



**An evaluation of the impact of the Co-operative
Development Unit and
'Co-operative Glasgow' Framework
Report
for
Glasgow City Council**

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Report completed/submitted by:	Richard Weaver, Jeremy Hanks
Proof check completed by:	Michael McCaig
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Report reviewed by:	Pamela Reid
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Executive Summary

Introduction

This report presents the findings of ekosgen's evaluation of Glasgow City Council's (GCC) Co-operative Development Unit (CDU). The evaluation of the CDU was commissioned by Glasgow City Council in December 2016. It follows a mapping and needs assessment exercise carried out by ekosgen in 2014. The evaluation assesses the CDU's performance in supporting the co-operative sector in Glasgow developing and promoting co-operative ways of working. The study also considers the success of the CDU in undertaking its stakeholder engagement activity, as well as its effectiveness in strengthening and influencing the adoption of co-operative principles through its work in promoting the Co-operative Council for Glasgow. There are three distinct purposes of the evaluation:

- To evaluate the impact of the Co-operative Development Unit;
- To provide a snapshot of the co-operative sector in Glasgow; and
- To make recommendations for its future work and priorities.

ekosgen's approach has three key strands. Firstly, we analysed CDU's co-operative and monitoring data. Secondly, we undertook an online and telephone survey of grant recipients and other co-operatives and social enterprises. The purpose was to identify the benefits of support from the CDU, and perspectives on the Unit itself, as well as to identify future support needs. Thirdly, we undertook a series of consultations with stakeholders and partner organisations, to get a broader strategic perspective on CDU's work, and views on the future development and delivery of the CDU.

Background and context

Co-operatives are often a response to economic and social difficulties, and as a result are a more equitable business form. They can offer more sustainable growth through greater economic, social, and financial inclusion. As such, they are well-placed to contribute to all four priorities of the Scottish Government's Economic Strategy.¹

There is a strong history of co-operatives in Glasgow. Many were established with the aim of driving economic and social development to benefit Glasgow's community and people. This is a principle shared by GCC's Co-operative Glasgow Framework. Central to this approach is the CDU. It is a key resource in supporting Glasgow's co-operatives, pursuing Co-operative Council principles, and delivering the Co-operative Glasgow Framework, through which GCC aims to become a Co-operative Council.

The CDU is now a well-established resource within GCC. The CDU team consists of four members of staff, though not all staff work exclusively on CDU matters. The team also works on wider social enterprise, credit union and financial inclusion issues – all of relevance to co-operatives and the focus of the CDU. It is a dedicated resource, committed to developing co-operative organisations and co-operative ways of working across Glasgow and within GCC. The CDU is ideally placed to deliver against GCC's Strategic Plan and the Fairer Glasgow objectives of the new Glasgow Economic Strategy. It can also contribute to the achievement of broader Scottish Government objectives contained within the

¹ Scottish Government (2015) *Scotland's Economic Strategy*

Economic Strategy, and in particular inclusive growth. It also has the potential to deliver the objectives of the recently published Social Enterprise Strategy.

Growing and supporting Glasgow's co-operative businesses

There is a strong co-operative sector in Glasgow, covering a range of types and sectors. There are an estimated 122 active co-operatives in Glasgow City, including 28 Co-operative Group branches. This is an overall growth of 17% in the sector since 2014, driven by strong growth in the number of non-Credit Union co-operatives, such as Food & Drink. Over a similar period, 2014 to 2016, the overall business base in Glasgow City grew by 13%. Therefore the co-operative sector has grown by more than the business base as a whole, albeit from a small base.

In 2017, the sectoral composition of the co-operative base is very similar to 2014, and it continues to be dominated by Credit Unions. Financial co-operatives account for over one third of co-operative organisations in Glasgow. Consortia make up a further 9%, and Housing co-operatives and mutuals account for 6% each.

Co-operatives in Glasgow (excluding Co-operative Group branches) employ an estimated 811 full time equivalents (FTEs), 8% higher than in 2014, but slower than growth in the business base (detailed above). Co-operatives also have an estimated 763 FTE unpaid volunteers involved in management and delivery. The sector turns over an estimated £171 million which is an increase of 35% from 2014, with an estimated £13.5 million of profit/surplus – up 55% in the period.

Through its grant-making and wider advice and guidance activity, the CDU has effectively supported co-operatives across Glasgow. Through the Co-operative Glasgow Business Development Fund (CGBDF) the CDU awarded a total of 56 grants to 46 co-operatives and social enterprises totalling £825,200, over the financial years 2013/14 to 2016/17. Since 2014/15, there has been a decrease in the number and value of grants awarded. This may point to a reduced need for grant support in the sector; however there is a strong view amongst businesses and stakeholders that grant support should continue in some form.

The CGBDF has helped to deliver a number of employment-related outcomes. To date, 47 jobs or apprenticeships have been created along with a number of volunteering opportunities. In addition, 134 people have undertaken training offered by CGBDF supported organisations and five training sessions have been delivered to school staff through the work delivered by GCC Education Services and Co-operative Education Trust Scotland (CETS).

The CGBDF has levered in £2,045,878, a significant sum given the level of investment. On average, the CGBDF levers £36,534 per grant awarded, meaning that every £1 of grant funding levers an additional £2.48, more than doubling the initial outlay through the CGBDF. This represents very positive leverage and suggests good value for money.

Support for Credit Unions has formed a significant part of the CDU's activity to date. This has helped to support more local forms of lending, therefore growing and retaining a greater amount of wealth in communities. There have been some high-profile success stories in some of the projects supported by the CDU, including:

- *Avarix*, a start-up co-operative delivering innovative technology solutions to the digital industry;
- *Fashioned in Glasgow*, a support service for fashion start-ups in Glasgow, providing fabrics, cutting space and manufacturing facilities; and

- The *Wee Glasgow Loan*, a small short-term loan product of up to £600 targeted at countering pay-day loans.

Impacts on the co-operative sector in Glasgow

The CDU delivers a highly valued service, and grant recipients report a very positive experience with the CGBDF. Accessing the fund is straightforward – the application process and necessary paperwork is not very onerous. Wider, non-financial CDU support such as advice, networking and signposting are also highly valued by co-operatives, although they have not been used as widely as the Fund. The signposting and relationship building role of the CDU is particularly important, as the CDU is the only engagement that many small co-operatives have had with support providers. There is a need for the CDU to raise awareness of their wider services, as many co-operative enterprises who access the Fund are not aware of the other support offers available. This is important in helping co-operatives to access more mainstream business support, such as for growth, innovation or access to finance beyond the scope of the CGBDF.

The Fund has supported a wide variety of projects and there is a high degree of additionality reported by recipients. However, there needs to be a degree of caution as it is difficult to fully attribute the economic benefits to the CDU's activity since many beneficiaries have also been supported through other routes. Nevertheless, the benefits that have been realised are a real success, and despite difficulty in attributing these entirely to the CDU's activity, it is clear that the CDU has contributed significantly to their achievement.

Without the Fund, the majority of grant recipients would not have gone ahead with their planned project, or it would have been to a smaller scale or taken longer. There have also been wider economic and social benefits achieved through CDU support, and these are often key objectives of the funded co-operatives. Common economic benefits achieved include an increase in the scale and profile of the organisation, more efficient working practices and increased rewards for members. Common social benefits include improved local partnerships, greater levels of community participation and access to credit, and enhanced relationships with other co-operative organisations.

The 56 CGBDF awards are estimated to have contributed to the following key economic impacts:

- An increase of £4.27 million in turnover to date, with a further £3.41 million turnover increase forecast for the next three years – amounting to a £600,000 increase in profit or surplus; and
- The creation of 35.4 jobs or volunteer positions, with a further 243.1 safeguarded, and 39.5 new and 12.3 safeguarded jobs and volunteer positions forecast for the next three years.

This has resulted in an estimated increase in GVA of almost £2.56 million, which equates to an overall Return on Investment of £3.10 to the Glasgow City economy for every £1 of public money spent through the Fund.

There is still a role for the Fund to play in the co-operative sector in Glasgow. Increasing sales, accessing finance for growth and developing new markets are the greatest current challenges in the sector, and there is scope to address them through the Fund. Similarly, almost half of co-operatives would benefit from financial support in the future. Whilst there is still a need to provide financial support to co-operatives, the CGBDF in its current format may not be the most effective way to deliver this. Therefore it is time to review its delivery and refresh the CGBDF.

Supporting co-operative values and Glasgow's 'Co-operative Council' approach

The CDU plays a strong role in supporting Glasgow's co-operatives. It occupies a niche in the business support landscape, offering support to co-operatives that may not be readily available through other more mainstream business support channels. This is one of the CDU's key strengths. The CDU has raised the awareness and understanding of co-operatives in Glasgow. However, there is still a lack of understanding of the contribution that co-operatives can make to the social and economic health of Glasgow. There is also some confusion about the range of support, and support pathways, available to co-operatives. These issues must be addressed if the CDU is to maximise its impacts.

There is scope to improve upon the communications from the team, and with partners. However, this is something that should be achieved with partners, as well as in conjunction with GCC's corporate communications function. There is a number of existing partner communication channels such as blogs and social media platforms that can be used more effectively to showcase the CDU team and co-operatives more generally.

There is also an opportunity to further enhance co-operative working amongst all partners. This is not solely between the CDU or GCC and its partners in pursuing the objectives of Co-operative Glasgow, but also in a wider sense, between co-operatives in Glasgow. The potential to further enhance co-operative working, such as through encouraging 'co-operative clusters', is being missed.

The CDU is making considerable progress in delivering the Co-operative Council agenda. Nevertheless, there are a range of organisational and cultural barriers to achieving this. Addressing these, and demonstrating the value of the Co-operative Council approach, is a long-term process. To help in successfully delivering Co-operative Council objectives, the CDU should focus on a relatively small number of key strategic projects as demonstrators of the value and benefit of co-operative working.

The Co-operative Champions Network provides effective strategic support to the work of the CDU and the objectives of Co-operative Glasgow. That said, there is an opportunity to build on its work and maximise its potential. This includes the effectiveness that the Network and its Champions have in influencing the teams and Service units that they sit in. There also needs to be more consistent buy-in from all Co-operative Champions, and from all Service units and ALEOs represented on the Network.

The evidence shows that the CDU is seen as an effective delivery model. A dedicated resource is a very effective approach to supporting co-operatives and co-operative principles. It is generally accepted that the objectives of Co-operative Glasgow would not be achieved without a resource such as the CDU and that the Co-operative Council project would be in danger of drifting.

Conclusions

The CDU still has a very important role in continuing to support and develop co-operatives in Glasgow, co-operative principals and GCC as a Co-operative Council. Having a dedicated, specialist resource has been a critical success factor and many of the impacts would not have been achieved without it. As well as supporting co-operatives themselves, it is playing a vital role in driving changes to how GCC delivers services. This contributes to the new Glasgow Economic Strategy as well as GCC's Strategic Plan, and towards the Scottish Government's Economic and Social Enterprise Strategies.

However, there is significant work still to be done for Glasgow to become fully co-operative and so the rationale for the CDU to continue its work is clear, with appropriate Senior Management Team (SMT) and Executive commitment.

There is strong evidence that the sector and its impacts could be strengthened through developing more consortia approaches between co-operatives in Glasgow, and with other partners such as Glasgow Social Enterprise Network. The CDU has made some progress in this but could play a stronger role as a catalyst and enabler in this area.

Recommendations

This is a critical point in the CDU's development. As a result of the findings of this evaluation, ekosgen has developed nine recommendations for the future focus, function and activities of the CDU.

Recommendation 1: A continuing role for the CDU. The CDU should continue in its current configuration. It is an essential component of GCC's commitment to the Co-operative Glasgow Framework. It should focus on three key areas of activity. It should continue to support co-operatives in Glasgow through advice, guidance and financial support. Secondly, the CDU should take a strategic approach to encouraging a greater level of consortium working amongst Glasgow's co-operatives. Finally, it should continue to support and drive the development of GCC's Co-operative Council approach and activities.

Recommendation 2: Financial support for Glasgow's co-operatives. Linked to Recommendation 1, the CDU should continue to provide financial support to co-operatives through the CGBDF or a successor fund. However, the value, number, criteria and type of funding should be reviewed so that it focuses on achieving GCC's strategic objectives. This may include targeted funding rounds or thematic tranches of funding for specific activities and stages in the co-operative lifecycle. It may also including packages of funding to develop co-operative consortia. Funding could be in the form of grants or soft loans where appropriate.

Built into the funding support model should be specific follow-up and aftercare for recipients.

Recommendation 3: Implementing a refreshed communications strategy. The Communication Strategy for the Co-operative Glasgow Framework should be refreshed. In doing so, three main channels of communication and audiences need to be addressed:

- The approach for communicating with co-operatives in Glasgow;
- The method for engaging and communicating with partner support agencies; and
- The approach for communicating with GCC service units and ALEOs, including GCC's Senior Management Team (SMT).

The strategy should set out the tools, routes and messages for engaging with these three audiences. It should be developed and implemented in partnership with GCC's corporate communications team, and its progress and impacts monitored across the three audiences, and any adjustments made as necessary. It must consider the range of marketing collateral required and use social media as well as more traditional channels.

Recommendation 4: Capacity and knowledge building in support providers. The CDU should develop a strategy to ensure that across the range of support providers in Glasgow, there is a sound knowledge and understanding of co-operative models and approaches; the ability and willingness to identify and recommend models; and to make appropriate referrals. This could be done through information seminars and events, offering training and development to staff and providing updated materials, including case studies to the organisations. Some of these organisations (e.g. JBG) are

members of the Co-operative Champions Network and these members should work with CDU to undertake and enable this capacity building.

Recommendation 5: Developing effective monitoring processes. There should be a review of the existing monitoring and evaluation data collected and the processes for ensuring it is updated regularly and systematically. An approach should be put in place to actively use the data for a range of purposes:

- For communication and awareness-raising amongst relevant audiences and for marketing;
- To assess the performance of the CDU's activities;
- To provide feedback to partners, the Co-operative Champions Network and to GCC SMT, demonstrating impact and achievements; and
- Driving future performance of the CDU and activity under the Co-operative Glasgow Framework.

The CDU should also consider the following:

- How monitoring data can be collected on a consistent basis, and how this can be aggregated to give a complete picture, e.g. of grant support; and
- How to monitor the impacts of GCC as a Co-operative Council, and what it is trying to achieve, i.e. what are the Key Performance Indicators (KPIs), milestones and expected outputs and outcomes.

To do this, we recommend that the CDU develops a monitoring and evaluation (M&E) framework that reflects activity going forward.

Recommendation 6: Promoting Co-operative Council principles and partnership working. The Co-operative Council principles set out by the CCIN highlight the importance of co-production, social partnership and democratic engagement. Whilst CDU has supported GCC to work towards this, there is scope to build on the successes to date. The CDU should review how it involves all relevant partners at each stage, from project and strategy development through to implementation and review. The learning from this should then be taken to inform future partnership working.

Recommendation 7: Update the Co-operative Glasgow Action Plan. The Action Plan is now out of date and should be revised and updated, informed by the findings and recommendations from this evaluation. The refreshed Action Plan should be designed to contribute to the achievement of GCC's strategic objectives. A process for monitoring and reporting against the Action Plan should be developed, and be an integral strand of the overarching M&E framework highlighted in Recommendation 5.

Recommendation 8: The Co-operative Champions Network. There are Co-operative Champions in GCC service units and ALEOs, to drive more co-operative working across the Council and partners. Whilst significant progress has been made, the CDU needs to review the Champions Network membership, and make sure that they have the right tools and are equipped to effectively influence culture and ways of working in their service areas and organisations. Knowledge transfer between members and sharing challenges and experiences may be useful in achieving this and help there to be a consistent message. Monitoring data and qualitative examples illustrating successes may also be useful materials for the CCN members.

Recommendation 9: A Glasgow-wide approach to co-operative support. There should be a strategic and co-ordinated approach to supporting co-operatives in Glasgow, taking account of the particular specialist needs of co-operative organisations and also their more mainstream business needs. This is to ensure that co-operatives can access the support that they require, at the point when they need it and from the most appropriate support provider. This approach should be co-produced with the CDU's partner support organisations and involve the Co-operative Champions Network members.

The support should be in place and clear information, using the relevant language and terminology provided to co-operatives on the support sources and pathways.

1 Introduction

Background

1.1 The Co-operative Development Unit (CDU) is a function of Glasgow City Council (GCC) that was established as part of the Council's commitment to develop Glasgow as a co-operative city, and promote and support co-operative, mutual and social enterprise business models in the city. Following ekosgen's 2014 Co-operative Needs and Mapping study, which established a baseline. Key recommendations from the report were implemented by the Council. The CDU is now at a key stage in its development, some three years after the initial study, and it is an appropriate time to take stock of its performance and achievements. The Council therefore commissioned the evaluation of the CDU to determine its impact on developing co-operative working with key stakeholders, and the impact of business activity and support on Co-operatives and Social Enterprises in Glasgow.

1.2 This report presents the findings of ekosgen's evaluation of the CDU. It assesses its performance in supporting the co-operative sector in Glasgow developing and promoting co-operative ways of working. The evaluation of the CDU was commissioned by Glasgow City Council in December 2016. It comprised a programme of primary research with stakeholders, and supported co-operatives and social enterprises along with desk-based research and analysis.

1.3 The study considers the success of the CDU in supporting co-operatives and engaging with stakeholders. It also assesses its effectiveness in strengthening and influencing the adoption of co-operative principles through its work in promoting the Co-operative Council for Glasgow. Based on the evidence, the report makes a number of recommendations for the CDU going forward.

Scope and objectives of the evaluation

1.4 There are three distinct purposes of the evaluation. The first is to evaluate the impact of the Co-operative Development Unit. It considers its business development activity – supporting co-operatives and social enterprises within Glasgow, and its aligned stakeholder and strategic engagement activity to help grow the co-operative sector. It also examines the extent to which the CDU has fostered the principles of co-operative working, and the Co-operative Council model, within the Council itself and with partner organisations.

1.5 The evaluation also provides a snapshot of the co-operative sector in Glasgow, its support and development needs, and its contribution to the Glasgow economy. This aims to define Glasgow's co-operative sector, and identify what additional support it needs to develop and grow. It builds on ekosgen's previous work on mapping Glasgow's co-operatives in 2014.

1.6 Importantly, and at a critical point for co-operative organisations and in the Unit's development, the study makes some recommendations for its future, in terms of its work and its priorities. The recommendations for the CDU cover:

- The future development of the co-operative sector in Glasgow;
- The future development of co-operative working with stakeholders;
- The future priorities of the CDU; and
- The future resource allocation priorities for the CDU.

Approach

1.7 ekosgen's approach has three key strands. Firstly, we have analysed CDU's co-operative and monitoring data, and specifically:

- The database of supported co-operatives and social enterprises held by CDU;
- CDU's Co-operative Glasgow Business Development Fund grant database; and
- Quarterly monitoring return data collected for individual funded organisations.

1.8 Secondly, we undertook an online and telephone survey of grant recipients and other supported co-operatives and social enterprises, as well as some co-operative organisations that have not yet received any support from the CDU. The purpose was to identify the benefits of support from the CDU, and perspectives on the Unit itself, as well as to identify future support needs. Approximately 100 organisations were engaged during the primary research.

1.9 Thirdly, we undertook a series of consultations with stakeholders and partner organisations, to get a broader strategic perspective on CDU's work, the effectiveness of the delivery model, relative strengths and weaknesses of the Unit and its work. We also explored their views on the future development and delivery of the CDU.

Structure of the report

1.10 The report is structured as follows:

- Chapter 2 provides an overview of co-operative business models, Glasgow's co-operative framework, and the CDU;
- Chapter 3 examines the success of the CDU in growing the co-operative sector in Glasgow;
- Chapter 4 looks at the performance of the CDU in supporting co-operative organisations in Glasgow;
- Chapter 5 considers the business and social impacts and benefits of the CDU's support activities on the sector, through the results of the beneficiary survey;
- Chapter 6 specifically examines the economic impact of support from the CDU;
- Chapter 7 looks at the achievements of the Unit in supporting co-operative values and the Co-operative Council approach in Glasgow City Council; and
- Chapter 8 presents the conclusions from the research study, and makes a number of recommendations regarding the future approach to and support for co-operatives, and in developing and the role of the CDU.

2 Background and context

Introduction

2.1 This chapter provides an overview of the Co-operative Development Unit (CDU) at Glasgow City Council. It sets out the policy context in which the CDU has been developed and operates, before examining the CDU's aims and objectives, and its delivery and key activities. It is set in the context of the co-operative ecosystem in Glasgow. A summary and analysis of its performance monitoring is also provided.

Co-operatives in Scotland and Glasgow

Co-operatives and economic growth

What is a co-operative

2.2 The establishment of the Rochdale Society of Equitable Pioneers, and the Rochdale Principles set out in 1844 is considered by many to be the birth of the modern co-operative movement. These principles still form the basis of modern co-operative principles. The definition of a co-operative organisation, as adopted by the International Co-operative Alliance in 1995 and International Labour Organisation in 2002², is:

“An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”

2.3 There are many different types of co-operatives, though most people are only familiar with a small number, such as retail co-operatives (e.g. The Co-operative). They all share common values and principles and co-operative values are also shared by social enterprises. It is recognised that co-operative working can bring considerable benefits to both economic and social development in a number of ways; co-operatives retain wealth in local economies, bring economic and social benefits to individuals and businesses and typically have an ethos of mutual support and ethical principles.

Policy context

2.4 Scotland's Economic Strategy (SES)³ was published in March 2015. It contains four key priorities centred on two pillars: increasing competitiveness and tackling inequality. The four priorities to achieving this are:

- **Investing** in people, infrastructure and assets;
- Fostering a culture of **innovation**;
- Promoting **inclusive** growth; and
- Taking advantage of **international** opportunities.

2.5 Linked to the SES, Scotland's Social Enterprise Strategy was launched in December 2016.⁴ The Strategy underpins the inclusive growth agenda, and recognises the contribution that the social

² International Co-operative Alliance (2015) <http://ica.coop/en/what-cooperative>

³ Scottish Government (2015) *Scotland's Economic Strategy*

⁴ Scottish Government (2016) *Scotland's Social Enterprise Strategy 2016-26*

enterprise sector – of which co-operatives are a part – makes towards realising sustainable economic growth. Its starting point is the vision for social enterprise, set out in *Building a New Economy*⁵:

“Over the next decade we will see social enterprise at the vanguard of a new wave of ethical and socially responsible business in Scotland. It will make its breakthrough as part of a more diverse and vibrant economy, helping to balance economic growth with the protection of public services, the continuing fight against poverty and the promotion of equality. It will become central to the ‘Scottish approach’ to doing business.”

2.6 The Strategy aims to:

- **Stimulate social enterprise**, by creating the conditions at a local level where social enterprises can flourish and innovate, including support for social entrepreneurs and embedding social enterprise within the education system;
- **Developing stronger organisations**, by providing better access to social finance, business support and leadership and workforce development tailored to the needs of social enterprises, as well as greater collaboration; and
- **Enabling market opportunity** – increasing the understanding of what social enterprises are and can offer, and enabling consumers, public authorities and businesses to purchase from social enterprises, including the co-delivery of public services.

2.7 Glasgow City Council's Strategic Plan for 2012-2017.⁶ Its five priority areas are to make sure Glasgow has:

- Economic growth; and is
- A world class city;
- A sustainable city;
- A city that looks after its vulnerable people; and
- A learning city.

2.8 In terms **economic growth**, the Council aims to ensure that Glasgow has a resilient and growing city economy that is broad-based and more integrated, with diverse business opportunities, including social enterprises. As part of its ambitions to become a world class city, the Council aims to build strong and resilient neighbourhoods and communities, and deliver local services and neighbourhoods informed by residents' views.

2.9 The Council's new Economic Strategy⁷ was published in November 2016. It aims to make Glasgow the most productive city in the UK, and includes a target of a 25% increase in GVA by 2023. To achieve this ambition, the Strategy is organised into 10 thematic areas. Central to supporting co-operatives and social enterprises is the 'Fairer Glasgow' theme. The Council's vision for a Fairer Glasgow is:

⁵ CEIS, Community Enterprise, Firstport, HISEZ, InspirAlba, Senscot, Social Enterprise Academy, Social Enterprise Scotland, Social Firms Scotland (2015) *Building a New Economy: Scotland's Vision for Social Enterprise 2025*

⁶ <http://www.glasgow.gov.uk/CHttpHandler.ashx?id=14572>

⁷ Glasgow City Council (2016) *Glasgow Economic Strategy 2016-2023*

“Glasgow will put tackling poverty and inequalities at the heart of economic growth. We will build an economy which works for all of our citizens, supporting fair pay, workers’ rights and shared prosperity. We will actively involve the people of Glasgow in the design and delivery of our services, working with communities rather than implementing policies on people.”

2.10 The Council will also seek to “work through the Poverty Leadership Panel and our Co-operative Glasgow partners to ensure our citizens directly shape our economic activity.”⁸ Specific actions underpinning this include:

- Growing Glasgow as a Co-operative city and expanding the number of Social Enterprises and Co-operatives in the city through direct funding and bespoke support for the sector;
- Developing proposals for a co-operative approach to childcare to support working families; and
- Undertaking a review of the social enterprise sector in Glasgow, and investigating opportunities around social forms of financing, including Social Impact Bonds.

2.11 By growing the Glasgow as a co-operative city, GCC aim to see a year-on-year increase in the number of co-operatives and social enterprises, as well as providing continued co-operative service development activity.

Co-operatives and economic growth

2.12 Co-operative organisations contribute to all four of the SES’s objectives outlined above. They are important for promoting business growth and sustainability, and contributing to economic growth. They do this by:

- Increasing productivity, income, innovation and survival, through collaboration, achieving economies of scale, increasing attitudes towards innovation and entrepreneurial activities, improving employee motivation and fostering loyalty and knowledge sharing amongst the workforce.
- Rooting businesses and employment within communities, by providing employment or services, meaning that they tend to stay rooted within that community and generates wealth and other employment benefits.
- Sharing risk and reward more wisely, by allowing employees and members to share the costs and risk of business activities.

2.13 Co-operatives in particular can be well placed to contribute to supporting workforce engagement and development, and other progressive workforce policies, and can play an active role in the community – as well as contributing to workplace innovation.⁹

2.14 Similarly, co-operative organisations have a key role in delivering Scotland’s Social Enterprise Strategy. The strategy demonstrates how social enterprises and co-operatives already have a key role in delivering community-led development and regeneration. They are critical in driving a more inclusive

⁸ *Ibid.*, p.30

⁹ CEIS, Community Enterprise, Firstport, HISEZ, InspirAlba, Senscot, Social Enterprise Academy, Social Enterprise Scotland, Social Firms Scotland (2015) *Building a New Economy: Scotland’s Vision for Social Enterprise 2025.*, p.63

and socially sustainable form of growth through equity, equality and democratic engagement. This will help to improve Scotland's societal wellbeing, and improve its image on the international stage.

2.15 Co-operatives therefore have the potential to significantly contribute to economic growth objectives, and some commentators have suggested that there has, to date, been a lack of debate on the role that co-operative and mutual structures can play in shaping Scotland's future economy, and that there is an opportunity to place the principles of co-operative and mutual business models at the heart of future economic growth. This would, it is argued, benefit the Scottish people, but also bring an economic identity to the type of future economy Scotland wishes to create for its citizens.¹⁰

2.16 For this reason, Co-operatives and the Co-operative Council approach form a central part of Glasgow City Council's current Strategic Plan and new Glasgow Economic Strategy. Glasgow's Co-operative Council approach contributes directly to a number of ambitions across both of these key strategic plans. The wider benefits of co-operative working also mean that the approach contributes to the other priorities in the Strategic Plan. The way that this is achieved is explored below.

Co-operatives and wider social objectives

2.17 Co-operatives often are a response to economic and social difficulties. Historically, co-operatives have been capable of enhancing the ability of disadvantaged groups of people to protect their own interests, by guaranteeing self-help outside the family in accessing basic goods and services. Unlike shareholder companies, where ownership rights belong to the investors, in a co-operative organisation ownership rights are assigned to other groups of agents (consumers, workers, producers, farmers, etc.). In both industrialised and developing countries, co-operatives continue to contribute to socio-economic development, support employment growth, and sustain a balanced distribution of wealth.¹¹

2.18 The participatory and democratic governance models evident in co-operatives encourage a greater level of innovation, and allow for realising opportunities to deliver more equal growth. Also, close contact within co-operatives (member engagement) and with society (being more locally rooted) encourages a more dynamic form of knowledge transfer, which boosts the development of research and the creation of innovative activities and products. This creativity necessarily leads to greater social, environmental, cultural, managerial and technological innovation.¹² The potential benefits of co-operative working means that by adopting such an approach, Glasgow is arguably better placed to realise the objectives of its strategic plan, and improve the socio-economic performance and fabric of the city for all its residents.

Co-operatives in Scotland and Glasgow

2.19 Scotland has a rich history of co-operative movements, going back as far as the Shore Porters Society established in Aberdeen in 1498. There were others, including the Fenwick Weaver's Society formed in 1769 which evolved into a consumer co-operative to facilitate the collective purchasing of bulk food items and books.

2.20 Glasgow has given rise to a number of significant co-operatives in the past. The *Scottish Co-operative Wholesale Society* was formed in 1868, with its factory complex based in Shieldhall. Its purpose was the purchasing or manufacturing goods for supply to co-operative retail societies across

¹⁰ NCVO / Fagleman, D. (2014) *Promoting co-operatives would benefit Scotland*, <http://www.scvo.org.uk/blog/promoting-cooperatives-would-benefit-scotland/>

¹¹ European Commission (2013) *Social economy and social entrepreneurship: Social Europe Guide Volume 4*, p.22

¹² Co-operatives Europe (2015) <https://www.coopseurope.coop/about-cooperatives/eu2020-%E2%80%9Cinnovation%E2%80%9D>

Glasgow, including foods, furniture, clothing and metalware, but it also controlled supply of some of its own raw materials, such as grain from Canada and tea from Ceylon.¹³ The *Glasgow and Suburbs Co-operative Conference Association* was established in 1866. The aims of the conference were “to promote the extension and consolidation of the co-operative movement in the district”. The United Co-operative Baking Society was also formed in the city in 1869. Many other co-operatives established in Glasgow during the 19th Century, such as the Barrhead Society and Co-operative Ironworks were responses to economic crisis, and sought to bring about economic and social development for benefit of Glasgow’s community and people.¹⁴

2.21 There is limited discussion in the wider body of literature regarding more recent co-operative movements. Anecdotal evidence suggests that the recent (20th Century) history of co-operatives, particularly in Glasgow and the wider Central Belt, is inextricably linked with socialist and labour movements, and has previously been portrayed in a negative light. Consequently, there is a suggestion that co-operatives, as a way of working, have in many ways been shunned since the 1980s, and have only recently been given serious consideration.

2.22 More recent evidence indicates that there are more than 560 co-operatives in Scotland. It is estimated that in total these co-operatives turnover approximately £3.3 billion, and employ almost 16,000 people – as well as having a total of 1.8 million members.¹⁵ ekosgen’s 2015 evaluation of Co-operative Development Scotland (CDS) identified number of strong examples from Scotland and globally of highly successful co-operative businesses, across the range of alternative business models. Many of these are based in Glasgow, such as Page\Park, an employee-owned architectural firm based in St. Andrew’s Square.

2.23 Co-operatives such as these bring a range of economic benefits, such as increased productivity, increased competitive advantage and (local) retention of wealth, plus greater resilience. In some instances, co-operatives can help to retain major or locally important businesses, which subsequently act as anchor employers for local communities. They also bring a whole range of softer economic benefits, such as greater employee engagement, increased staff skills or knowledge, more efficient working practices, and more inclusive decision-making.¹⁶

2.24 As well as this, there are an extensive number of social benefits, which are often as important. In some instances, such as in community co-operatives and in smaller or more rural communities, the social benefits are more important than the economic benefits that co-operative working can bring. It is also important to note that the involvement of citizens in this type of enterprise increases confidence in the democratic process and the creation of social capital.¹⁷

The current co-operative ecosystem in Glasgow

2.25 ekosgen’s 2014 study on mapping the co-operative sector for GCC identified over 100 co-operative businesses in Glasgow City, including Co-operative Group branches. ekosgen’s estimations of the size of the sector in Glasgow identified over 1,320 employees and over 900 volunteers, although many of the volunteers are in part-time roles. The work also estimated that the sector turns over approximately £192 million, and generates profits or surpluses of over £11 million per annum. Excluding

¹³ <http://www.glasgowlife.org.uk/libraries/the-mitchell-library/archives/collections/scottish-cooperative-wholesale%20society/pages/default.aspx>

¹⁴ http://www.heraldscotland.com/news/11971441.Powerhouse_of_the_Co_op_movement/

¹⁵ <http://reports.uk.coop/economy2016/>

¹⁶ e.g. Brown, R. et al. (2014) The performance of employee-owned businesses in Scotland: some preliminary empirical evidence, *Fraser of Allander Institute Economic Commentary*, 37(3), pp.108-117

¹⁷ European Commission (2013) *Social economy and social entrepreneurship: Social Europe Guide Volume 4*, pp.52-54

the 28 branches of the Co-operative Group, the turnover of co-operatives in Glasgow is approximately £127 million, with profits/surpluses standing at just under £9 million. At that time, there were confident growth expectations over the period to 2020. It was therefore clear from the research that Glasgow has a well-established co-operative scene.

Co-operative Councils

2.26 The Co-operative Council model is being increasingly considered and adopted by Local Authorities in Scotland and elsewhere in the UK. In all, 22 local authorities in the UK are currently part of the Co-operative Council Innovation Network (CCIN)¹⁸, and have committed to co-operative principles. The CCIN is a collaborative network of local authorities, who are exploring new ways of working for, and with, local people through innovation and adherence to co-operative principles. One of the key reasons for becoming a co-operative council, and working to co-operative values, is the need to identify different ways of improving public services and strengthening local communities during a period of reducing council budgets.

2.27 The CCIN has developed a set of principles to inform co-operative working and in essence defining what a co-operative council is, guided by the International Co-operative Alliance, and recognising that Councils are not registered co-operatives.

¹⁸ <http://www.councils.coop>

Figure 2.1: Co-operative Council principles¹⁹

- 1. Social partnership:** We will strengthen the co-operative partnership between citizens, communities, enterprises and Councils, based on a shared sense of responsibility for wellbeing and mutual benefit
- 2. Democratic engagement:** We will support the active engagement of the full range of residents in decision making and priority setting
- 3. Co-production:** We will develop systems that enable citizens to be equal partners in designing and commissioning public services and in determining the use of public resources
- 4. Enterprise and social economy:** We will promote community-based approaches to economic development that focus on supporting the creation of jobs, social enterprises and other businesses and providing an environment for co-operative and mutual enterprises to thrive
- 5. Maximising social value:** We will support the development of a framework and criteria for social value, giving substance to the concept and supporting Councils with the tools to ensure better local social and economic outcomes
- 6. Community leadership and a new role for councillors:** We will explore ways for councils to act as a platform for helping the community to contribute to local outcomes, and to re-think the role of councillors as community connectors, brokers and leaders
- 7. New models of meeting priority needs:** In exploring new ways of meeting the priority needs of our communities we will encourage models, such as co-operatives and mutuals, which give greater influence and voice to staff and users
- 8. Innovation:** We will embrace innovation in how we work with local communities to drive positive change
- 9. Learning:** We will capture and 'expand' the experience and learning from individual projects and approaches in order to encourage broader application of co-operative principles within individual member Councils and across the Network
- 10. Walking the talk:** As a membership organisation we will make this statement of our principles operational by:
 - **Co-operation among members:** Our members work together to help each other implement our values, sharing experiences and learning
 - **Openness of membership:** Full, Associate and Affiliate Membership is open to any qualifying Council, organisation or individual who shares our values and is committed to putting them into action
 - **Co-production of the Network's work:** Members help shape the Network's work programme and the content of events and written products
 - **Action-focused:** The network is a vehicle for helping councils translate co-operative values and principles into policy and practice
 - **Membership-based:** The network is majority funded by modest membership subscriptions from its member Councils, Associates and Affiliates
 - **Non-party-political:** Members share the belief that working co-operatively within and across communities holds the key to tackling today's challenges

2.28 GCC is an active member of the CCIN, and is one of two Scottish Council members along with City of Edinburgh Council. As well as participation in report development such as for the *Unlocking Our Wealth*²⁰ report, GCC hosted the first CCIN event outside England in December 2014.

The 'Co-operative Glasgow' Framework

2.29 In its 2012-2017 Strategic Plan, Glasgow City Council (GCC) set out its commitment to becoming a Co-operative Council and city, outlining the need for a more '*broad based and more integrated economy with diverse business opportunities, including social enterprises*²¹ to help drive forward economic growth. The 'Co-operative Glasgow' Framework was approved by the Executive Committee in May 2013. It identified four themes, or commitments, that work would be developed around:

¹⁹ <http://www.councils.coop/about-us/our-values-and-principles/>

²⁰ <http://www.councils.coop/publications/unlocking-our-wealth-report-of-commission-on-community-resilience-jobs-and-growth/>

²¹ Glasgow City Council (2012) *Strategic Plan 2012 to 2017*

- **Co-operative values and co-operation:** adhering to the International Co-operative Alliance statement of identity and values (self-help, self-responsibility, democracy, equality, equity and solidarity);
- **Co-production and community led commissioning:** working with individuals and communities rather than for them;
- **Community assets:** transferring management and control of community properties to community or third sector groups; and
- **Co-operative service delivery:** helping communities and employees to establish a co-operative business model to deliver existing council services.

2.30 These commitments are now Glasgow City Council policy, ensuring that the Council assists with the growth of the co-operative business sector within the city and to devolving power to the citizens of Glasgow.

The Co-operative Development Unit

2.31 The CDU was set up by GCC in order to meet its commitment to becoming a Co-operative Council and City. Its main aim is promoting co-operative and other social enterprise models in the city. In order to implement this policy initiative, the CDU was established in late 2012 and is situated within Development and Regeneration Service (DRS) at GCC.

2.32 The CDU's objectives are to:

- Deliver on the Council's commitment to develop and coordinate co-operative activity across the Council;
- Conduct and/or commission research on Co-operative Council activity across the UK and wider co-operative economy, to identify potential opportunities for GCC;
- Promote the development of co-operatives, mutual societies and social enterprises;
- Provide advice and support to individuals, businesses and social enterprises on developing co-operative business models. This will include signposting to other organisations as required;
- Liaise with representatives from across the 'Glasgow Family' to develop and support new ways of working with residents and communities by embedding the internationally recognised Co-operative values in GCC service delivery and service development.²²

2.33 The CDU defines co-operatives, mutual societies and social enterprises as follows:

- **Co-operatives:** Businesses owned and run by and for their members and members have an equal say in what the business does
- **Mutual societies:** Organisations which are owned by, and run for the benefit of their current and future members
- **Social enterprises:** Independent business that exist specifically for social and/or environmental purposes

²² Co-operative Glasgow, Newsletter 1st edition, 1st February 2016

2.34 The CDU is responsible for the development and growth of the city's co-operative business sector and the implementation of the wider Co-operative Glasgow objectives across Council services and Arm's Length External Organisations (ALEOs). The CDU leads on the delivery of the Co-operative Glasgow Action Plan, developed through consultation with Senior Officers, Elected Members and representatives of the co-operative, social enterprise and Third sectors.

Co-operative Glasgow Action Plan

2.35 The Co-operative Glasgow Action Plan was developed as a result of the commitment to become a Co-operative Council. Delivery against the Action Plan contributes to the *World Class City* and *Economic Growth* themes of the GCC Strategic Plan. As reported to the Committee in August 2015, delivery against the Action Plan is effectively complete. However, for many actions delivery is on an on-going basis. Nevertheless, on-going future delivery for the CDU would benefit from a refresh to the Action Plan.

2.36 Support for co-operatives is a core part of the Action Plan. This is provided for through a commitment to delivering the Co-operative Glasgow Business Development Fund (CGBDF), and signposting and advice on where to access expert support.

2.37 Service delivery also forms a key part of the Action Plan. For example, the CDU has undertaken a body of development work with Education Services, and in conjunction with the Co-operative Education Trust Scotland. This was initially to identify formal or informal links to co-operative education. This has evolved into a pilot Scottish Schools of Co-operation programme, which has been supported financially through the CGBDF.

2.38 Through the Action Plan, community asset transfer is also being supported, with a range of opportunities being explored. This includes a number of parks and green spaces currently being managed by Land and Environment Services, whose potential for being taken over by community organisations is being considered.

Co-operative Champions Network

2.39 The Glasgow Co-operative Champions Network was established in November 2014 to promote the work of the CDU and raise awareness of the support and grants on offer. The Network comprises representatives from across the Council and its ALEOs (see Appendix 1). Its remit includes identifying potential co-operative service delivery opportunities and communicating 'Co-operative Glasgow' internally and with external partner organisations. The Network is chaired by the Executive Member for Health & Social Care, with additional political representation from the Depute Leader of the Council, who was previously the Network's Chair. The CDU reports to the Co-operative Champions Network in the first instance.

CDU Governance

2.40 The GCC Strategic Plan Commitments relating to the CDU are part of the 'Economy' theme. In addition to the Network, the CDU reports on matters of information or progress to the Regeneration and the Economy Policy Development Committee. Where decisions are required, reports are referred to GCC's Executive Committee. Most reports are presented to Development and Regeneration Services' Senior Management Team prior to presentation at Committee.

Summary

2.41 Co-operatives are often a response to economic and social difficulties. Consequently they are a more equitable business form, and can offer more sustainable growth through greater economic, social, and financial inclusion. They are well-placed to contribute to all four priorities of the Scottish Government's Economic Strategy.

2.42 There is a strong history of co-operatives in Glasgow. Many of those established in the 19th and 20th Century had the aim of driving economic and social development for benefit of Glasgow's community and people. This is a principle shared by GCC's Co-operative Glasgow Framework. Central to this approach, and a key resource in supporting Glasgow's co-operatives, and pursuing Co-operative Council principles, is the CDU.

2.43 The CDU is now a well-established resource within GCC. As a dedicated team, committed to developing co-operative organisations and co-operative ways of working across Glasgow and within GCC, the CDU is ideally placed to deliver against GCC's Strategic Plan, and against broader Scottish Government objectives contained within the Economic Strategy and in particular inclusive growth. It also has the potential to deliver the objectives of the recently published Social Enterprise Strategy.

2.44 The subsequent chapters of this report consider its successes in and impacts arising from supporting co-operative organisations in Glasgow, and promoting the Co-operative Council and co-operative principles.

3 Growing the co-operative business base in Glasgow

Introduction

3.1 This chapter gives a snapshot of the current (2017) co-operative sector in the Glasgow City Council area, and compares it to the sector snapshot from 2014, produced during ekosgen's Business Mapping and Needs Assessment Report²³. The information in this chapter has been collected through existing client databases, web searches, survey results and consultations. The profile of co-operatives was accurate at the time of writing, although information on employee and volunteer numbers, and turnover and profits/surpluses, are grossed up from survey results and should be treated with some caution.

3.2 It should be noted that the analysis in the chapter excludes Co-operative Group outlets, of which there are an estimated 28 branches in the City.

Growing Glasgow's co-operative sector

Co-operatives and Credit Unions

3.3 As shown in Table 3.1, there is estimated to be 122 active co-operatives in Glasgow City, of which almost one third are Credit Unions (32), with the remainder being non Credit Union co-operatives (62) and Co-operative Group outlets (28). This is an overall growth of 17% in the sector since 2014, driven by strong growth in the number of non-Credit Union co-operatives. Reflecting this growth, the co-operative sector represented 0.68% of the Glasgow City business base in 2014, and this has also grown slightly to around 0.72%.

3.4 The co-operative base has grown significantly faster than the business base in Glasgow over this time. Over a similar period, 2014 to 2016, the overall business base in Glasgow City grew by 13%. Even with strong growth in 2017, it is highly unlikely the business base will match the expansion of the co-operative base.

Table 3.1: Number of co-operatives in Glasgow (2014 and 2017)

Number of co-operatives	2014	2017	No. change	% change
All co-operatives	104	122	+18	+17%
Of which non-credit unions	42	62	+20	+48%
Of which credit unions	34	32	-2	-6%
Of which Co-operative Group	28	28	-	0%
Glasgow business base	15,320	17,295	+1,975	+13%

Source: CDU client monitoring data

3.5 Whilst it has undoubtedly contributed, this growth cannot be fully attributed to the work of the CDU. It is likely that some of the sector growth is accounted for by existing co-operatives not being included in the 2014 figures having subsequently been identified. Nevertheless, there is good evidence that there has been strong organic growth in the sector. CDU monitoring data, as well as Co-operatives UK data, show that a small number of co-operative enterprises in Glasgow have dissolved over this period, and there are at least eight known new co-operatives that have been established over the period (see Table 3.5).

²³ <http://www.glasgow.gov.uk/CHttpHandler.ashx?id=19937&p=0>

3.6 Analysis for the remainder of this chapter will focus on Credit Unions and non-Credit Union co-operatives, excluding Co-operative Group outlets.

Nature of co-operatives

3.7 The sector continues to be dominated by Credit Unions, so financial co-operatives remain the most common type of co-operative in Glasgow City in 2017, accounting for over one third of organisations. This reflects the level of activity undertaken by the CDU and GCC more widely in supporting Credit Unions, as discussed in Chapter 4. Whilst the number of financial co-operatives has not changed overall, there has been some fluctuation due to the change in the number of credit unions that has resulted from a merger. It should be noted that the figures in Table 3.2 below include two non-credit unions. The number of non-financial co-operatives has grown, however, and this has been driven largely by an increase in the number of consortia. It is worth noting that there has been no decrease in the number of any known type of co-operative. There has been small growth in the share of employee-owned, community co-operatives, and other natures such as industrial and provident societies.

Table 3.2: Nature of co-operatives in Glasgow (2014 and 2017)

Nature of co-operative	2014		2017		Change	
	No.	% (of 76)	No.	% (of 94)	No.	%
Financial co-operative	34	45%	34	36%	-	+6%
Consortium	7	9%	13	14%	+6	+86%
Standard co-operative	9	12%	9	10%	-	0%
Housing co-operative	6	8%	6	6%	-	0%
Mutual co-operative	5	7%	6	6%	+1	+20%
Workers co-operative	4	5%	5	5%	+1	+25%
Employee owned	0	0%	4	4%	+4	n/a
Community co-operative	1	1%	4	4%	+3	+300%
Other	2	3%	7	7%	+5	+250%
Unknown	8	11%	6	6%	-	-25%

Source: CDU client monitoring data; some figures may not sum due to rounding

Co-operatives by sector

3.8 Despite overall growth, the sectoral make-up of the co-operative base is very similar to its 2014 composition (Table 3.3). It remains dominated by financial co-operatives (largely Credit Unions), and this is reflected in the nature of co-operatives in the base as detailed in Table 3.2, which has grown by 6%. Nevertheless, there has been growth in other areas of business. Other sectors in which co-operatives operate include business services, creative/art, food and drink and housing (mainly co-operative housing associations), but these proportions are still a lot smaller than for financial co-operatives.

Table 3.3: Main area of co-operative business (2014 and 2017)

Main area of business	2014		2017		Change	
	No.	%	No.	%	No.	%
Money/finance	40	53%	40	43%	-	+8%
Business services	8	11%	9	10%	+1	+13%
Creative/art	7	9%	7	7%	0	0%
Food and drink	0	0%	6	6%	+6	n/a
Housing	6	8%	5	5%	-1	-17%
Social and leisure	2	3%	5	5%	+3	+150%
Learning	2	3%	3	3%	+1	+50%
Community	3	4%	3	3%	-	0%
Media	2	3%	3	3%	+1	+50%
IT	0	0%	3	3%	+3	n/a
Family and health	2	3%	2	2%	-	0%
Other	4	5%	8	9%	+4	+100%

Source: CDU client monitoring data; some figures may not sum due to rounding

Geographical distribution

3.9 There has been growth in the number of co-operatives across each of Glasgow's three Community Planning Partnership areas, but the geographic breakdown of co-operatives has remained similar over the last three years (Table 3.4). Glasgow's North West CPP area accounts for the largest share of known co-operatives and has increased its numbers by 31% over the last three years. The numbers in the South and North East areas have also grown, but at 26% and 8%, by a lesser degree.

Table 3.4: Location of co-operatives in Glasgow (2014 and 2017)

Location	2014		2017		Change	
	No.	% of all known co-ops	No.	% of all known co-ops	No.	%
North West	29	38%	38	41%	+9	+31%
South	23	30%	29	30%	+6	+26%
North East	24	32%	26	28%	+2	+8%
Unknown	0	0%	1	1%	+1	n/a

Source: client monitoring data; some figures may not sum due to rounding

Length of operation

3.10 The co-operative sector in Glasgow is well established. Over half of existing co-operatives have been trading for 20 years or more as illustrated in Table 3.5. Around one third have been trading for over 25 years.

3.11 The formation rate of new co-operatives in Glasgow is steady, as discussed above, with at least eight new known co-operatives being launched since 2014.

Table 3.5: When Glasgow co-operatives were established (2014 and 2017)

Year established	2014		2017	
	No.	%	No.	%
2014-present	1	1%	8	8%
2011-2013	10	13%	12	12%
2006-2010	9	12%	10	10%
2001-2005	2	3%	4	4%
1996-2000	8	11%	8	8%
1991-1995	15	20%	17	18%
Before 1991	28	37%	32	33%
Unknown	3	4%	6	6%

Source: client monitoring data; some figures may not sum due to rounding

Economic contribution of Glasgow's co-operative sector

3.12 The findings in this section are based on the results of ekosgen's 2017 survey carried out for this commission and CDU monitoring information for grant recipients. Where information was missing on individual co-operatives who did not response to the survey, this was supplemented as much as possible through data gleaned from the 2014 survey results and from websites. Known employee, volunteer, turnover and profit figures were then grossed-up to the full number of co-operative enterprises in Glasgow (94) to capture the full economic contribution of the sector to the city's economy.

Co-operative size, employees and volunteers

3.13 As well as growing in total numbers, there is evidence to suggest that the co-operatives have become bigger, on average. In 2014, 97% of known co-operatives in Glasgow City were estimated to be small enterprises, employing less than 50 staff. By 2017, the proportion employing less than 50 had fallen to 93% pointing to more, larger organisations.

3.14 Based on employment data for 55 of 94 co-operative enterprises in Glasgow City, it is estimated that the sector employs 811 full time equivalents (FTEs). This indicates an estimated 8% growth in total employment since 2014, slower than the 17% growth in the number of co-operatives. The average (median) number of full-time employees in co-operatives is 7.4 FTEs, although this ranges widely from 0 to around 50.

3.15 As expected, there are a significant number of volunteer (unpaid) workers in the sector in Glasgow – approximately 763 FTE volunteers across all 94 co-operatives. This estimate is based on data provided by 52 co-operatives. The size of the volunteer workforce has grown by 44% since 2014, more steeply than the overall growth in number of co-operatives.

3.16 The size of the volunteer workforce reflects the fact that Credit Unions are only allowed to have volunteers on their board by law, and, anecdotally, they 'employ' on average more volunteers than other types of co-operatives. As we know, Glasgow City has a relatively high number of Credit Unions (32). Also, the management committees or boards for co-operative Housing Associations are typically part-time volunteer positions and include local tenants, and again, there is a number of housing co-operatives in Glasgow.

Table 3.6: Employees and volunteers in Glasgow co-operatives (2014 and 2017)

Employment/volunteering	2014	2017	Change No.	Change %
Full-time employees	697	722	25	+4%
Part-time employees	102	178	76	+75%
FTE employees	748	811	63	+8%
Full-time volunteers	137	213	76	+55%
Part-time volunteers	789	1,100	311	+39%
FTE volunteers	531.5	763	231.5	+44%

Source: CDU client monitoring data and ekosgen survey, 2017

Financial performance

3.17 Based on the financial data of 65 of the 94 co-operatives in Glasgow City, the sector turns over an estimated £171 million. This is a 35% growth from 2014, broadly in line with the 17% growth in the number of co-operatives.

3.18 Data gathered from 58 of the 94 co-operatives gives a total profit/surplus figure of just over £10 million, although two co-operatives account for over half of this. Excluding these two outliers when grossing up the profit figure to the full sample of 94 co-operatives estimates that the sector generates a profit/surplus of just over £13.5 million. Whilst some co-operatives are struggling, others are exhibiting strong growth – profits range from seven known co-operatives making a small loss to one generating £3 million profit. Overall, this is strong growth from 2014, and, at 55%, has grown faster than the overall number of co-operatives.

3.19 Profit or surplus levels at Credit Unions in particular have increased over the period from 2014 to 2017. Investment and loans at one Credit Union have increased over this period, and anecdotal evidence suggests that this is the case across many of Glasgow's Credit Unions. Ultimately, the increase in loans will generate greater surpluses, and allow the Credit Unions to conduct more business (i.e. a greater number of loans), enabling a greater degree of access to local finance. Whilst there may be a time lag in realising returns on investment, there is nevertheless a realisation of greater profits amongst Credit Unions.

Table 3.7: Turnover and profit/surplus in Glasgow co-operatives (2014 and 2017)

Financial levels	2014	2017	No. change	% change
All co-operatives				
Turnover	£127m	£171m	£44m	+35%
Profit/surplus	£8.7m	£13.5m	£4.8m	+55%
Credit Unions				
Turnover	£78m	£94m	£16m	+21%
Profit/surplus	£5.5m	£9.0m	£3.5m	+64%

Source: CDU client monitoring data and ekosgen survey, 2017

3.20 During the 2014 research, co-operatives were asked about their forecast turnover and profit/surplus over the next three years (to 2017). Figures 3.1 and 3.2 map out the difference between the actual change in turnover and profit/surplus over the 2014 to 2017 period and the anticipated change from 2014. They show that co-operative enterprises were slightly over-optimistic about forecast

turnover, expected to be £192 million, higher than the actual £171 million, but that they under-estimated their profit/surplus forecasts, which, at £11.8 million was lower than the actual £13.5 million.

Figure 3.1: Actual and forecast changes in turnover for Glasgow co-operatives

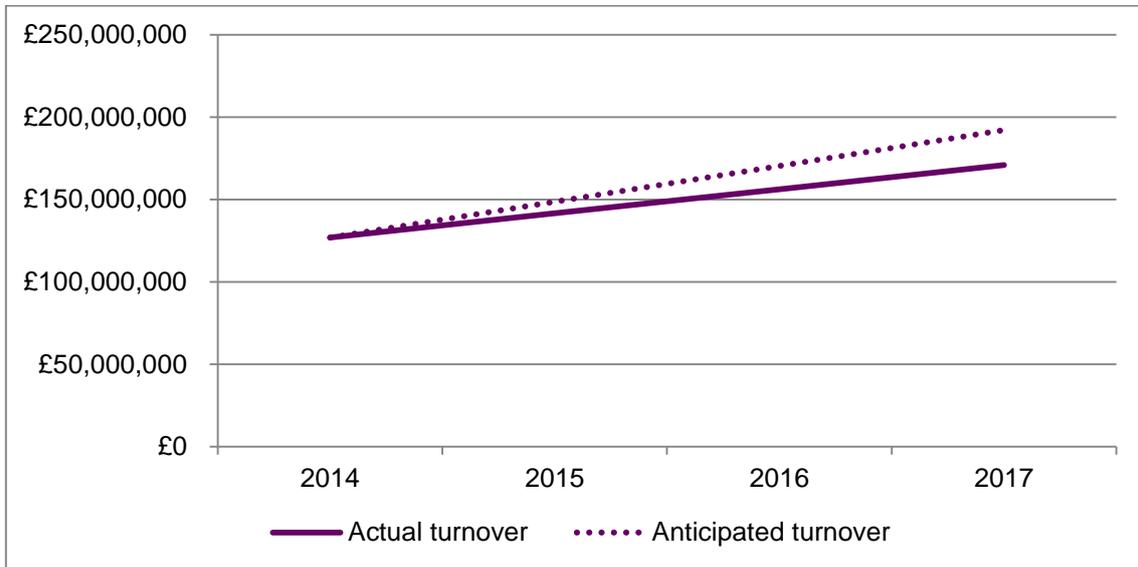
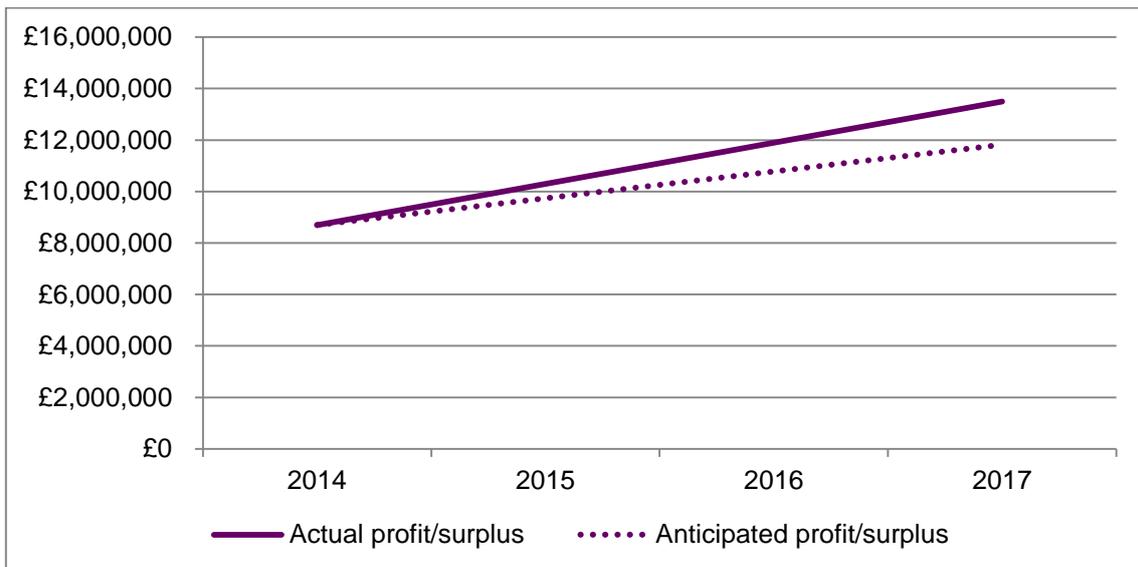


Figure 3.2: Actual and forecast changes in profit/surplus for Glasgow co-operatives



4 Supporting Glasgow's co-operatives

Introduction

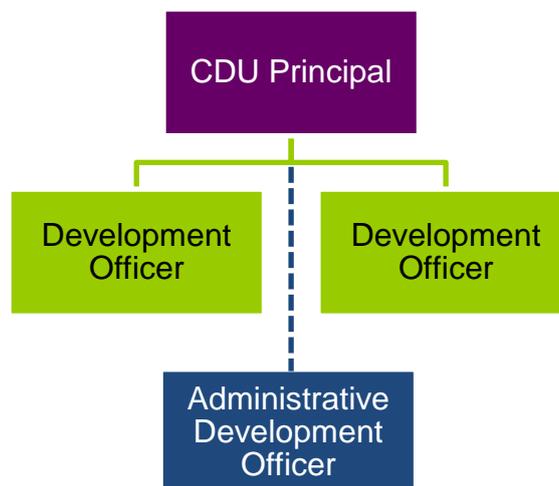
4.1 This chapter details the CDU's performance to date in supporting co-operatives and social enterprises in Glasgow. It examines the disbursement of the Co-operative Glasgow Business Development Fund (CGBDF) and the organisations it has supported, as well as the funds it has been able to leverage as a result. It also considers some of the CDU's more strategic support activity.

Resourcing the CDU

The CDU team

4.2 The CDU team consists of four members of staff, though not all staff work exclusively on CDU matters. It has been fully operational since March 2014 and the members deliver advice and guidance to individuals, businesses and social enterprises on developing co-operative business models, including sign-posting to other support as required. The unit has been operating with reduced staff resources since January 2016.²⁴

Figure 4.1: The CDU team structure



4.3 The team also works on wider social enterprise, credit union and financial inclusion issues – all of relevance to co-operatives and the focus of the CDU. As described previously, the CDU sits within Development and Regeneration Services (DRS) and works alongside the Economic and Social Initiatives team.

Budgets and expenditure

4.4 As part the GCC financial commitment to develop the co-operative sector, the CDU has an annual budget of **£300,000** for Co-operative and Social Enterprise Development (Table 4.1). Each year, funding of £250,000 per annum is allocated through the Co-operative Glasgow Business Development Fund (CGBDF). Since 2015/16, £55,000, and then £57,500 in 2016/17, has been allocated towards internal GCC co-operative service development. The budget for CDU also includes scope for discretionary revenue spend (e.g. for training or marketing). Since 2014/15, the actual committed

²⁴ The CDU team's Administrative Development Officer and one Development Officer left the team in October 2016

expenditure has decreased; the final year-end sum for CGBDF commitment is expected to be around £110,000. This is due to a year-on-year decrease in the number and value of grants awarded. The reasons for this are explained below in relation to Table 4.1.

Table 4.1: Budgeted and actual expenditure of the CDU, 2013/14-2016/17

	2013/14		2014/15		2015/16		2016/17	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	YTD ²⁵
CGBDF/ CSDF	£250,000	£255,832	£250,000	£260,000	£195,000	£179,000	£195,000	£95,000
Service development ²⁶	-	-	-	-	£55,000	£18,000	£57,500	£26,500
Other revenue activity	£50,000	£21,000	£50,000	£18,000	£50,000	£17,000	£47,500	£16,000
Total	£300,000	£276,832	£300,000	£278,000	£300,000	£214,000	£300,000	£137,500

Source: CDU client budget and expenditure data

4.5 Expenditure for each year to date has been below budget by an average of 10%. During 2013/14 and 2014/15, actual expenditure for the CGBDF has been above anticipated budget, but this has been offset by lower than anticipated spend against other budget lines.

Overview of activities

The Co-operative Glasgow Business Development Fund and Co-operative Service Development Fund

4.6 The CGBDF was designed as a key instrument for the CDU to promote, develop and support Glasgow's co-operative business sector. Through it, the CDU provides grants of between £2,500 and £25,000 through the CGBDF. All applications for funding are appraised and assessed by the CDU team, and other relevant stakeholders. The fund is used to help start up co-operative businesses. It is also targeted at established co-operatives, mutual societies and provident societies located within the Glasgow City Council area. Here, it supports transformational business change in supported organisations, in areas such as service provision, capability and financial sustainability. The fund also supports the development of activities in other functional areas such as:

- Operations (relating to business start-up, growth and development needs);
- Skills and skills utilisation;
- Marketing and business development;
- Governance and financial controls;
- Service development and expansion; and
- Identifying and accessing new markets.

4.7 There is some flexibility around what the funding can be used for, though it cannot be used to fund new staff. In recent years, the Fund has also been used to assist in the development of co-operative service and project delivery by GCC services.

²⁵ Includes £40,000 of committed spend through CGBDF, and £5,000 in Service development

²⁶ This covers internal GCC service development activity

Grants awarded

4.8 This section profiles co-operative enterprises in Glasgow who have received grant support from the CDU through the CGBDF since October 2013.

4.9 Table 4.2 sets out the profile of awarded grants from October 2013 to March 2017. It shows that over the financial years 2013/14 to 2016/17 a total of **56** grants were awarded to **46** co-operatives and social enterprises totalling **£825,200**. The total amount of grant funding applied for by successful applicants was £1,036,262, meaning an award rate of 80% of requested funds. The average (mean) grant award is **£14,736** over this period. The majority of grant funds were disbursed during 2014/15 – totalling £263,228, or 32% of all grant funds awarded to date. This ranged from £1,992 awarded to a community time-bank to deliver an awareness event, to £54,661 to an employability organisation, for capital equipment purchase.

4.10 Overall, 80% of grant awards have been made to established co-operatives or social enterprises, representing 77% of total funds. The ratio of grants made to established co-operatives has increased overall since the CGBDF's inception, while the proportion of funding has increased slightly. Of the 11 (20%) of grants awarded to start-up co-operatives in the period, the largest proportion of these was awarded during 2014/15. This represents almost half (46%) of all grant monies provided to start-up co-operatives, or 11% of total grant monies disbursed, accounting for £88,371.

Table 4.2: Overview of CGBDF grants awarded, October 2013 to March 2017

		2013/14		2014/15		2015/16		2016/17 ²⁷		Total grants	
Existing businesses	N/£	9	£195,214	18	£174,857	9	£173,909	9	£90,323	45	£634,303
	%	16%	24%	32%	21%	16%	21%	16%	11%	80%	77%
New start ups	N/£	3	£61,552	5	£88,371	2	£22,944	1	£18,000	11	£190,897
	%	5%	7%	9%	11%	4%	3%	2%	2%	20%	23%
Total	N/£	12	£256,766	24	£263,228	11	£196,883	10	£108,323	56	£825,200
	%	21%	31%	42%	32%	19%	24%	18%	13%	100%	100%
Average	£		£21,397		£11,445		£17,898		£10,832		£14,736

Source: CDU client monitoring data

4.11 Since 2014/15, there has been a decrease in the number and value of grants awarded. The proportion of total funding awarded across both 2015/16 and 2016/17 is only 7 percentage points higher than for 2014/15 on its own. This may point to a reduced need for grant support in the sector. However, this contrast with the view from business and stakeholders, as explored in subsequent chapters.

Co-operative Service Development Fund

4.12 Three grants have been awarded under Co-operative Service Development Fund (CSDF), to two internal GCC services – Education Services received a grant to pilot the Scottish Schools of Co-operation (SSC) Award in Glasgow Schools.²⁸ The grant award for this totals £26,500, in two blocks, £17,500 and £9,000.

4.13 The third grant was for £12,500 to Development and Regeneration Services to support marketing for the product launch of the Wee Glasgow Loan. These are small short term loans,

²⁷ Financial year to 10th March 2017

²⁸ <http://www.cets.coop/resources/secondary.html>

specifically targeted at tackling high cost payday lending. Managed by Pollok and BCD Credit Unions, the loans are offered at much lower interest rates than typical payday loans.²⁹

Unsuccessful grant applications

4.14 As Table 4.3 demonstrates, CGBDF grants have been refused to **seven** organisations from October 2013 to March 2017, and a further two organisations withdrew their applications for funding. Of these, only one organisation was awarded any funding (during 2014/15), but the organisation declined to take up their funding award, withdrawing their request. The organisation was dissolved in February 2016. One applicant withdrew its application prior to any decision being made, after being advised that the amount of funding requested was too high. Other reasons for grant funding being declined included not meeting funding criteria, and applications being submitted after activity had finished.

Organisations supported

Co-operative organisations supported through CGBDF closely reflect the make-up of the co-operative sector in Glasgow. Grants made are mainly in the Financial services (largely Credit Unions), Housing and Food and Drink sectors (Table 4.4), three of the four most represented sectors amongst co-operatives. These sectors account for almost three fifths of organisations supported (59%). Those classified as other include organisations in the following sectors: Sports; Retail; ICT & Digital; Education; Community; Transport; Employability (Construction project); and Horticulture.

Table 4.4: Grant beneficiaries by broad sector, October 2013 to March 2017

Sector	Total	%	Total awarded (£)	Total awarded (%)	Avg. grant (£)
Financial Services	15	33%	£268,748	33%	£17,917
Housing	8	17%	£97,642	12%	£8,877
Food and Drink	4	9%	£87,948	11%	£17,590
Charity	4	9%	£94,350	11%	£23,588
Creative Industries	4	9%	£90,550	11%	£15,092
Food Retail	2	4%	£10,492	1%	£5,246
Community	2	4%	£37,974	5%	£18,987
Other	6	13%	£137,496	13%	£13,750
Total	46	100%	£825,200	100%	£14,736

Source: CDU client monitoring data

4.15 **Eight** of the 46 organisations supported have received more than one grant (Table 4.5). All but one organisation received in excess of £20,000 grant funding in total. Of these, a digital media and film production co-operative has received the most in number and value; its funding was used initially to expand its premises to provide a fit-for-purpose working environment, followed by mobile application development and testing.

4.16 A housing co-operative received a similar number and amount of grants, using its awarded funding to develop a community development regeneration strategy, establish a youth co-operative, and most recently expand and improve its estate caretaking service.

²⁹ <http://www.weeglasgowloan.scot/>

Table 4.5: Beneficiaries of multiple grant awards, October 2013 to March 2017

Organisation	Sector	Grants (N)	Total (£)
Organisation 1: Digital media and film co-operative	Creative Industries	3	£45,500
Organisation 2: Housing co-operative	Housing	3	£43,300
Organisation 3: Food wholesale co-operative	Food and Drink	2	£37,500
Organisation 4: Sports equipment manufacturing co-operative	Sports	2	£32,430
Education Services, GCC	Education	2	£26,500
Organisation 5: Housing co-operative	Housing	2	£22,200
Organisation 6: Retail co-operative	Retail	2	£22,066
Organisation 7: Food & plant growing co-operative	Horticulture	2	£19,000

Source: CDU client monitoring data

4.17 As Table 4.6 shows, where employee numbers are known, organisations with five FTEs or less constitute the largest proportion of those supported by the CDU through the CGBDF, accounting for 31% of all supported organisations. A further 23% (11 organisations), had between six and 49 FTEs. Only two medium-sized organisations (those with 50 or more employees) received CGBDF grant support. Excluding these, the average FTEs per co-operative is in line with the wider co-operative base (c.7 FTEs). In the main, organisations tended to have a greater proportion of full-time staff, with only eight organisations (15%) employing more part-time staff. This might be explained by the fact that CGBDF grants are targeted at established co-operatives seeking to undertake a developmental change, and such companies may be more likely to have a greater proportion of full-time staff. Start-up co-operatives generally have a slightly greater proportion of part-time staff.

Table 4.6: Beneficiary organisations size by FTEs

Size	N	%
0 FTEs	2	4%
1-5 FTEs	14	30%
6-10 FTEs	7	15%
11-20 FTEs	1	2%
21-49 FTEs	3	7%
50+ FTEs	2	4%
Unknown	17	37%
Total	46	100%

Source: CDU client monitoring data

4.18 Around 40% of supported co-operatives relied use on volunteers, and more than a quarter have more than 10 volunteers (Table 4.7). The average number of volunteers per supported organisation is 16. This is indicative of the fact that co-operatives often use volunteers as part of their business model.

Table 4.7: Beneficiary organisations by volunteer workforce

Volunteers	No. of organisations	%
0 Volunteers	10	22%
1-10 Volunteers	6	13%
11-20 Volunteers	10	22%
20-50 Volunteers	1	2%
51-100 Volunteers	1	2%
100+ Volunteers	1	2%
Unknown	17	37%
Total	46	100%

Source: CDU client monitoring data

CGBDF impacts

4.19 The evidence from CDU monitoring shows that a number of employment-related outcomes have been realised through the CGBDF funding. To date, **47** jobs or apprenticeships have been created along with **34** volunteering opportunities. In addition, **134** people have undertaken training offered by CGBDF supported organisations, with a further five training sessions delivered to school staff through the work delivered by GCC Education Services and Co-operative Education Trust Scotland. It is important to note that these impacts cannot be wholly attributed to the CGBDF with any degree of certainty. Though supported organisations have indicated a high degree of additionality (see Chapter 5), it is reasonable to assume some impacts may have been realised anyway, or could be attributed to support received from elsewhere – at least five grant beneficiaries have been supported by CDS, for example.

4.20 Considering jobs only, this equates to just over £18,000 per job created by supported organisation, when taking into account spend on grant investment and service development activity. However, this economic measure does not reflect the wider social outputs achieved – and the impacts that these may have. For example, it is estimated by Social Value UK (previously the Social return on Investment (SROI) Network), based on Department for Work and Pensions (DWP) research, that volunteering may be worth up to £13,500³⁰ per volunteer, when considering the value to the individual³¹, and will help to develop employment skills and work experience. It will also address issues around wellbeing, loneliness, and social isolation.

4.21 Further, the findings show that the CGBDF has helped to drive greater community engagement. Two of the supported housing associations have engaged with significant numbers of tenants through survey and outreach work as part of feasibility studies. One housing association undertook a feasibility study for a new community centre. A further housing association undertook a study to investigate the establishment of a new environmental training initiative. Over 1,900 tenants across the two housing associations have been engaged, with a total of 14 community action projects subsequently being developed by one of the housing associations. This likely to have had a positive impact on community participation and cohesion.

4.22 However, detail on the impacts are not available for all projects. Agreed indicators and measures are established on an individual basis for projects, and output data are available for less than

³⁰ <http://www.globalvaluexchange.org/>

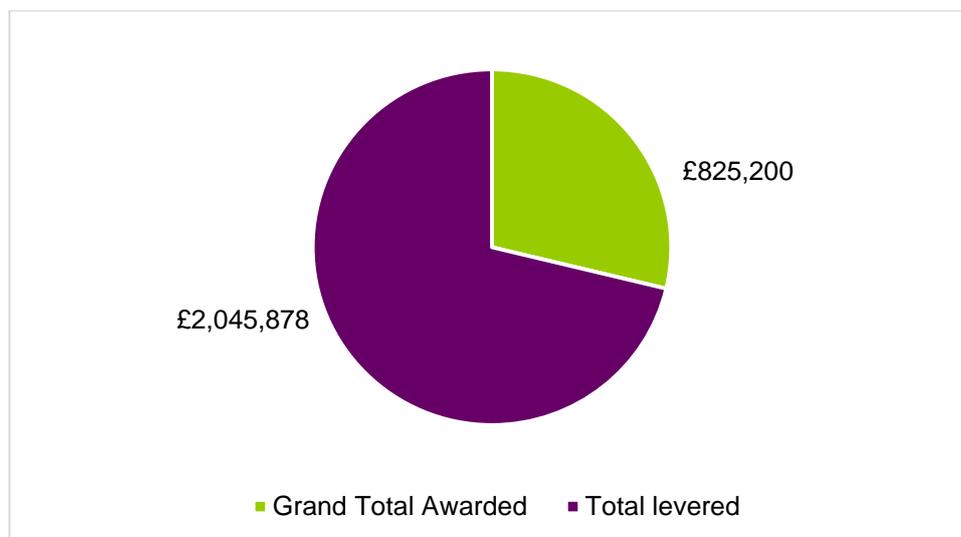
³¹ This is according to wellbeing valuation techniques, which are incorporated into the HM Treasury Green Book. The technique seeks to value volunteering from the participant's perspective using subjective wellbeing data, exploring how the value changes for different groups. It can be considered a benefit to organisations as well as to individuals.

one quarter of beneficiaries (11 in total). This has led to a degree of inconsistency in monitoring, and presents some difficulty in drawing conclusions about outputs achieved.

Funds leveraged

4.23 The CGBDF has levered in a total of **£2,045,878**, a significant sum given the level of investment (Figure 4.2), though there is no data available regarding sources of levered money. On average, the CGBDF levers £36,534 per grant awarded, meaning that every £1 of grant funding levers an additional £2.48, more than doubling the initial outlay through the CGBDF. This represents a very positive degree of leverage and suggests good value for money.

Figure 4.2: Amount leveraged through CGBDF investment, to March 2017



Source: CDU client monitoring data

Wider strategic support activity

4.24 Through its grant-making and wider support activity, the CDU has supported the development and delivery of a number of more strategic and high-profile projects, as part of its objective to further co-operative business models and ways of working in Glasgow.

Glasgow People's Energy

4.25 The largest of these is arguably *Glasgow People's Energy*. This is an energy switching venture aimed at commercial (non-domestic) customers, which was established in December 2015 in partnership with the Wise Group and Citrus Energy through a memorandum of understanding. The organisation provides a dedicated team to support, initially, commercial organisations assess the supplier market and save money on their energy bills. The service sits alongside supports G-Heat, the Glasgow Home Energy Advice Team, which was established to provide independent advice on energy-related issues to householders on a face-to-face basis.³² The energy switching service will eventually expand to domestic customers.



4.26 Though it is not currently constituted as a co-operative for legal reasons, it nevertheless adheres to ethical and co-operative principles, and it is actively exploring how it can become a co-operative in

³² <https://www.g-heat.org.uk/>

the future. To date, the service has made around an £85,000 surplus, and £283,000 savings for customers. Anecdotally, it was reported through consultations that one customer had saved over £7,000 per annum as a result of the service.

Credit Unions

4.27 The CDU has committed considerable resource into supporting the Credit Union sector in Glasgow, though GCC's work in supporting Credit Unions pre-dates the CDU. Overall 23 Credit Unions have been supported by the CDU. Fourteen Credit Unions have received funding through the CGBDF, roughly 30% of the grant beneficiaries.

4.28 The CDU's support of Credit Unions can be seen as strategic. By supporting Credit Unions, the CDU is enabling the Credit Union sector in Glasgow to flourish. This can lead to an increase in local forms of lending, which in turn can drive wealth creation, growth, and retention in local communities.

4.29 For example, since receiving CDU support of over £19,000 to refurbish and upgrade the IT systems in its Royston branch, Pollok Credit Union has seen its membership base grow to 712 from a baseline of 500. Subsequently, its loan portfolio has grown by 6%, and there has been savings growth of 9%. It is also able to offer 13 new products and services. It is important to note that other activities and support may have had a role to play in this growth.



4.30 As identified above, part of the CDU's and GCC's strategy is supporting the Wee Glasgow Loan, a small short-term loan product of up to £600. The intention is to counter the burgeoning culture of pay-day loans. Launched in November 2016, the loan fund (managed by Pollok Credit Union and Bridgeton, Calton and Dalmarnock CU) received over 4,000 applications, with approximately £110,000 loaned, and a further £400,000 being processed within a few months of launch.

4.31 As another example to illustrate the support to Credit Unions, the CDU has supported the Future Savers Glasgow's *Starter for 10* initiative. The initiative deposits £10 for S1 pupils in all Glasgow secondary schools, if they open a savings account at local Credit Union. It aims to encourage a greater saving culture amongst Glasgow's children, and help them develop financial responsibility and financial management skills.



Key projects

4.32 The CDU has supported a number of key projects across its grant investment portfolio and the following sections provide some examples.



4.33 *Avarix* is a start-up co-operative that has spun out of the University of Strathclyde. Formed and incorporated as a consortium co-operative in January 2015, it draws upon student digital technology talent and business expertise – namely consultants that work part time for the university's Enterprise Hub – to provide innovative technology solutions to the digital industry. *Avarix* clients include JP Morgan, Barclays, VISA, Amazon, SkyScanner and the Mozilla Foundation.³³

³³ <http://cdsblog.co.uk/avarix-a-model-approach>

4.34 *Fashioned in Glasgow* was set up by two fashion lecturers from Glasgow Kelvin College. It was formed as a complete support service for fashion start-ups in Glasgow. Fashion businesses can rent studio space with access to industrial machinery, cutting space, discounted fabrics and haberdashery. Fashioned in Glasgow also provides an on-site manufacturing facility that supports small scale production of clothes and textiles for independent designers and students. The company also supports students by offering them work placements. The £19,000 CGBDF start-up grant enabled the business to set-up in premises in the Gallowgate and to purchase machinery and studio equipment.



4.35 *FareShare* is a co-operative project that redistributes quality surplus food to groups working with vulnerable people in and around Glasgow and the West of Scotland. Operating in partnership with Move On, a charity that works with people affected by homelessness and vulnerable young people, the project takes surplus in-date food from manufacturers and retailers that would otherwise be sent to landfill, and distributes it to a wide range of not-for-profit organisations working with vulnerable people. The project currently distributes to 54 organisations known as community food members (CFMs). In May 2016, FareShare moved to new premises, and the CGBDF grant of £55,000 allowed for the installation of walk-in chills, a freezer room, and storage equipment. In partnership with Tesco, FareShare provided all food and water for players and officials at the recent Homeless World Cup held at George Square in Glasgow.

Capacity-building for support

4.36 The CDU has undertaken a range of capacity-building activities to raise awareness and understanding of co-operative business models. It has delivered a number of training sessions jointly with CDS, Community Enterprise in Scotland (CEIS), Martin Meteyard of Co-operative Business Consultants, and the Co-operative College. The training sessions were targeted at Business Gateway, Glasgow City Council/Jobs and Business Glasgow and Social Enterprise advisers, with the aim of increasing their awareness of co-operatives as a possible business model and potentially stimulating the pipeline of new co-operatives. To date, over 100 business support advisers, staff and community groups have participated in the training, which indicates significant reach in to the target group.

Key point summary

4.37 Through its grant-making and wider advice and guidance activity, the CDU has made some real in-roads in supporting co-operatives across Glasgow. By investing more than £825,000, the CDU has been able to support almost 50 organisations. Start-ups account for a considerable proportion of these, and as such, the CDU can be seen to be contributing to the growth of the co-operative sector in Glasgow.

4.38 CDU funds have also leveraged a considerable sum of monies, attracting almost 2.5 times the amount of grant awarded. This is a considerable amount of leverage, particularly so for co-operatives and social enterprises.

4.39 Support for Credit Unions has formed a significant part of the CDU's activity to date, and this has helped to support more local forms of lending, therefore growing and retaining a greater amount of wealth in communities. In addition to this, there have been some high-profile success stories in some of the projects supported by the CDU.

4.40 The available monitoring data from the CDU, including applications appraised and determined in March 2017, indicates that there is a clear trend to decreasing grant take-up. However, as the

subsequent chapter will illustrate, it is far from clear that there is diminishing appetite for grant investment amongst the co-operative business base.

4.41 There is some inconsistency in monitoring, and this makes identification of impacts difficult. Though a core set of indicators was agreed by the Champions Network in November 2015 – including grant take-up, leverage, additional jobs, and volunteers – there has been difficulty in consistently monitoring these to inform reporting as a result of changes in staffing resource available to the team. Commitment of resource to this, and an accompanying systematic approach to data capture would enhance the CDU’s monitoring processes.

5 Impacts on the co-operative sector in Glasgow

Introduction

5.1 This chapter examines the experience and impact of CDU support on the co-operative enterprise sector in Glasgow. The chapter is based on the results of the survey conducted with co-operatives, the majority of which were CGBDF grant recipients and had received advice and guidance. The survey was conducted by telephone and online, through SurveyMonkey.

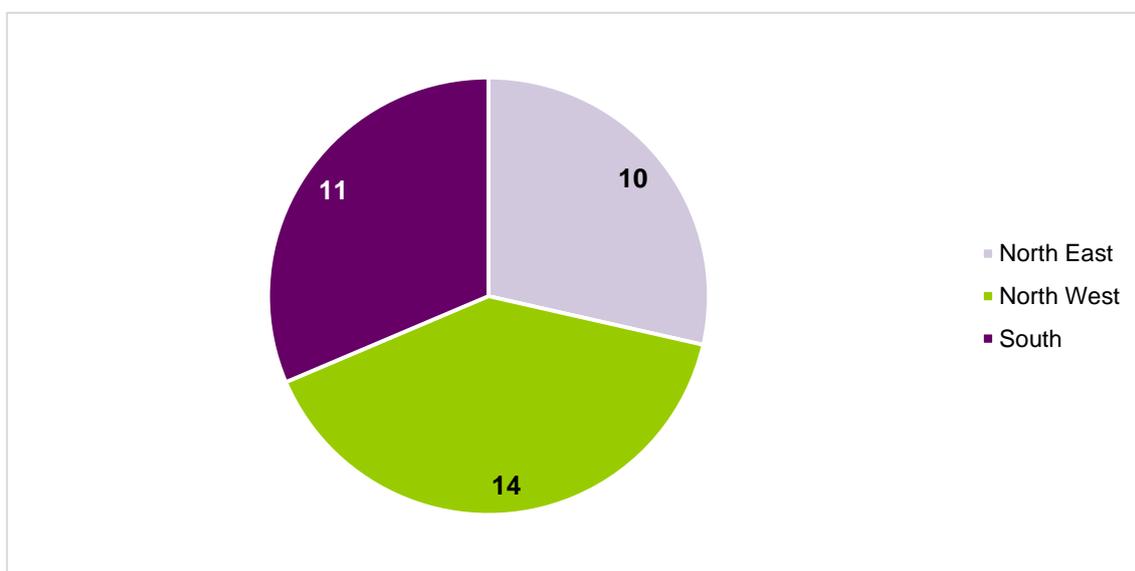
Survey sample

5.2 The telephone and online survey gathered responses from 35 co-operatives. Of these, 28 had received a CGBDF grant (22 co-operatives and six social enterprises), representing around 61% of the total grant recipients. This is a good level of response and gives credible data. The response rate from co-operatives that had not had a grant but had received advice, guidance and signposting was lower with seven of the 51 organisations providing information. This is a response rate from this group of 14%.

5.3 A wide range of types of co-operative responded to the survey. The most common types were industrial and provident societies (23%), financial co-operatives (17%) and community co-operatives (14%). Other survey respondents included worker co-operatives, housing co-operatives, consortia, employee-owned co-operatives and charitable organisations.

5.4 Figure 5.1 shows that survey respondents were drawn from the three Glasgow Community Planning Partnership areas – 14 from the North West area 10 from the North East and 10 from the South area. This is broadly representative of the overall sector in Glasgow, and also the grant recipient profile.

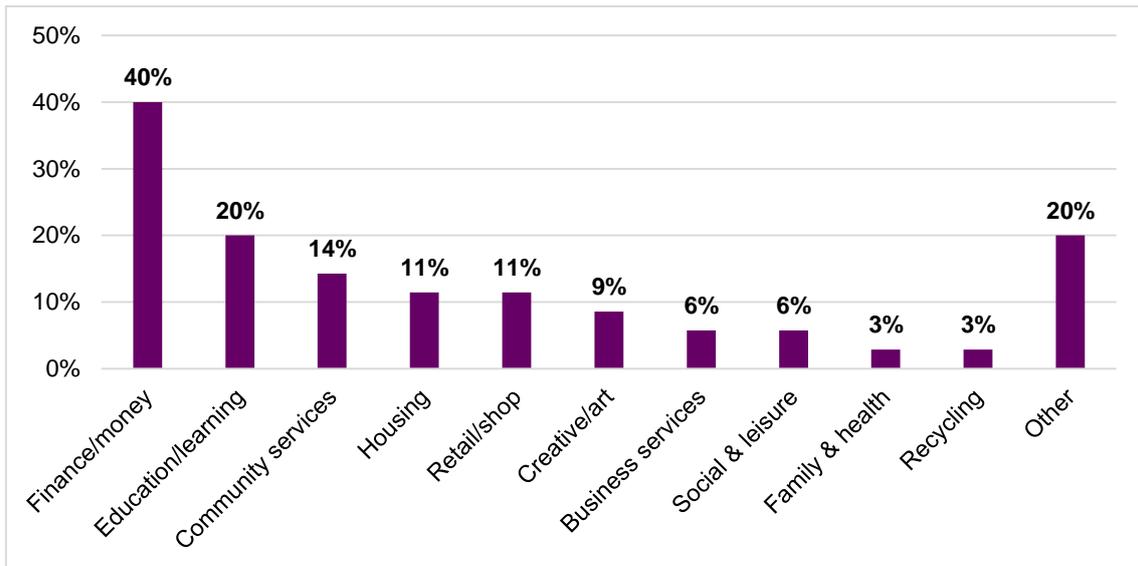
Figure 5.1: Location of survey respondents



Source: *ekosgen Co-operative survey 2017, n=35*

5.5 Survey respondents cover a wide range of business areas, as shown at Figure 5.2. Reflecting the overall co-operative business base as detailed in Chapter 3, the main areas of business are finance/money (40%), education and learning (20%) and community services (14%).

Figure 5.2: Main area of business of survey respondents

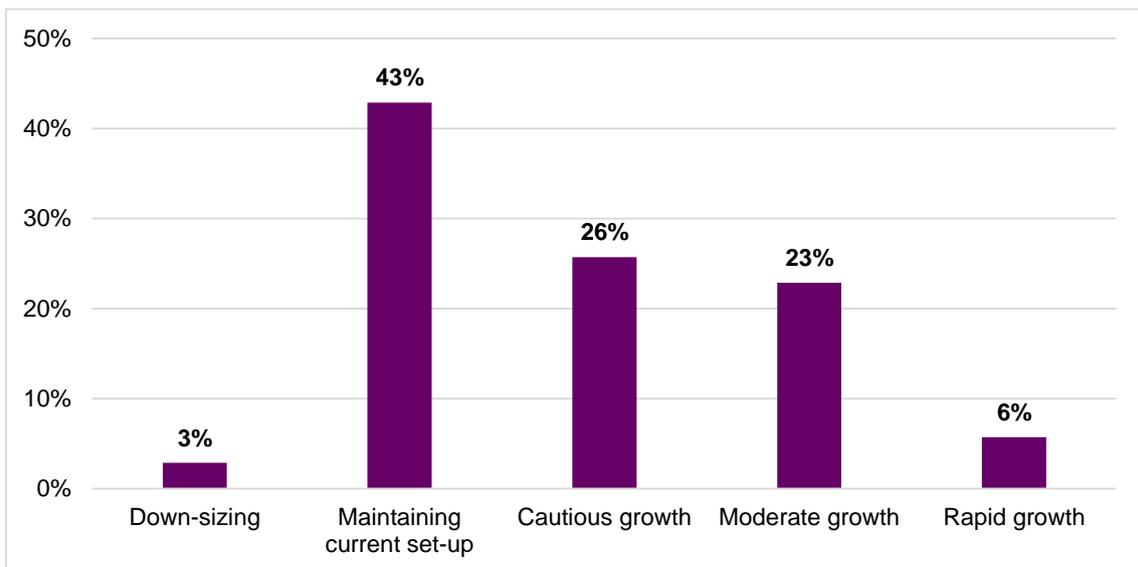


Source: *ekosgen Co-operative survey 2017, n=35*

5.6 As discussed in Chapter 3, the sector in Glasgow is well established and growth has been organic, with a steady number of new co-operatives coming on stream. Half of the survey respondents have been trading for at least 20 years and 17% were established after 2011 so have been trading for around six years or less.

5.7 The current strategy of the majority of co-operatives in Glasgow is consolidation or slow, steady growth. The strategy for almost half (49%) is either cautious (26%) or moderate (23%) growth. A further 43% are seeking to maintain their current set up and size (Figure 5.3). Only one co-operative in the survey reported that it is currently down-sizing.

Figure 5.3: Current business strategy



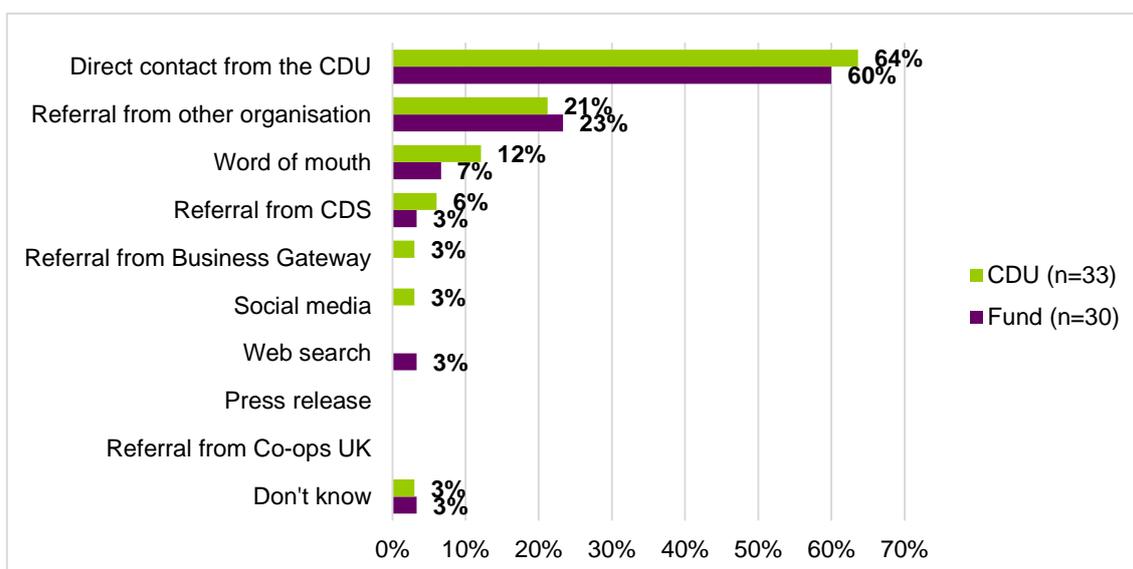
Source: *ekosgen Co-operative survey 2017, n=35*

Awareness of the CGBDF

5.8 The CDU has been proactive in raising awareness of its services and of the CGBDF. It has made good use of links and contacts with other relevant organisations. Of the 35 organisations 33 were aware of the CDU (Figure 5.4). Around two thirds (64%) had become aware through direct contact with the CDU. A further 30% had been referred through other organisations such as CDS, Business Gateway, Glasgow City Council, Firstport, Community Links Scotland and the Glasgow Credit Union Strategy Group. There had also been a small amount of awareness raised through word of mouth. The data therefore indicates that organisations hear about the CDU from a range of intermediaries and that this is a very important route for reaching target organisations.

5.9 Of the 33 survey participants that were aware of the CDU at the time of the survey, 30 also knew about the CGBDF and 27 had accessed it. Of those who had accessed the fund, 60% had been told about it by the CDU, and a further 27% had been referred by intermediary organisations. This demonstrates the strength of CDU's networking and the level of awareness amongst intermediaries. The data however indicates that there is scope to make more of some potential sources of referrals such as Business Gateway.

Figure 5.4: Source of awareness of the CDU and the CGBDF



Source: ekosgen Co-operative survey 2017

Beneficiary experience of support

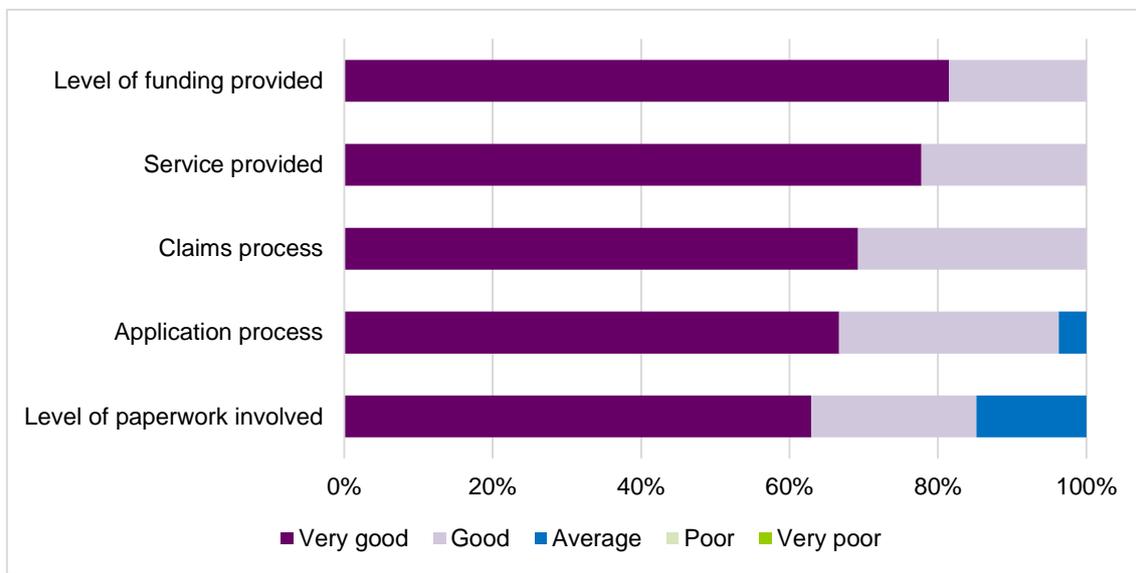
5.10 The CDU delivers a highly valued service, and CGBDF grant recipients have a very positive experience of accessing the fund. Perhaps not surprisingly, the level of funding awarded is valued by recipients, even though they have often not been awarded the full amount they applied for. All recipients rated the level of funding, service provided and claims process as either 'very good' or 'good', as shown at Figure 5.5.

5.11 Respondents did not consider the application process and paperwork to be over-onerous. The vast majority (96%) rated the application process as 'very good' or 'good' and 85% rated the level of paperwork involved as 'very good' or 'good'. Overall, grant recipients thought that the level of paperwork is in-keeping with the grant sum applied for, and that they have been impressed with the speed at which applications are processed. There have also been instances where CDU staff have encouraged co-

operatives to apply to the Fund, when funds have been available, and they know that the co-operative is undertaking eligible activity and project development.

5.12 This is a very positive finding as we know from our work elsewhere that application and claims processes can often be very onerous and complex making the funding difficult to access, particularly for small, less experienced organisations.

Figure 5.5: Experience of grant recipient with the Fund



Source: ekosgen Co-operative survey 2017, n=27

5.13 Typical respondent comments on their experience of the Fund, and with CDU support generally, were as follows:

“It’s great having someone you can just pick up the phone to”
“The paperwork was minimal. Other grant bodies are ridiculous”
“It was very clear what they wanted in the application process”
“They service is very good. They are very hands on. They get it”

5.14 Three survey respondents that had not received a CGBDF grant provided the reasons why. One had applied but was unsuccessful, one did not need funding, and one thought they were too small and not appropriate for the Fund.

5.15 Wider, non-financial support provided by the CDU including advice, networking and signposting support are highly valued by recipients, although they have not been used as widely as the Fund. Conversely, many co-operative enterprises only access the Fund and are not aware of the other support available. Those who have used the support rate it highly, as shown at Table 5.1 (where 1=very poor and 10=excellent).

Table 5.1: Non-grant support accessed from the CDU

Non grant support accessed	Respondents		Rating of support
	No.	%	
No	19	59%	n/a
Yes, of which:	13	41%	n/a
<i>Advice</i>	8	62%	9.4
<i>Networking events</i>	6	46%	8.7
<i>Signposting to other business support</i>	4	31%	8.9
<i>Training</i>	3	23%	7.8
<i>Other</i>	3	23%	n/a

Source: ekosgen Co-operative survey 2017, n=32

5.16 For many small co-operatives, the CDU is the only source of support they have engaged with highlighting its importance to smaller co-operatives. As might be expected, it tends to be larger co-operatives and Credit Unions that are aware of and have accessed support through other providers.

5.17 Other than the CDU, respondents were most aware of Jobs & Business Glasgow (74%). Around half of survey participants had accessed JBG support, ranging from funding; employment and training opportunities for young people; accessing a business support worker; marketing; and business development support. Respondents also had good awareness of Co-operative Development Scotland (59%), Business Gateway (56%), Glasgow Council for the Voluntary Sector (GCVS) and Community Enterprise in Scotland (CEIS) (both 52%). However, this does not necessarily mean that they have received support from these organisations.

Business impacts and benefits (qualitative/non-EIA)

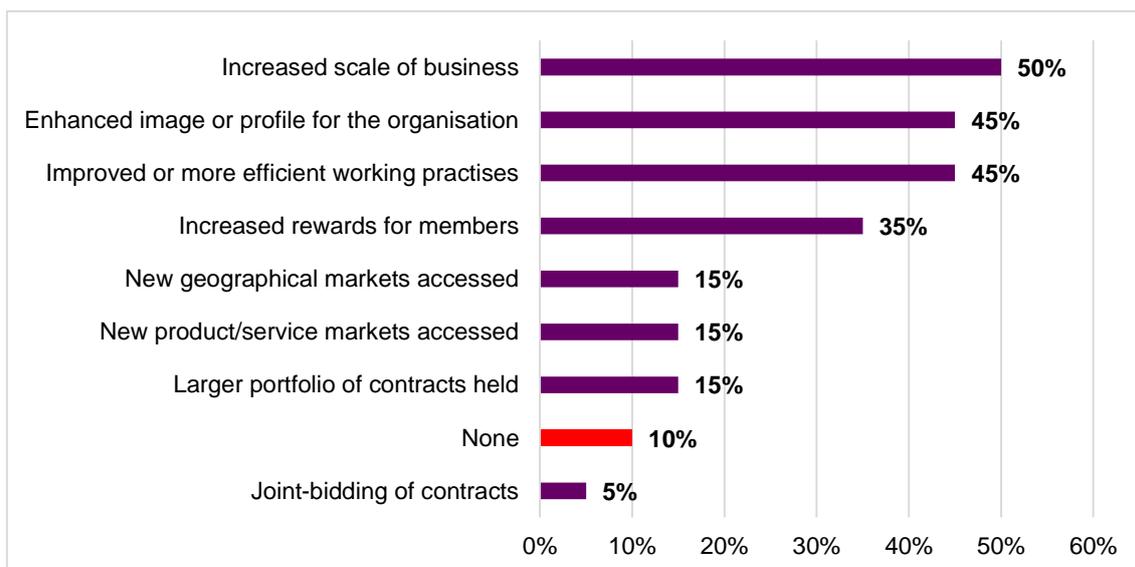
5.18 As detailed in Chapter 4, the Fund has supported a wide variety of projects, from support to starting-up co-operative enterprises to improving and upgrading equipment. Across these projects, beneficiaries report a range of economic and social benefits.

5.19 As well as tangible, hard impacts such as an increase in turnover or the creation of jobs, which are examined in Chapter 6, supported organisations have achieved wider, more intangible economic and social benefits through involvement with the CDU. These benefits are very important and deliver significant value.

5.20 Hard economic impacts such as turnover and jobs are not always the main objective for co-operatives who are often focussed on bringing about social benefits and improving services in and for communities. The following section examines these benefits.

Business and economic benefits

5.21 Eighteen of 20 supported organisations reported that they had achieved economic benefits as a result of CDU support and these are illustrated in Figure 5.6. The most commonly achieved benefits are increased scale (50%) and improved profile (45%) of the organisation. Other important benefits are more efficient working practices and increased rewards for members, such as Credit Union members (both 35%). It is clear then that the CDU is helping co-operatives to accrue business and economic benefits which may contribute to sustainability.

Figure 5.6: Wider economic benefits realised

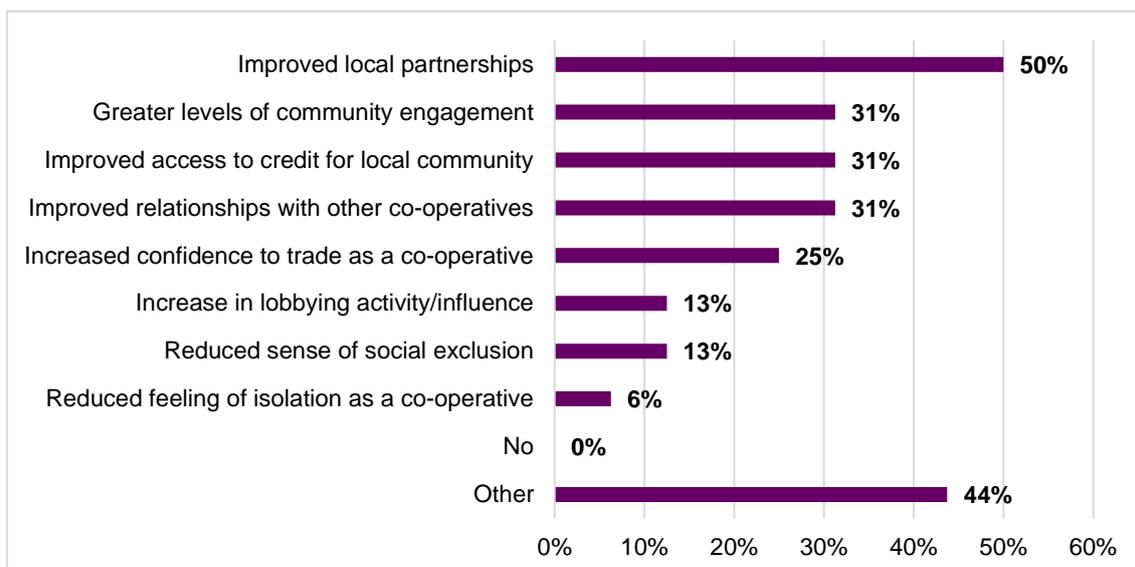
Source: *ekosgen Co-operative survey 2017, n=20*

5.22 Respondents also reported other, wider economic benefits, which included:

- Providing enhanced volunteering and training opportunities
- Increasing membership
- Time efficiencies
- Improved knowledge of product development
- Website development e.g. for recruitment and e-commerce

Wider social benefits

5.23 All respondents surveyed reported wider social benefits as a result of CDU support. The most common benefit reported was improved local partnerships with other co-operatives, businesses, the public sector, cited by half of the respondents (Figure 5.7). Other social benefits reported include greater levels of community participation, greater community access to credit and improved relationships with other co-operatives and interest groups (all 31%). These benefits help to deliver the overarching co-operative values that underpin the sector and increase the community impacts of the organisation.

Figure 5.7: Wider social benefits realised

Source: *ekosgen Co-operative survey 2017, n=16*

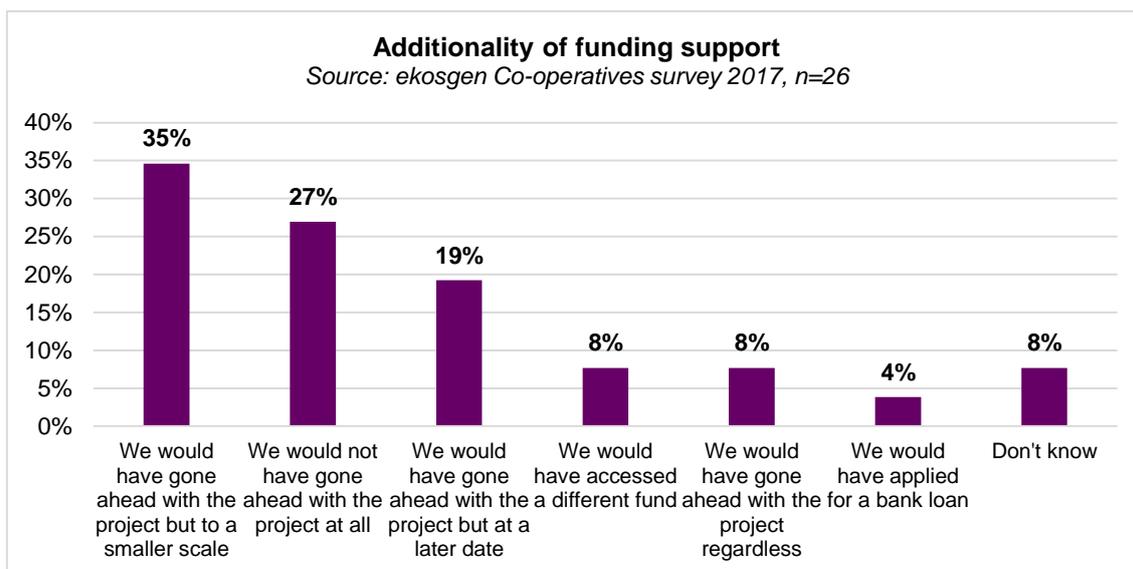
5.24 Other social benefits reported qualitatively are set out below.

- New community centre space to serve the local community
- Waste reduction
- Increased capacity of staff across the organisation through upskilling
- The delivery of free music lessons to local young people
- Increased awareness and reduced stigma of homelessness
- Increased sense of pride in the community
- Increased awareness of Fairtrade amongst school children which may lead to changes in buying behaviours
- Co-operative working amongst staff and with other organisations
- Widening of the services offered and increased capacity

Attribution

5.25 A high proportion of respondents attributed the benefits to the support provided by the CDU (Figure 5.8). Over one quarter (27%) of grant recipients reported that they would not have been able to implement the planned project without CDU support. This includes two co-operatives that would not have set-up without the support. Half of the grant recipients in the survey would have gone ahead with the project without CDU support but on a smaller scale or it would have taken longer.

5.26 Three grant recipients (12%) said they would have tried to access either an alternative fund or a bank loan in the absence of the CGBDF, although they were unsure of what other funds might be available. Two recipients (8%) said that they would have gone ahead with the projects regardless of CDU support, although one stated that they would have had to redirect finance from another area of the organisation.

Figure 5.8: Additionality of funding support

Source: *ekosgen Co-operative survey 2017, n=26*

5.27 The evidence points to a high degree of additionality, but this should be treated with a degree of caution. As discussed in relation to Table 5.1 and in Chapter 4, a number of supported co-operatives have received support from other support organisations. Consequently, it is difficult to separate the impacts of CDU support from the impacts attributable to other sources and types of support.

Barriers to support and growth

5.28 If co-operatives in Glasgow are to maximise their potential, then they need to be able to access a continuum of support when they require it to meet their needs and circumstances at that time. This includes referrals to CDU and other specialist support coupled with specialist and more general support going forward.

5.29 As illustrated in Figure 5.4 and by the qualitative research, there have been inconsistent flows of referrals to the CDU, whether from Business Gateway, Jobs & Business Glasgow, CDS or other support organisations. The reasons for are unclear and this is discussed more fully in Chapter 7. It is likely to in part be due to a lack of understanding of co-operatives as a business model, and the limited awareness of their economic and social potential. This issue was identified in *ekosgen's 2015 evaluation of Co-operative Development Scotland for Scottish Enterprise*.³⁴

5.30 Prior to Spring 2016, grant applicants, recipients and CDU clients were advised of pre and post business support agencies and there was no formal process for aftercare or support once co-operatives had received CBGDF funding. This is now included in appraisal and grant acceptance forms, and grant recipients are allocated a business advisor from either Jobs & Business Glasgow, Business Gateway or Community Enterprise in Scotland (CEiS). CDU also signposts grant recipients to other support providers, where the needs are beyond the scope of the CDU.

³⁴ *ekosgen (2015) A study of the contribution of co-operative models to Scotland's Economic Strategy and evaluation of Co-operative Development Scotland for Scottish Enterprise*

Future needs and priorities

5.31 There is a significant role for the CDU, and other organisations, to play in supporting the co-operative sector in Glasgow. Respondent organisations cited increasing sales, accessing finance for growth and developing new markets as the most common challenges they are currently facing. All of these challenges can, and are addressed through organisations accessing the CGBDF and wider support offered by the CDU but there remains a need to continue to focus on tackling the barriers and challenges faced by the sector.

Figure 5.9: Current co-operative challenges



Source: *ekosgen Co-operative survey 2017, n=30*

5.32 On the whole, co-operatives reported fewer support needs in the 2017 survey than in 2014, indicating that CDU and perhaps other have filled some of the gaps in support.

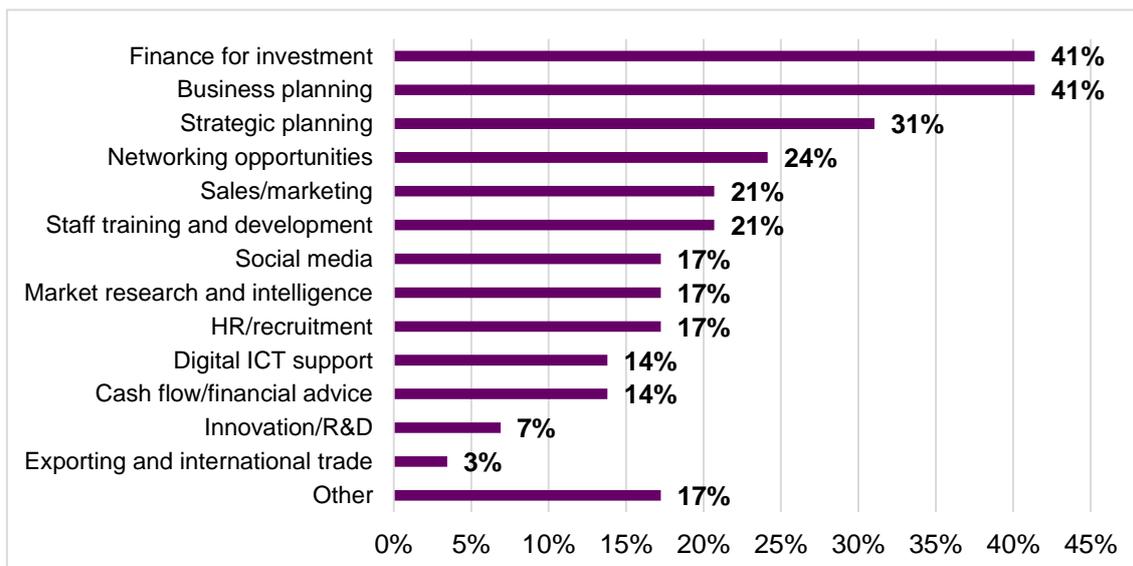
5.33 There is strong support across all of the stakeholders for funding support to continue. In the survey, 41% of respondents stated that they would benefit from financial support in the future, and funding was the most common form of support reported as being needed. All grant recipients surveyed said that they would apply for funding in the future, where they have an eligible project requiring funding support. There may be scope for targeted rounds or tranches of funding to support specific activities such as start-up, networking and product or service development. This might encourage focused funding applications, and could be used to address the most common sector support needs (see Figure 5.10).

5.34 A small number of stakeholders (not co-operative enterprises) consulted in the research perceive that there is no longer a need for grant funding as in their view, the co-operative market has been saturated in terms of grant funding. Whilst it may not be surprising that co-operatives themselves report a continued need, there was also strong support for the retention of some funding support from

the majority of stakeholders although there is recognition of the implications of the pressure on public sector budgets.

5.35 There is also a role for the CDU in supporting co-operative enterprises with business planning (reported as a future support need by 41%) and strategic planning (31%). As with the 2014 research, support for networking is still needed, particularly amongst smaller co-operatives and a key priority has to be developing collaborations and co-operative working between Glasgow's co-operatives and with other organisations. The CDU remains well equipped to satisfy this demand, through networking events, forums and acting as an information body for the sector in Glasgow.

Figure 5.10: Support that would be beneficial in the future



Source: *ekosgen Co-operative survey 2017, n=29*

5.36 Another gap identified in the study is a need for leadership development support which is not offered by CDU but is available from other organisations such as Business Gateway and Scottish Enterprise – though in the case of SE this is normally targeted at high-growth and account-managed organisations. In terms of delivery there is a clear appetite for more mentorship support in the sector. This is illustrated by the following comments:

“There is a gap with business advisors/mentors, more ‘hands on’. Someone who understands the co-op model and their USP”

“Mentor supporting support to key people in the organisation”

“[A current weaknesses in the type of support available (sic)] is mentor support”

“Successful co-ops could be used as mentors for some organisations who are early in their development”

Key point summary

5.37 The CDU deliver a highly valued service, and grant recipients have had a very positive experience with the CGBDF, particularly with the level of funding available, the service provided and the claims process. The application process is not over-onerous and the level of paperwork compares favourably to other funds that have been accessed.

5.38 Wider, non-financial CDU support such as advice, networking and signposting are also highly valued by co-operatives, although they have not been used as widely as the Fund. There is a need for the CDU to raise awareness of their wider services, as many co-operative enterprises just access the Fund and are not aware of the other support offers available

5.39 The signposting and relationship building role of the CDU is particularly important, as the CDU is the only engagement that many small co-operatives have had with support providers. It tends to be larger co-operatives and Credit Unions that are aware of, or have accessed, support available through other providers, particularly Jobs & Business Glasgow, CDS, Business Gateway, GCVS and CEIS.

5.40 The Fund has supported a wide variety of projects and there is a high attribution of benefits by beneficiaries to the grant support provided by the CDU. The vast majority of grant recipients state that they would not have gone ahead with their planned project, or it would have been to a smaller scale or a later date, without the support from the Fund.

5.41 As well as tangible outcomes, co-operative enterprises have achieved substantial wider economic and social benefits as a result of CDU support, and these are often key objectives of the co-operatives. Common economic benefits achieved have been an increase in the scale and profile of the organisation, more efficient working practices and increased rewards for members, while common social benefits have included improved local partnerships, greater levels of community participation and access to credit, and improved relationships with other co-operative organisations.

5.42 The CDU have been successful in promoting themselves. There is good awareness of the CDU and the Fund amongst the co-operative sector in Glasgow, and the majority of this awareness has come from direct CDU contact. A small number have been referred from other organisations, such as Business Gateway and Jobs & Business Glasgow but there have been inconsistent referral flows from these sources. Improving business advisor's knowledge and understanding of co-operative models could help to increase these referrals.

5.43 The very low survey response to the survey from non-grant recipients is reflective of non-engagement with CDU where no grant is awarded. This is a finding in itself – grant recipients are very engaged with CDU, while other non-recipient co-operatives understandably are likely to be less engaged. This represents an opportunity for the CDU to broaden its support reach.

5.44 Although the CDU can signpost to other support, grant recipients have only had formal aftercare or follow-on support since Spring 2016. CDU can and does also signpost to other support providers, where the needs are beyond the scope of the CDU, although co-operatives do not always take up this support.

5.45 There is still a role for the Fund to play in the co-operative sector in Glasgow. Increasing sales, accessing finance for growth and developing new markets are the greatest current challenges in the sector, and these can be addressed through the Fund. Similarly, almost half of co-operatives would benefit from financial support in the future, the greatest support demand. A refreshed approach for the

CGBDF is needed, and having targeted rounds of funding could be an effective method of addressing the most common sector challenges and encouraging focused funding applications.

5.46 CDU support to the sector is relevant and required, and co-operative enterprises report very few support gaps by subject area. However, in terms of the way support is delivered, there is a definite appetite for more mentorship support, a gap which can be filled by the CDU.

6 Economic impact assessment

Introduction

6.1 This chapter sets out the economic impact of the CGBDF over the period 2013/14 to 2016/17. It is based on 23 usable survey responses, representing a total of 29 grant awards, and attributes these impacts up to the full population of co-operative enterprises supported.

Range of impacts calculated

6.2 As well as the wider economic and social benefits achieved as a result of CDU support discussed in Chapter 5, respondents were asked about hard, tangible impacts achieved and forecast. These include an increase in turnover and profit/surplus, cost savings, and employment and volunteer positions created or safeguarded as a result of the support received.

Impacts to date

6.3 Respondents were asked if they have achieved any impacts to date as a result of CDU support. 16 of 23 (70%) respondents had achieved impacts to date. The most common impacts were an increase in turnover and the creation of employment and volunteer positions.

Table 6.1: Impacts achieved to date

Impacts achieved to date	Number	%
Yes, of which:	16	70%
<i>Increase in turnover</i>	11	69%
<i>Increase in profit/surplus</i>	5	31%
<i>Cost savings</i>	7	44%
<i>Jobs/volunteer positions created</i>	10	63%
<i>Jobs/volunteers positions safeguarded</i>	6	38%
None	7	30%

Source: ekosgen Co-operative survey 2017, n=23

6.4 Respondents were asked if they have achieved any impacts to date as a result of CDU support. 16 of 23 (70%) respondents had achieved impacts to date.

Additionality

6.5 With all business support products or services, it is likely that a proportion of the impacts would have occurred anyway (i.e. without the support of the CDU), and this is called the impact **deadweight**, or non-additionality. This is derived from individual survey responses, and, in this case, there is a very high additionality of support from the Fund. Respondents were asked the extent to which impacts would have been realised in the absence of CDU support, and responses are shown at Table 6.2.

Table 6.2: Additionality of impacts to date

Additionality levels	Number	%
Impacts would not have occurred at all	5	31%
Impacts would have occurred later	6	38%
Impacts would have occurred to a smaller scale	4	25%
Impacts would have occurred to a lesser quality	0	0%
Impacts would have occurred anyway without the CDU	0	0%
Don't know	1	6%

Source: *ekosgen Co-operative survey 2017, n=16*

6.6 For respondents who reported that the impacts would have occurred later, to a smaller scale or to a lesser quality, they were asked to quantify this change. An adjustment was then applied to the impacts to determine the extent of deadweight. For example, if impacts would have occurred at a 50% smaller scale without CDU support, then deadweight is calculated at 50%. In line with Scottish Enterprise guidance, non-deadweight for time additionality is applied at 10% per annum. For example, if impacts would have occurred two years later without support then deadweight is calculated at 80% (i.e. 20% of the impacts are additional at this stage). Deadweight ratios examples are shown at Table 6.3:

Table 6.3: Deadweight ratios

Answer 1	Answer 2	Deadweight
Impacts would not have occurred at all	n/a	0%
Impacts would have occurred later	By up to 1 year	90%
	By 2 years	80%
	By 3 years+	70%
Impacts would have occurred to a smaller scale	75% smaller	25%
	50% smaller	50%
	25% smaller, etc.	75%
Impacts would have occurred to a lesser quality	n/a	50%
Impacts would have occurred anyway without the CDU	n/a	100%

Source: *Scottish Enterprise economic impact assessment guidance*

6.7 Overall, the deadweight of CDU support is calculated at **43%**. This seems a sensible level of deadweight, given that some impacts are entirely additional (for example, one co-operative would not have set-up in the first place without CDU support), and there is also a significant level of low time additionality (e.g. CDU support has brought forward the realisation of impacts by one or two years later). This level of deadweight compares favourably to a number of business support offers, including *ekosgen's* 2015 evaluation of CDS, which estimated a 45% deadweight impact of support received by co-operatives in Scotland.

6.8 Aside from deadweight, it is likely that there will be a proportion of the impacts that are accounted for by reduced impacts elsewhere in the target area, and this is called **displacement**. These are the impacts estimated by respondents to be achieved at the expense of competitors based in Glasgow City (i.e. a zero-sum game for Glasgow City). For CDU support, displacement is estimated to be very low, calculated at **8.5%**. Again, this compares favourably to the 43% displacement estimated in the evaluation of CDS.

6.9 This low level of displacement is due to a number of reasons. Firstly, Credit Unions generally tend to serve a specific local membership base, and so an increase in members of loans for one Credit Union does not usually offset that of another Credit Union. Secondly, many non-Credit Union co-

operative enterprises are community based providing a service for a particular area, and so are not in direct competition with co-operative enterprises in the same sector operating in another area of Glasgow.

Forecast future impacts

6.10 Respondents were asked about expected future impacts over the next three years as a result of CDU support. In total, 13 of 23 (57%) respondents were anticipating future impacts as a result of the support, while six (26%) were not expecting impacts, and the remaining four (17%) were unsure.

Table 6.3: Forecast future impacts (survey cohort)

Forecast impacts achieved	Number	%
Yes, of which:	13	57%
<i>Increase in turnover</i>	10	77%
<i>Increase in profit/surplus</i>	8	62%
<i>Cost savings</i>	4	31%
<i>Jobs/volunteer positions created</i>	7	54%
<i>Jobs/volunteers positions safeguarded</i>	5	38%
None	6	26%
Unsure/too soon to say	4	17%

Source: *ekosgen Co-operative survey 2017, n=23*

6.11 One of the projects forecasts construction jobs – 17.5 construction jobs for 1.5 years. These are not sustainable jobs, although they amount to 26.25 construction years (17.5 x 1.5 years), and with a sustainable job lasting for ten years, this equates to 2.6 FTEs. Grant recipients are confident that these future impacts will be realised. On average, respondents were 88% confident that the stated impacts would occur, and individual confidence levels are applied to future impacts to account for optimism bias.

6.12 As with impacts to date, there is a high degree of additionality reported for future impacts. Respondents were asked the extent to which future impacts would be realised in the absence of CDU support, and responses are shown at Table 6.4.

Table 6.4: Additionality of future impacts (survey cohort)

Additionality level	Number	%
Impacts will not occur at all	3	23%
Impacts will occur later	6	46%
Impacts will occur to a smaller scale	4	31%
Impacts will occur to a lesser quality	0	0%
Impacts will occur anyway without the CDU	0	0%

Source: *ekosgen Co-operative survey 2017, n=13*

Combined actual and forecast impacts

6.13 Combining net impacts that have been achieved to date and those that are forecast over the next three years, gives the total impacts for the survey cohort set out at Table 6.5.

Table 6.5: Net actual and forecast impacts (survey sample)

Impact	Actual	Forecast	Combined
Increase in sales/turnover	£2.21m	£1.76m	£4.00m
Increase in profits/surplus	£0.24m	£0.08m	£0.31m
Cost savings	£0.04m	£0.03m	£0.07m
Jobs/volunteer positions created	18.3	20.4	38.8
Jobs/volunteer positions safeguarded	125.9	6.3	132.2

Source: *ekosgen Co-operative survey 2017, n=23*

Grossed up economic impacts

6.14 In order to fully capture the impact of the Fund over the period 2012/13 to 2016/17, the combined actual and forecast impacts shown at Table 6.5, based on 29 grant awards to 23 co-operative enterprises, need to be grossed-up to the full population of grants awarded – 56 awards to 46 supported co-operative enterprises. The results are shown at Table 6.6.

Table 6.6: Net actual and forecast impacts (full population)

Impact	Actual	Forecast	Combined
Increase in sales/turnover	£4.27m	£3.41m	£7.67m
Increase in profits/surplus	£0.46m	£0.15m	£0.61m
Cost savings	£0.08m	£0.06m	£0.14m
Jobs/volunteer positions created	35.4	39.5	74.9
Jobs/volunteer positions safeguarded	243.1	12.3	255.3

Source: *ekosgen Co-operative survey 2017*

6.15 The 56 CGBDF awards are estimated to have achieved to date, and forecast over the next three years, a total increase in turnover of just under £7.7 million. This equates to a £600,000 increase in profit or surplus.

6.16 There is a significant jobs and volunteers impact of CDU support. 75 FTE job or volunteer posts have, or expect to be, created, and a further 250 employment or volunteering positions have been safeguarded as a result of the Fund.

Return on investment

6.17 Applying the typical turnover-to-GVA ratio of 3:1 gives an approximate GVA increase of just over £2.5m, as shown at Table 6.7. Over the four year period from 2012/13 to 2016/17, the CGBDF has awarded £834,332 in grant funding to co-operative enterprises in Glasgow City.

6.18 This equates to an overall Return on Investment of £3.10 to the Glasgow City economy for every £1 of public money spent through the Fund. This is slightly lower than the evaluation of CDS which estimated an overall return of £4.40 for every £1 of public funding, although this was to the Scottish economy, and so impacts are likely to be greater spread over a larger geographical area.

Table 6.7: Net actual and forecast impacts (full population)

Indicator	Combined
Increase in sales/turnover	£7,671,523
Increase in GVA	£2,557,174
Investment of CGBDF	£834,332
Return on Investment (ROI)	£3.10 : £1

Source: ekosgen calculations

7 Supporting co-operative values and Glasgow's 'Co-operative Council' approach

Introduction

7.1 This chapter explores the strategic contribution that the CDU has made in driving GCC's Co-operative Council approach, and supporting the uptake of and adherence to co-operative principles in the City. This activity is aligned with its support of co-operatives, and is concerned with creating an environment in which co-operatives can flourish, as well as identifying and embedding new ways of working and delivering Council services. It draws on a range of stakeholder consultations undertaken with stakeholder during the course of the evaluation. The list of stakeholders consulted can be found in Appendix 2.

CDU and its strategic contribution

Perceptions of the CDU

7.2 The CDU makes a strong strategic contribution to the support of the co-operatives and co-operative working in Glasgow. It is well-regarded amongst all stakeholders and partner organisations consulted with as a result of the work it has undertaken since its formation, and it is considered to be making an important contribution in the development of the sector. It is also acknowledged to have good, strong linkages with GSEN and other Glasgow- and Scotland-wide support organisations.

7.3 The CDU team is seen as "committed and enthusiastic", and through its work it is seen as influential in the co-operative sphere generally, and also within the Council. Its work in supporting co-operatives and co-operative culture and values is perceived to be innovative – and brave. In spite of the growing popularity of Co-operative Council approaches, co-operative ways of working are perceived by some as going against convention – the view that Councils can and should provide as many services as possible, and that they are the best-placed organisations to do so. This is perhaps in part a function of how public sector service delivery has evolved over the long term. However, financial constraints and the current capability of public sector organisations mean that this is not necessarily the case at present, and other organisations may be better placed to deliver certain services. In this regard, the CDU can be considered innovative in how it is promoting different, and co-operative ways of working.

7.4 Its active participation within the CCIN will certainly serve to enhance this position. Through its commitment to championing co-operative principles, and its active participation in Network, the CDU is now highly regarded in the UK-wide CCIN, and it is gaining UK-wide recognition. Also, its ongoing participation will allow the Council to both learn from and demonstrate best practice. The CDU is therefore a well-regarded advocate of co-operative values and businesses.

Meeting a need in co-operative business support

7.5 The CDU provides a much needed business support function for co-operatives. The 'space' that the CDU occupies in support landscape is a real strength – it is one of very few local co-operative support organisations in Scotland, effectively providing a co-operative business support service, and is uniquely positioned to support co-operative start-ups. There is a perception amongst stakeholders that without it there would be a gap in business support provision for co-operatives. This goes beyond the expert co-operative guidance and grant funding dissemination through the CGBDF. The CDU signpost to other advice and guidance available through Co-ops UK, CEIS, etc., where additional co-operative support is needed. The CDU is also seen by stakeholders as being adept at leveraging support from CDS,

and more widely from Business Gateway, and Jobs and Business Glasgow where more mainstream business support is needed. In this sense, the CDU have positioned themselves in a complementary role, and their intention to not duplicate other offers is recognised as being successful.

7.6 Further, it is able to fill a gap where CDS is not able to operate. CDS focuses its delivery on the main co-operative models: supporting the establishment of employee-owned companies, encouraging the development of consortia, and community co-operatives. Support for the latter is somewhat limited, and has generally occurred in more rural areas. Where co-operatives in Glasgow fall outwith the scope of CDS's operation and remit, CDS are able to refer to the CDU, such as on the tentative student housing co-operative. CDS see this as a really positive feature of support for co-operatives in the city, and consider the CDU as its 'go-to' partner:

"In Glasgow, local support for co-operatives is far ahead of all other areas in Scotland... CDU bridges a gap in the support that is available for co-operatives."

7.7 Some of the organisations and projects that the CDU has supported are seen by stakeholders as strategically important, and its support for Credit Unions is singled out as a particularly important example of this. Growing the lending capability of Credit Unions across Glasgow, and supporting initiatives such as the Wee Glasgow Loan are helping facilitate access to affordable lending, which in turn helps to retain and grow wealth in Glasgow's communities, and builds financial inclusion. This is held by some stakeholders to be a critical component of a more sustainable form of economic and community development.

7.8 However, it is arguable that there is still a limited offer to co-operatives in mainstream business support. Though some individual advisers may be well-versed, the level of expertise and awareness is not consistent. This is in spite of CDU's efforts to engage with business advisers across Glasgow, and build their capacity and knowledge in dealing with co-operatives and social enterprises. This resonates with a similar finding in our previous work in evaluating CDS and the contribution of co-operatives to the Scottish economy.

Additionality

7.9 Also, through its wider support delivery, findings from the survey indicate that there is a high degree of additionality as a result of support through the CGBDF, suggesting real added value of the CDU's activity. However, this should be read with a degree of caution: additionality is ascribed by the beneficiaries, but it is difficult to fully attribute economic benefits realised to the CDU's activity. A number of beneficiaries have also been supported in some way by other organisations, and it is difficult to fully determine the full range of support accessed from all sources, even where the CDU have signposted to these services. Nevertheless, the benefits that have been realised should be seen as a real success, and the CDU should be commended.

Awareness and understanding

7.10 Through its strategic and support activities, the CDU is seen as having achieved a degree of success in raising the awareness and understanding of co-operatives in Glasgow. Co-operative principles are now an integral part of the Council's Strategic Plan, and GCC's Service units are increasingly exploring co-operative delivery, e.g. shared management of parks and open spaces, through Land and Environment Services. The rate of growth of co-operatives in Glasgow also provides evidence to suggest that co-operative business models are being considered on a more regular basis. However, it is arguable that there is still a considerable deal to achieve on awareness-raising front, and

the following sections show with regard to understanding co-operatives, the CDU itself, and also support pathways for co-operative businesses.

Co-operatives

7.11 The CDU's objective to raise awareness of co-operative business models should be considered a work in progress. Evidence from consultations indicate that there is much scope to develop greater understanding of co-operatives and what they can potentially deliver, and the CDU has a key role in achieving this. However, they concede that it is not a task solely for the CDU; despite what CDU, GCC, and indeed other organisations such as CDS and Co-ops UK do, co-operative business models are still an unknown quantity for a range of businesses. A lack of understanding remains – the understanding of co-operatives amongst businesses and the general public is often restricted to the most common and high-profile examples, such as the Co-operative Group, John Lewis or Scotmid.

7.12 That said, stakeholders believe that the model has potential to grow steeply, and move into a wide range of sectors in Glasgow. That the current make-up of the co-operative sector in Glasgow is much the same as three years ago suggests that this is not happening at present – there is no growth in new sectors, and no change in the sectoral make-up of Glasgow's co-operative ecosystem. Consequently, the CDU and GCC – in its capacity as a Co-operative Council – can and should do more to promote co-operative business models and ways of working. This is explored in detail later on with regarding communications.

The CDU

7.13 Similarly, whilst the CDU and its partners have achieved a greater awareness of its existence, more can be done to communicate and raise the profile of CDU and its work, outside its immediate stakeholder. Amongst consultation respondents, there was a feeling that there is still limited awareness of the CDU, and what it does. One consultee suggested that though it has had success in supporting and growing the co-operative sector in Glasgow, more widely the CDU's profile was quite low. There was a suggestion from another consultee that the CDU "lacks community reach", and that more could be done with communities, particularly in terms of maximising the opportunities presented by the Community Empowerment (Scotland) Act 2015.³⁵ This is led by GCC's Democratic Services and Community Planning teams, though CDU is represented at Community Asset Transfer meetings.

Support pathway for co-operatives

7.14 Whilst CDU is considered to work well in leveraging assistance from wider support organisations, there is a sense from some consultees that there needs to be greater clarity on the co-operative support landscape. Specifically, CDU's position in the business support pathway is not clear. There is an inconsistent flow of co-operative organisations and community enterprises to CDU for support. If support organisations are not aware of co-operative models as a viable option for businesses, fewer will refer clients to the CDU for support; if co-operative organisations are not aware of the CDU or what it can offer, then they will not necessarily know to seek out assistance from them.

7.15 Conversely, there is no clear onward pathway from CDU assistance to additional and wider support. That is not to say that the CDU do not signpost and refer effectively, rather there is not the same consistent messaging and referral route that accompanies mainstream business support and the growth pipeline; i.e. there is no agreed or common destination post-CDU support. Further, there is a perception that there is need for more aftercare for co-operatives who receive grant funding. Formal aftercare processes have been in place since April 2016, including named business advisors for start-

³⁵ <http://www.gov.scot/Topics/People/engage/CommEmpowerBill>

ups, and grant recipients since April 2016. Nevertheless, greater consideration can be given to how and where CDU can refer supported organisations and provide additional support to, particularly following support through CGBDF grants.

Improving communications

7.16 To address the issues around awareness and understanding of co-operatives and the CDU identified above, there is a consensus amongst stakeholders that more and better marketing is needed. There needs to be a more constant and consistent reinforcement of the CDU's message, and there is a perception that this doesn't happen. Certainly, the frequency of publication for CDU's own newsletter has been impacted by staff resource availability, but this is only one channel.

7.17 One consultee in particular highlighted the case of GCC's Co-operative Council approach. They felt that beyond the initial announcement of adopting co-operative principles and becoming a Co-operative Council, they recognise that there is work being undertaken, but have no idea of what progress is, or indeed achievements or impact. It was suggested by consultees that to overcome this, a more co-operative approach to communications could be adopted.

7.18 It was also felt that communication across the piece needs to improve. A number of existing channels and tools were identified by stakeholders, which can be used to further promote the CDU and co-operatives, if used in a co-ordinated manner. These include guest blogs, case studies, more frequent news bulletins, better use of social media, etc. These tools can be used to better showcase not only co-operatives, but the team themselves. Many of these communications channels are managed by partners. A more co-ordinated and co-operative approach to communications could result in a more effective dissemination of the message around the benefits of co-operatives, and how the CDU can help.

7.19 There was also a perception that there is a disconnect between the existing Co-operative Glasgow communications strategy, and the main GCC communications strategy. It was felt by some stakeholders that there could be better co-ordination with GCC's corporate communications team to better promote the CDU's work, and that of the Co-operative Glasgow approach.

Delivering the Co-operative Council

7.20 The Co-operative Council work being undertaken by the CDU, and GCC's move to become a Co-operative Council is seen by stakeholders as giving Glasgow credibility. By supporting fairness, equality and equity through a driving cultural change in how the Council operates, there is a perception that GCC is making a serious commitment to bettering society, and improving the city for all, and this should be commended. At this point, we would expect no clear evidence to indicate this has been achieved, as this is necessarily a long-term project. This was probed during consultations, but there is no hard data to support this as yet. Nevertheless, there was a consensus amongst that the CDU and GCC are on the right track.

7.21 However, the cultural change within the Council that is required should not be underestimated. There are a range of organisational, cultural and procedural barriers that need to be overcome. One consultee noted that the Co-operative Council agenda "has been subject to same sorts of challenges as any cross-cutting policy agenda, but this has been made worse by the lack of understanding on what co-operatives are and do". In this regard, some consultees note that there is a danger that some people see it as "just another initiative", or that co-operative working is viewed a just "working together", and thus "something we do already".

7.22 As well as this, the mindset that the Council can and must provide every possible type of service is a particularly difficult barrier to overcome. It presents a degree of institutional resistance, and there is a recognition from most stakeholders that much more work is needed in challenging the culture of GCC. There is some work in place that is starting to demonstrate new ways of working – such as working with community groups and “Friends” organisations (such as the Friends of Queens Park) to more effectively manage public parks and community facilities. However, it is acknowledged that a much broader change is required, and this is rather more radical than the current project-based approach.

7.23 A particular difficulty lies in existing processes. For example, transferring assets to community groups may be challenging due to the need to develop and present business cases that can successfully argue benefit and value for the Council, beyond monetary value. One stakeholder noted that Financial Services can be resistant to such transfers, as they are viewed as loss of assets to the Council to an outside organisation. Other consultees noted that there is resistance to change simply because things “have never been done like that before”.

7.24 There is an acknowledgement by stakeholders that though the CDU has made good progress in its work, and has delivered some notable achievements in its existence to date, it is still a relatively small resource in a complex organisation with a large workforce across multiple departments and ALEOs. It should also be remembered that the Co-operative Council approach is not the CDU’s sole focus. Even with support from staff in the wider DRS family, and the Co-operative Champions network, trying to affect a cultural change on this scale is a significant challenge.

7.25 It is important to bear in mind that developing the Co-operative Council approach – something that is in itself a considerable degree of cultural change – is being done in the challenging environment of significant transformational change across the Council, and limited public budgets. There is a perception from some stakeholders that this is compounding resistance towards co-operative working – a “fear of change” that is causing co-operative working to be seen negatively.

7.26 There is therefore still a great deal of dissonance between co-operative work and ‘business as usual’ work, because of these challenges in affecting organisational, cultural and procedural change. Arguably there remains a challenge in translating the high-level message from CDU to day-to-day operations and opportunities. In this regard, the central challenge is for the CDU to articulate what it means to be a Co-operative Council and what it adds to business as usual. Stakeholders see this as mainstreaming understanding and adoption of co-operative ways of working. However they were keen to stress that this should not mean the mainstreaming of the CDU team and its work. One stakeholder in particular noted that doing so would “mean no-one was tasked with responsibility for delivering on co-operative objectives”, and progress would stall, or indeed be lost.

7.27 It is also important to note that considerable progress has been made by the CDU over the last couple of years, and there is a feeling, amongst both the CDU team and stakeholders, that it has gained some real traction in progressing the Co-operative Council agenda. Nevertheless, it must be borne in mind that this is a long-term project, and the challenges that remain in realising a fully Co-operative Council in Glasgow are testament to this.

7.28 To that end, the CDU’s Co-operative Council work can be seen as an opportunity to demonstrate what GCC can do and deliver in partnership. Some stakeholders believe that more can be made of partner organisations to achieve this. For some, the expertise held in partner organisations could be utilised for the benefit of the Co-operative Council approach, and that the CDU could work *more* co-operatively with partner organisations to maximise the potential of the Co-operative Council.

7.29 Some stakeholders reported that there was more scope for co-operative working between organisations. This was not considered to be solely between the CDU or GCC and its partners in pursuing the objectives of Co-operative Glasgow, but also in a wider sense, between co-operatives in Glasgow. Though supported organisations reported improved relationships with other co-operatives, there is a perception from some consultees that there was a lack of 'co-operative clusters' in Glasgow – that opportunities to further co-operative working were being missed.

7.30 There is also a feeling amongst some stakeholders that the CDU may be trying to initiate too many projects within individual Service units, and certainly too many for the CDU team's size, irrespective of their enthusiasm and expertise. Therefore focusing on fewer, more strategic projects, which have a broader reach or deeper impact in terms of Co-operative Council working and service delivery would better serve to demonstrate the value of co-operative working, both internally and to external and partner organisations. This can be best achieved by taking a business- or community-focused approach to delivery – concentrating on what services communities or organisations want, or what services will best meet needs, rather than on what services can be, or have always been, delivered.

7.31 There are some strategic projects that can lend themselves well to this need. For example, there is considerable potential for a co-operative or consortium approach to Early Learning and Childcare for children aged 0-12 across Glasgow. The CDU is closely working with GCC Education Services, CEIS and partner Early Learning and Childcare settings and providers on developing this approach. It is a real opportunity to both demonstrate the value of co-operative working, and deliver against key Glasgow and Scottish Government policies on expanding access, whilst at the same time as meeting the need for affordable and flexible provision. Co-operative models have had some real success elsewhere in Scotland in delivering wider social care services, such as Highland Home Carers, an employee-owned co-operative operating across the Highlands, employing over 500 staff and with a financial turnover of c.£7 million.³⁶

7.32 There are similar projects elsewhere across GCC and ALEOs that can also potentially demonstrate the value of co-operative working. Land and Environment Services are exploring joint ownership and community asset transfer of parks to develop a co-operative approach to their management, where the alternative would be to close or sell off important community assets for redevelopment. Glasgow Life are undertaking an audit of premises including libraries, part of which involves identifying co-location opportunities for community enterprises and other organisations. The focus here has been less about being explicitly co-operative, but rather on the function – and adhering to co-operative principles. This would avoid asset transfer where it was not necessary whilst still offering premises to organisations in need; it would also help to stimulate greater joint working on service delivery, and longer term development of ideas and projects.

The Co-operative Champions network

7.33 An important component of the Co-operative council approach, the Co-operative Champions Network is considered a key strategic success by all stakeholders consulted. Particularly amongst the Co-operative Champion consultees, it is seen as enabling a pan-Council, strategic approach to developing co-operative working. As one consultee put it, "as a group, we are able to take a step back [from day-to-day operations], and think creatively and strategically" about how to develop co-operative approaches.

7.34 However, it is arguable that there is more scope to build on and maximise the potential of Co-operative Champions network. One particular area of potential development is the extent to which the

³⁶ <http://www.highland-home-carers.co.uk/>

Network and its Champions are able to influence the teams and Service units that they sit in. There is recognition from at least one consultee that this may in part be down to individual Champions to act more proactively in promoting co-operative working. The CDU therefore need to work to ensure that Co-operative Champions continue to feel empowered to promote co-operative ways. Additionally, there is more that the CDU and GCC more generally can do in ensuring that there is consistent buy-in from all Co-operative Champions, and from all Service units and ALEOs represented on the Champions Network.

7.35 Part of the actions to address this should incorporate a review of the Network's membership, to keep it relevant and effective. This should be accompanied by a review of its Terms of Reference, to ensure that the Network itself continues to actively champion co-operatives, and acts as an essential tool to drive the necessary change for Glasgow to become a Co-operative Council and City. At present, the network has an advisory and awareness-raising remit rather than a decision-making one. This could usefully be reviewed, to identify where the Network could be more effective.

The CDU delivery model

7.36 The approach taken by the CDU is seen by consultees as essential for supporting the co-operative sector in Glasgow. It is considered to have been successful in stimulating the sector (the evidence from the beneficiary survey presented in the preceding chapters backs this up). The CDU is also seen as having been successful in supporting council activity, and driving the Co-operative Council agenda.

7.37 The existence of a team committed for the purpose of supporting co-operatives and co-operative working is seen very much as a positive, and a key strength of – and for – GCC. The continued dedication of resource is also considered to be absolutely vital to the on-going support of co-operatives and the Co-operative Glasgow approach. Without committed resource, there is a perception amongst stakeholders that the Co-operative Council project would drift – that it would be unlikely that responsibility for co-operative delivery would be assumed by other parts of the Council in a coherent manner.

7.38 In this regard, the political commitment to supporting co-operatives through the CDU is a key strength. There is a recognition that this has enabled the CDU to achieve what it has, and it should continue in order to allow the CDU to maintain its effectiveness.

Key point summary

7.39 The CDU plays a strong, strategic role in supporting Glasgow's co-operatives. It occupies a niche in the business support landscape, offering support to co-operatives that other business support organisations are unable to provide. This is one of the CDU's key strengths. The CDU has raised the awareness and understanding of co-operatives in Glasgow. However, there is still a lack of understanding of the contribution that co-operatives can make to the social and economic health of Glasgow. There is also some confusion about the range of support, and support pathways, available to co-operatives. These issues must be addressed if the CDU is to maximise its impacts.

7.40 There is scope to improve upon the communications from the team, and with partners. However, this is something that should be achieved with partners, as well as in conjunction with GCC's corporate communications function. There are a number of existing partner communication channels such as blogs and social media platforms that can be used more effectively to showcase the CDU team and co-operatives more generally.

7.41 There is also an opportunity to further enhance co-operative working amongst all partners. This is not solely between the CDU or GCC and its partners in pursuing the objectives of Co-operative Glasgow, but also in a wider sense, between co-operatives in Glasgow. The potential to further enhance co-operative working, such as through encouraging 'co-operative clusters, is being missed.

7.42 The CDU is making considerable progress in delivering the Co-operative Council agenda. Nevertheless, there are a range of organisational and cultural barriers to achieving this. Addressing these, and demonstrating the value of the Co-operative Council approach, is a long-term process. To help in successfully delivering Co-operative Council objectives, the CDU should focus on a relatively small number of key strategic projects as demonstrators of the value and benefit of co-operative working.

7.43 The Co-operative Champions Network provides effective strategic support to the work of the CDU and the objectives of Co-operative Glasgow. That said, there is an opportunity to build on its work and maximise its potential. This includes the effectiveness that the Network and its Champions have in influencing the teams and Service units that they sit in. There also needs to be more consistent buy-in from all Co-operative Champions, and from all Service units and ALEOs represented on the Champions Network.

7.44 The evidence shows that the CDU is seen as an effective delivery model. A dedicated resource is a very effective approach to supporting co-operatives and co-operative principles. It is generally accepted that the objectives of Co-operative Glasgow would not be achieved without a resource such as the CDU and that the Co-operative Council project would be in danger of drifting.

8 Conclusions and recommendations

Introduction

8.1 The report has examined the impact of the CDU on Glasgow's co-operative sector, through its support of co-operatives and social enterprises across the city, and its role in promoting the Co-operative Glasgow approach. This chapter presents the conclusions arising from the evaluation, highlighting key learning points for the CDU, GCC and partners. It then provides recommendations for the future of the CDU in supporting the co-operative sector in Glasgow and the co-operative Council approach.

Conclusions

The co-operative sector in Glasgow

8.2 Glasgow's co-operative sector is well-established, and developing. Over the period 2014 to 2017, there has been clear growth in Glasgow's co-operative business base. There are now 94 known co-operatives in the city, excluding branches of The Co-operative. Its overall growth rate of 28% over the period significantly exceeds the growth in the business base in Glasgow as a whole (13%), albeit from a much lower base. The greatest proportion of growth has been in Glasgow's North West CPP, largely driven by the growth in non-Credit Union co-operatives. The turnover of Glasgow's co-operatives has increased by 35% to an estimated £171 million, and generating an estimated £13.5 million in profit/surplus. On average, Glasgow's co-operatives employ approximately 7.5 FTEs each so providing a significant number of jobs.

Impact of the CDU to date

8.3 The CDU has financially supported 46 co-operative organisations and social enterprises. It has invested a total of £825,200 through CGBDF grants to date, with the profile of supported organisations closely reflecting the broad make-up of Glasgow's co-operative sector. On average, investment through the fund has levered £2.48 for every £1 awarded, which a very positive degree of leverage and suggests good value for money.

8.4 The CDU's monitoring information indicates that the Fund has directly supported 47 jobs and 34 volunteering opportunities, and 134 people have undertaken training as a result; the CGBDF has also helped to improve community engagement through feasibility studies and community action projects. Though these impacts cannot be wholly attributed to the CGBDF, the CDU has nevertheless had a positive impact in this regard.

8.5 Organisations highly value the support received from the CDU. For many, the signposting and advice provided is the only engagement that they have had with support providers demonstrating the critical role of the CDU. The benefits realised through the CGBDF are significant for co-operatives, the communities they serve and the sector in Glasgow. The Fund has helped to increase the scale and profile of supported organisations, as well as increase member rewards, and improve working practices. A number of co-operatives reported that the funding has improved local partnerships and achieved greater levels of community participation which are very positive outcomes.

8.6 Support through the CDU is estimated to have achieved to date, and forecast over the next three years, a total increase in turnover of just under £7.7 million. This equates to an £600,000 increase in profit or surplus. Further, there is a significant jobs and volunteers impact of CDU financial support, with 75 FTE job or volunteer posts created, or expected to be over the next three years, with a further 250 employment or volunteering positions have been safeguarded as a result of the Fund. There is a

GVA increase of just over £2.5 million, and an overall return on investment of £3.06 for every £1 of public money spent through the Fund.

8.7 Although the funding has delivered impacts, awards have declined in number and value over the last three years. This has led to a perception that Glasgow's co-operative ecosystem has been saturated in terms of grant funding. Despite this minority view there is strong support and an appetite for funding to remain although there is recognition that the format, value and objectives, including award criteria need to be reviewed and refreshed. Currently, the Fund can be used to support the establishment development of new co-operatives and facilitate 'developmental leaps' in co-operatives and social enterprises. A review of the fund would include a review of the communication and marketing of the Fund, to improve awareness and reach in to the target audience.

Monitoring data

8.8 Monitoring data is most useful when it can be used to assess past performance and drive future activities to achieve organisational objectives. There is some inconsistency in monitoring data gathered by the CDU and it is not as effective a tool as it could be. In order to more accurately identify the range of impacts potentially attributable to CDU activity, a more systematic approach to data capture, particularly where co-operatives are supported through the CGBDF (or any future successor fund), would be beneficial. Further, an agreed set of 'core' indicators would allow for a degree consistency in monitoring progress and achievements across projects and co-operatives supported. This could be further enhanced by periodical review of information from Co-operatives UK, the FSA Mutuals Public Register, and the Scottish Charity Register (OSCR), or from partner organisations such as CDS, GSEN and CEIS to identify new (and dissolved) co-operatives in Glasgow.

Supporting Co-operative Glasgow

8.9 The CDU has made a strong strategic contribution to supporting Glasgow's co-operative sector. The position it occupies as a unique support resource, complementary to other business support functions, is a key strength. Many of the organisations and projects that the CDU has supported are strategically important, such as support for Credit Unions, which contributes to increasing financial inclusion. The CDU is also seen as having achieved a degree of success in raising the awareness and understanding of co-operatives in Glasgow. However, a continued lack of understanding, about co-operatives and the CDU, persists, presenting a challenge to the CDU's effectiveness.

8.10 The CDU has contributed to the considerable progress of the delivery of the Co-operative Council agenda. There has been significant work to addressing cultural and organisational barriers and bring about change in GCC, a large and complex organisation. There has also been good progress in demonstrating the value of the Co-operative Council approach. However this a long-term process, and there remains considerable work to be done to consolidate and build on achievements to date.

8.11 The CDU is an effective model, providing visibility and responsibility for leading on the development of co-operatives in Glasgow and the co-operative Council. A dedicated resource is the right approach to supporting co-operatives and co-operative principles. In the Co-operative Champions Network the CDU has an important tool in supporting the CDU and the objectives of Co-operative Glasgow. To continue to be effective, it must continue to build its internal networks in GCC and its ALEOs and influence, culture, attitudes and working practices.

Future strategic direction and focus

8.12 It is clear that there is still a very important role for the CDU in continuing to support and develop co-operatives in Glasgow, co-operative principals and GCC as a co-operative council. Having a

dedicated, specialist resource has been a critical success factor and many of the impacts would not have been achieved without it. As well as supporting co-operatives themselves, it is playing a vital role in driving changes to how GCC delivers services. This contributes to the new Glasgow Economic Strategy as well as GCC's Strategic Plan, and towards the Scottish Government's Economic and Social Enterprise Strategies.

8.13 However, there is significant work still to be done for Glasgow to become fully co-operative and so the rationale for the CDU to continue its work is clear, with appropriate Senior Management Team (SMT) and Executive commitment.

8.14 There is strong evidence that the sector and its impacts could be strengthened through developing more consortia approaches between co-operatives in Glasgow and with other partners. The CDU has made some progress in this but could play a stronger role as a catalyst and enabler in this area.

Recommendations

8.15 This is a critical point in the CDU's development. As a result of the findings of this evaluation, ekosgen has developed nine recommendations for the future focus, function and activities of the CDU.

Recommendation 1: A continuing role for the CDU. The CDU should continue in its current configuration. It is an essential component of GCC's commitment to the Co-operative Glasgow Framework. It should focus on three key areas of activity. It should continue to support co-operatives in Glasgow through advice, guidance and financial support. Secondly, the CDU should take a strategic approach to encouraging a greater level of consortium working amongst Glasgow's co-operatives. Finally, it should continue to support and drive the development of GCC's Co-operative Council approach and activities.

Recommendation 2: Financial support for Glasgow's co-operatives. Linked to Recommendation 1, the CDU should continue to provide financial support to co-operatives through the CGBDF or a successor fund. However, the value, number, criteria and type of funding should be reviewed so that it focuses on achieving GCC's strategic objectives. This may include targeted funding rounds or thematic tranches of funding for specific activities and stages in the co-operative lifecycle. It may also including packages of funding to develop co-operative consortia. Funding could be in the form of grants or soft loans where appropriate.

Built into the funding support model should be specific follow-up and aftercare for recipients.

Recommendation 3: Implementing a refreshed communications strategy. The Communication Strategy for the Co-operative Glasgow Framework should be refreshed. In doing so, three main channels of communication and audiences need to be addressed:

- The approach for communicating with co-operatives in Glasgow;
- The method for engaging and communicating with partner support agencies; and
- The approach for communicating with GCC service units and ALEOs, including GCC's Senior Management Team (SMT).

The strategy should set out the tools, routes and messages for engaging with these three audiences. It should be developed and implemented in partnership with GCC's corporate communications team, and its progress and impacts monitored across the three audiences, and any adjustments made as

necessary. It must consider the range of marketing collateral required and use social media as well as more traditional channels.

Recommendation 4: Capacity and knowledge building in support providers. The CDU should develop a strategy to ensure that across the range of support providers in Glasgow, there is a sound knowledge and understanding of co-operative models and approaches; the ability and willingness to identify and recommend models; and to make appropriate referrals. This could be done through information seminars and events, offering training and development to staff and providing updated materials, including case studies to the organisations. Some of these organisations (e.g. JBG) are members of the Co-operative Champions Network and these members should work with CDU to undertake and enable this capacity building.

Recommendation 5: Developing effective monitoring processes. There should be a review of the existing monitoring and evaluation data collected and the processes for ensuring it is updated regularly and systematically. An approach should be put in place to actively use the data for a range of purposes:

- For communication and awareness-raising amongst relevant audiences and for marketing;
- To assess the performance of the CDU's activities;
- To provide feedback to partners, the Co-operative Champions Network and to GCC SMT, demonstrating impact and achievements; and
- Driving future performance of the CDU and activity under the Co-operative Glasgow Framework.

The CDU should also consider the following:

- How monitoring data can be collected on a consistent basis, and how this can be aggregated to give a complete picture, e.g. of grant support; and
- How to monitor the impacts of GCC as a Co-operative Council, and what it is trying to achieve, i.e. what are the Key Performance Indicators (KPIs), milestones and expected outputs and outcomes.

To do this, we recommend that the CDU develops a monitoring and evaluation (M&E) framework that reflects activity going forward.

Recommendation 6: Promoting Co-operative Council principles and partnership working. The Co-operative Council principles set out by the CCIN highlight the importance of co-production, social partnership and democratic engagement. Whilst CDU has supported GCC to work towards this, there is scope to build on the successes to date. The CDU should review how it involves all relevant partners at each stage, from project and strategy development through to implementation and review. The learning from this should then be taken to inform future partnership working.

Recommendation 7: Update the Co-operative Glasgow Action Plan. The Action Plan is now out of date and should be revised and updated, informed by the findings and recommendations from this evaluation. The refreshed Action Plan should be designed to contribute to the achievement of GCC's strategic objectives. A process for monitoring and reporting against the Action Plan should be developed, and be an integral strand of the overarching M&E framework highlighted in Recommendation 5.

Recommendation 8: The Co-operative Champions Network. There are Co-operative Champions in GCC service units and ALEOs, to drive more co-operative working across the Council and partners. Whilst significant progress has been made, the CDU needs to review the Champions Network membership, and make sure that they have the right tools and are equipped to effectively influence culture and ways of working in their service areas and organisations. Knowledge transfer between members and sharing challenges and experiences may be useful in achieving this and help there to be a consistent message. Monitoring data and qualitative examples illustrating successes may also be useful materials for the CCN members.

Recommendation 9: A Glasgow-wide approach to co-operative support. There should be a strategic and co-ordinated approach to supporting co-operatives in Glasgow, taking account of the particular specialist needs of co-operative organisations and also their more mainstream business needs. This is to ensure that co-operatives can access the support that they require, at the point when they need it and from the most appropriate support provider. This approach should be co-produced with the CDU's partner support organisations and involve the Co-operative Champions Network members.

The support should be in place and clear information, using the relevant language and terminology provided to co-operatives on the support sources and pathways.

Appendices

Appendix 1: Glasgow City Council Co-operative Champions Network membership

GCC Service Directorates	GCC Family organisations	Councillors
Co-operative Development Unit	ACCESS	Cllr Matt Kerr
GCC Corporate Services/Chief Executive's Department	City Building Glasgow	Cllr Archie Graham
GCC Democratic Services	City Parking Glasgow	
GCC Democratic Services	City Property Glasgow	
GCC Development and Regeneration Services	Clyde Gateway	
GCC Education Services	Community Safety Glasgow	
GCC Financial Services	Cordia	
GCC Land and Environment Services	Glasgow City Marketing Bureau (GCMB)	
GCC Social Care Services	Glasgow Life	
	Jobs and Business Glasgow	

Appendix 2: Stakeholders consulted

Consultee	Organisation
Gillian Kirton	Co-operative Development Scotland
James Proctor	Co-operatives UK
Robert Kelly	Credit Union Strategy Group
Councillor Archie Graham	Depute Leader, Glasgow City Council
Alex Byers	Glasgow Life
Mark Irwin	Education Services, Glasgow City Council
Duncan Booker	Land and Environmental Services, Glasgow City Council
Elizabeth McKenna	Glasgow Social Enterprise Network