



**Report to:** Development Department

**Subject:** Cooperatives project – EU funding proposal

**Date:** 4 December 2012

**Reporting Officer:** John McGrillen, Director of Development, ext 3470

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| 1   | <b>Relevant Background Information</b>  |
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| 1.1 | At the 17 April 2012 meeting of the Development Committee, Members were informed of an opportunity for Belfast City Council to become part of an EU funding application under the INTERREG programme for a project focused on the potential of co-operatives as a complementary approach to economic growth.  |
| 1.2 | At that meeting, Members agreed that Belfast City Council should register its interest in being a partner in the proposal. It was also confirmed that, should the bid be successful in attracting funding, a report would be brought back to the Committee at a future date to confirm any resourcing commitments required as part of the project.                    |
| 1.3 | The funding application was submitted in May 2012. The lead applicant has recently been advised that, although the application was not successful in that funding round, the concept was considered to be worthy of further development. It was therefore recommended that the application be re-worked and submitted to the funding secretariat by end January 2013. |

| 2   | <b>Key Issues</b>  |
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| 2.1 | The “Co-op Grow” project is one of a number of projects that have been advised to carry out additional development work and re-submit their projects for consideration in January 2013. The total value of all the competing bids is €25million and there is up to €6million remaining funds available under this measure. This is the last time that a call for projects will be launched as the expenditure has to take place between 2013 and 2015. |
| 2.2 | Cooperatives are defined as “autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”. As such, they represent a collective approach to the risk and reward associated with enterprise.   |

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| 2.3 | As a business model, cooperatives are recognised as being resilient in challenging economic conditions. The key distinguishing factor that co-operatives have is that they have members, not shareholders, which make decisions democratically. Members of the cooperative are simultaneously owners of the enterprise and beneficiaries of the enterprise activity.   |
| 2.4 | While cooperatives are widely found in many parts of Europe, there are limited examples of cooperatives in Northern Ireland, outside of a number of well-known agricultural cooperatives and, to some extent, credit unions. In 2011, Cooperatives UK reported the existence of 239 cooperatives in Northern Ireland generating a total turnover of £0.9bn. The number of cooperatives within the UK has been experiencing growth in the since 2008 with 2010 being particularly favourable with growth for the UK sector of 9.2%.   |
| 2.5 | <p>The Co-op Grow project involves four work packages including:</p> <ul style="list-style-type: none"> <li>- <u>Work package 1: From best practice to next practice in cooperatives and policies</u>. Partners will pool their relative experiences of policy and practice in cooperatives to get an overview of the perspective across the North-west Europe area</li> <li>- <u>Work package 2: The proof of the pudding</u>. Partner regions will have the task of establishing a target number of cooperatives in their respective areas and exchange of practice between cooperatives will be supported</li> <li>- <u>WP 3: Regional funding</u>. Regional partners will considers public support mechanisms to encourage greater development of cooperatives</li> <li>- <u>WP 4: Transnational community of cooperative learning</u>. This will be a summary of the learning from all cooperative experiences with a toolkit for best practice.</li> </ul> |
| 2.6 | The key partner in Belfast will be Trademark. Trademark is a an official partner of the Irish Congress of Trade Unions (ICTU) and sits on the board of the Northern Ireland Cooperative Forum, representing a nascent worker and social cooperatives sector in Northern Ireland. It has been involved in the establishment of 8 new cooperatives in Northern Ireland in 2012, equaling the same numbers created in the previous nine years. Trademark is also a founding member of the Worker Cooperative Network <a href="http://www.workerscooperativenetwork.org">www.workerscooperativenetwork.org</a> established at a Trademark sponsored and facilitated event in Belfast in 2012.  |
| 2.7 | The other partners in the project are Limerick City Council/University of Limerick; Sheffield Hallam University; Belgium Cooperative Group and Chrysalide (a French cooperative group). The project is being led by the Dutch Ministry of Industry.  |
| 2.8 | If Belfast City Council was to take part in the project, the learning could be used to inform the local enterprise support offer – particularly given the Council’s enhanced role in this regard post-2015.  |
| 2.9 | In order to minimise the resource implications, the Council could participate in the project as an “observer”. This would mean that we engage in the learning but are not expected to undertake specific elements of practical work. This would appear to be the most appropriate role for the Council, given that we have no practical involvement in cooperatives at this stage.   |

