area around it. However until CCA's were set up in Oxford, Northampton and Bedford it would cover those towns as well if possible, but still concentrating on the Milton Keynes area.

Such a CCA would cost about £23,650 per year at current prices.

Funds for the CCA should be sought from the local authority, the Development Corporation, the Co-operative Development Agency and failing those sources from appropriate trusts and charities. A small amount of money will be available from the local co-operatives in the form of subscriptions and payments for services rendered. (Chapter 6)

Secondary Conclusion and Recommendation

In the event of no external funding being available we recommend that the association of co-operatives be sustained in the Milton Keynes area on the lines mentioned in Chapter 5. This association will have to be maintained by voluntary efforts. Given the small amount of time co-operative workers have available for any external meetings this would probably amount to little more than a newsletter and would be a poor substitute for the kind of support which an agency could provide. It might, however, enable existing co-operatives to exchange information which would lead to increased collaboration and co-ordination between them.
APPENDIX

Co-operative Agency Project

QUESTIONNAIRE

Name of organisation: .............................
Nature of business: ...............................
Address: ...........................................
Telephone Number: ............................... 
Contact Name: ...............................
Position: ........................................
Address (if different from above): ............... 

Assurance to co-operative that contents may remain confidential

"The completed contents of the questionnaire may remain confidential if you wish them to. Perhaps you could indicate, after we have completed it, whether or not you wish your replies to remain confidential."

Although some of the responses are precoded, to shorten the time needed by the interviewer to record responses, many questions have space left for further details. Encourage the respondent to give full answers.

Some questions also contain a list of "prompts" for the use of the interviewer.

Where indicated, when a long list of alternative responses is given, an option card has been supplied, which should be shown to the respondent.
Origin of the Co-operative

This section deals with the background of the co-operative: when it started, how it started and why it started.

1. When did the co-operative begin operations?

2. When did the idea to form a co-operative first arise?

3. How did the co-operative start?
   (a) as an established company going over to common ownership
   (b) as the result of a factory sit-in
   (c) as a partnership which developed into a co-operative
   (d) as a co-operative from its inception
   (e) other (specify)

4. Where did the idea to form a co-operative come from?
   (a) within the group of people
   (b) a Job Creation Programme project
   (c) a factory manager/owner
   (d) a trades union/trades council
   (e) other (specify)

5. How many members formed the co-operative?

6. How many workers did the co-operative have when it first formed?
   PAID: VOLUNTARY:

7. What problems were encountered in the planning stages of the co-operative?
   Were any of the following problematic? (GIVE OPTION CARD)
   Details
   
   Finance
   Finding products/services to provide
   Finding people willing to join
   Obtaining appropriate skills
7. Cont'd

Details

- Obtaining sources of supplies and materials
- Obtaining equipment
- Obtaining premises
- Finding sales outlets
- Deciding the structure of the co-operative
- Other (specify)

Details regarding problems in setting up: ......................

8. From the experience of your co-operative, in what ways do you think that a co-operative development agency might help co-operatives in the process of setting up?

(PROMPTS: Help with formal setting up, for credibility.
Information regarding experience of other co-operatives
Range of model rules available
Access to professional expertise.)

ORGANISATIONAL STRUCTURE

This section of the questionnaire deals with the legal framework of the co-operative and the way in which it is organised. It begins by looking at the constitution of the co-operative and goes on to look at the way in which decisions are made.

9. Is your co-operative?:
   - a workers' co-operative
   - a members' co-operative
   - a community co-operative?

10. What is the legal definition of your co-operative? (GIVE OPTION CARD)
    Is it: (a) a partnership
           (b) a company limited by guarantee
           (c) a company limited by shares
           (d) a sole trader
           (e) a friendly society, registered under the Industrial and Provident Societies Acts
           (f) other (specify): ......................
11. If it is registered under the Industrial and Provident Societies Acts, is the co-operative constituted as an Industrial Common Ownership (ICCM) Movement model rules co-operative?
   YES  NO
   If "Yes", have any changes been made to the basic rules?

12. Have you applied for a certificate under the ICO Act?
   YES  NO
   Was it granted?
   YES  NO

13. Does the co-operative have a formal constitution?
   YES  NO
   If "Yes": COULD YOU SUPPLY ME WITH A COPY OF YOUR CONSTITUTION PLEASE.

14. How are profits distributed?
   (a) as a general reserve?
   (b) as a bonus to members
   (c) as payments for social and charitable objects
   (d) other (specify)
   Details

15. If a bonus is paid to members, how is it calculated?

16. Is the distribution of profits agreed:
   (a) according to fixed rules
   (b) by the agreement of members at the time
   (c) other
   Further details

17. Is there a non-profit distributing clause in the co-operative's legal framework which prevents the distribution of profits to members?
   YES  NO
18. What happens to the assets if the co-operative is dissolved?
(a) assets accrue to members
(b) the legal framework of the co-operative contains a clause which prevents the distribution of assets to members on dissolution
(c) there is no fixed policy
(d) other

19. Does the co-operative have a set of internal rules, besides the Constitution?
YES NO
If "YES", COULD YOU SUPPLY ME WITH A COPY OF THESE RULES AND/OR THE PREAMBLE, PLEASE.

20. Are all decisions affecting the co-operative, made by the membership as a whole, or do you have committees?

21. How are those who make decisions selected:
(a) By election
(b) By appointment
(c) By both election and appointment
Details:

22. How are those people making decisions held accountable to the rest of the co-operative? (e.g. report-back to a general meeting)

23. How often are general meetings, open to all of the members held?
Are these meetings usually well attended?

24. How often are committee or sub-group meetings held?

25. How are meetings controlled, in general?
(PROMPTS: Rotating chairperson, Agenda)
26. (HAND OVER OPTION CARD)

This card contains a list of areas of the co-operative's work. Could you indicate, whether decisions made about each area, are in general, made by either an individual, a committee or the membership as a whole.

(Ask respondent to indicate which individual e.g. treasurer or manager and which committee)

<table>
<thead>
<tr>
<th>Decisions relating to:</th>
<th>Individual</th>
<th>Committee</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing (sales &amp; orders)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing of goods or services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary levels of workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff e.g. hiring and discipline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution of work among members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General policy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

27. How is information about the co-operative circulated to members?

(PROMPT: Word-of-mouth)

Do you have a noticeboard? YES NO
What information is circulated on the noticeboard?
Do you have a regular newsheet? YES NO (If yes, how often?)
What information is circulated by newsheet?

28. How does a worker obtain information relating to the co-operative (e.g. regarding recent orders) which is not passed directly onto him or her? Please explain the process.

(PROMPT: Knowledge re. location of minutes/approach individual)
NATURE AND SCALE OF BUSINESS

This section deals with the size and nature of the co-operative.

29. How many members does the co-operative have at the present moment?
   How many employees does the co-operative have at the present moment?
   (Part-time or full-time?)
   (Members  Worker members  Non-member workers)

30. Where did the co-operative obtain its capital from?
    (OPTION CARD)
    (a) private loans
    (b) bank loans
    (c) Industrial Common Ownership Finance (ICOF)
    (d) local government bodies
    (e) other co-operatives
    (f) other
    Further details
    COULD YOU SUPPLY US WITH A COPY OF YOUR LATEST ACCOUNTS, PLEASE?

31. Which bank does the co-operative bank with? (Name and branch)
    Would you recommend this branch and manager to other co-operatives?
    YES
    NO

32. How is the rate of interest payable on share capital or loans calculated?

33. Are members required to put capital into the business?
    YES
    NO
    If so, can members subscribe their investment or is it payable in one sum?
    If subscriptions, what is the formula for subscription?
34. Are the premises which the co-operative operates from:
   (a) owned by the co-operative
   (b) rented by the co-operative
   (c) other

35. Does the co-operative receive direct support from any government departments? e.g. MSC, YOP.
   YES
   NO
   Details

36. Does the co-operative receive any indirect support from any government departments? (e.g. sheltered work)
   YES
   NO
   Details

37. Where does most of your business come from?
   Ordinary commercial channels
   'Alternative'/charity/community organisations
   General public
   Other co-operatives
   Other
   Details

38. Do you trade with any other co-operatives?
   YES
   NO
   Details

39. Do you offer preferential terms to other co-operatives?
   YES
   NO
   Details

40. Do you offer preferential terms to any other organisations or concerns? (e.g. community groups)
   YES
   NO
   Details
41. How are wage levels fixed? According to:
   (a) Union rates
   (b) By what co-operative can afford
   (c) Social security/unemployment benefit rates
   (d) Other
Details

42. Do all workers get the same rate of pay?
   YES
   NO
   If YES, go onto question 45.

43. Is there any restriction on differentials?
   YES
   NO
Details of restriction (state ratio, if based on highest to lowest amount, if based on absolute difference)

44. Has the agreement of wage levels caused any friction among members of workers within the co-operative?

45. This question deals with a worker's actual take home pay.
   Do any of the following influence an individual worker's wages?
   Production
   Sales
   Hours worked
   Seniority
   Needs
   Other factors
Details:

46. Do workers receive any of the following benefits from the co-operative?
   Help with housing
   Use of company vehicles
   Free transport
   Free or subsidised meals
   Clothing allowance
46. Cont'd
Help with child care
Discounts on products or services
Other benefits
Details:

47. Are the workers members of a trade union?
   YES
   NO
Details:
If "YES"
Does the co-operative operate a closed shop policy?
   YES
   NO
If "NO"
Is there any particular reason why they do not belong to a trade union?

48. In most firms, a cutback in the market usually results in a cutback in the labour force. Does your co-operative have any agreed policy on redundancy?

GENERAL SECTION

This section of the questionnaire covers general aspects of the co-operative and goes on to look at the relationship it might have with a community co-operative agency.

49. Does the co-operative have a policy of job rotation?
   YES
   NO
If "YES" Please explain how the policy operates, and whether it applies to all or only part of the workforce
Do members find the policy satisfactory?
If there is no policy of job rotation, is there any particular reason for this? (PROMPTS: Has it ever been tried/thought of?)

The next few questions look at the relationship between individual members and workers of the co-operative, in other words, at human
relations within the co-operative.

40. Are there any common sources of disagreement between members?  
(PROMPTS: Sharing out of tasks/personality clashes)

51. Have relationships between members ever been a source of concern to the co-operative?

52. Has the co-operative ever used any of the following techniques to deal with human relations problems?  
Drawing in outside professional experts e.g. a psychotherapist  
Encounter or groupwork techniques  
Discussion at general meetings  
Other

The next few questions look at the co-operative's relationship with other co-operatives, national and regional organisations and the community at large.

53. Has the co-operative ever collaborated with any other co-operatives on any of the following?  
Training schemes  
Worker exchange  
Transport  
Other  
Details:

54. Do you share any management services, such as secretarial help, book-keeping etc., with any other co-operatives?  
Details:  
If not, does your co-operative experience any particular difficulties with these services?  
Do you think the co-operative might find it useful to share such services?

55. Are there any other areas which involve you in close contact with other co-operatives?
56. Does the co-operative have any special relationship with the community, such as allowing time release for voluntary work or operating a consumer liaison committee?

57. Is the co-operative affiliated to any national organisations or to any trade associations?
   (Mention in particular: ICOM, Co-operative Union and Co-operative Productive Federation.)

58. Would you comment on your experience of each organisation or association.

59. Has the co-operative ever used any advisory service e.g. the Small Firms Advisory Service, whose local branch is in Luton, or COSTRA, the Council for Small Industries in Rural Areas. (Give details)

60. How do you think that the work of a Community Co-operative Agency might differ from that of advisory services which are already in operation?
   (PROMPTS: More personal/knowledge specific to co-operatives)

61. Have any of the following been problems for the co-operative since it started? (OPTION CARD)

<table>
<thead>
<tr>
<th>Major Problem</th>
<th>Minor Problem</th>
<th>Not a Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtaining finance</td>
<td>Legal structures for the co-op.</td>
<td>Accountancy or other professional skills</td>
</tr>
<tr>
<td>Lack of managerial skills</td>
<td>Worker information systems</td>
<td>Relationships between members (Human relations)</td>
</tr>
<tr>
<td>Finding and keeping people willing to join.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
62. Please give details of any other major problems which the co-operative has experienced.

63. What do you envisage might be problem areas for the co-operative in the future?

64. Do you think that a Community Co-operative agency might be useful in helping co-operatives with any of the problems which you have mentioned? How?

65. Do you call upon any professionals outside the co-operative for any of the following skills, and are they paid or voluntary?

<table>
<thead>
<tr>
<th>Skill</th>
<th>Paid</th>
<th>Voluntary</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal advice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing and design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How did you first contact these professionals?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

66. Would you recommend any of these professionals to other co-operatives?
Details:

67. Do any members of the co-operative have professional expertise which you make use of? Would any of these members be willing to undertake paid or voluntary work for other co-operatives?
Yes, paid
Yes, voluntary
No
Details:

68. Do you think the co-operative would be willing to support a community co-operative agency financially, either by
paying a subscription or levy, or by paying for services as they are used?
Yes, by subscription or levy
Yes, by paying for services
No

Do you have any particular views about the financial contribution that would be made by co-operatives participating in a CCA.

Now, I would like to talk to you briefly about some of the services which it is envisaged that an Agency would provide. I would be grateful if you could give me some indication as to whether you feel that your co-operative would benefit from these, or whether even if not benefitting directly, they would support such work.

The idea behind the proposed agency is to support and promote co-operative working, as a way of giving people more control over their working lives. The Agency would attempt to meet both the business problems of co-operatives and those peculiar to co-operative organisations. The Agency would encourage cooperation amongst co-operatives as a means of providing a wider and more thorough level of expertise. This would also allow experience gained in one co-operative to be shared and quickly applied in a new case. The Agency sees the handling of professional expertise as important. Wherever possible, the Agency would teach particular skills to members of the co-operative rather than importing professional experts from outside.

Areas of work

To develop joint management services among participating co-operatives in the following areas:
secretarial services
book-keeping, accountancy and tax advice
legal assistance
costing, design and production
marketing and publicity
INVITE COMMENTS

To promote co-operation as a way of working. This might involve advertisements, talking to schools and to Trade Councils etc.
INVITE COMMENTS:

To organise access to specialist business advice where necessary, by building up a bank of professionals and experts sympathetic to co-operatives.
INVITE COMMENTS:

To assist in handling problems peculiar to co-operative working, such as job rotation, worker information systems, internal procedures, meetings and decision-making processes, human relations.
INVITE COMMENTS:

To assist collaboration between co-operatives in such areas as joint training courses, shared premises and worker exchange.
INVITE COMMENTS:

To arrange educational courses in a wide range of subjects, from skills such as marketing to group dynamics within the co-operative.
INVITE COMMENTS:

To undertake to raise funds for co-operatives in the region by, for example, setting up a common revolving fund and helping contacts between co-operatives and the various sources of finance.
INVITE COMMENTS:

To act as an information point for all national organisations.
INVITE COMMENTS:
The proposed agency does not have an agreed framework yet. Its Committee might comprise of representatives from Trades Councils, WEA, local co-operative societies, and the Co-operative Party. Participating co-operatives would also have representation on the Committee and it would have to be decided whether they would have an overall voting majority. Do you have any views about the framework for the Agency?

Thank you for completing the questionnaire. (HAND OVER COPY OF LIST OF CO-OPS)

Here is a list of the other co-operatives which we shall contact. Do you know of any other co-operatives, not included on the list, which you think that the Co-operative Agency Project should approach?

Remind respondent about copy of Constitution
Internal rules
Accounts