

The Somerset Rules – Examples



The Somerset Rules 2012 - newly revised and updated - are a unique set of I&PS Model Rules for a multi-stakeholder co-operative, combining the accountability and democracy of co-ops with the social reporting and investment opportunities associated with social enterprise.

If you are registering a social enterprise, consider using these new rules. They have a number of advantages that you may benefit from:

- *different stakeholder groups can have a balanced voice in the business*
- *available as IPS Society (best for share issues) or Community Interest Company (best for asset lock)*
- *ability to issue transferable and withdrawable shares*
- *bring in 'non-user' members with limited rights*
- *built in social accounting to maintain strong social returns*
- *mission orientated rules set a clear vision and direction*
- *future proofed against changes in the law*
- *plain english rather than legal english wherever possible*

Here are some examples of how co-operatives in different sectors have used the Somerset Rules to provide an organisational structure and legal form which supports their aims.

Land & property

Ecological land co-operative <http://ecologicalland.coop/>

ELC aims to provide affordable opportunities for ecological land-based businesses in the UK. We support rural regeneration by developing affordable sites for farming, forestry and other rural enterprises which are viable and ecologically beneficial.

Why the Somerset Rules?

The Somerset Rules permit three different classes of membership:

1. Investor Members have invested money in the Co-operative.
2. Worker Members are those people that work for the Co-operative. Worker Members are employees and volunteers that work at least 15 days a year for the Co-operative.
3. Steward Members are ecological land managers. They either have a leasehold agreement with the Co-operative or manage land ecologically within the UK. The latter are required to provide two references from a current member, a landowner, a federal body, and/or an environmental organisation, stating that they are actively engaged in land management and

The Somerset Rules – Examples

are following good ecological practices.

Also in this category, see www.somerset.coop/landtrust

Renewable energy & energy saving

The Energy Saving Co-operative <http://www.energysaving.coop/>

The energy saving co-operative is an innovative, pioneering hybrid co-operative aiming to make homes, workplaces and community spaces more comfortable - insulated from energy price rises as well as cold weather.

Why the Somerset Rules?

The Somerset Rules provide three classes of user-members who co-operate to succeed together:

1. Building owners and tenants who want to save energy
2. Co-operatives and community groups whose members want to save energy
3. Suppliers and tradespeople offering energy saving services, such as energy assessors and installers

There is a fourth class of membership for providers of finance (non-user members, with maximum 25% voting strength and limited right to profits)

Profits will be distributed to members via dividends, with a significant proportion (at least 20%) reserved for reinvestment in the co-operative and in social and charitable projects, such as a revolving fund targeted at fuel poverty. Members will be able to donate their dividends into this fund.

Also in this category, see:

- gloucestershire cty energy co <http://gloscommunityenergy.coop/>
- green <http://www.organiclea.org.uk/wp-content/uploads/GREEN-Share-Offer.pdf>

Transport

GO-OP Co-operative www.go-op.coop

Aiming to be the first co-operatively owned train operating company in the UK, but with ambitions going beyond just being an operator of timetabled train services on the National Rail Network. The co-operative is also developing car clubs, bus links and travel hubs to enable communities to access sustainable transport options.

Why the Somerset Rules?

By using the Somerset Rules, we were able to have 3 classes of members: Passengers, Employees and Investors. Like all co-operatives, membership is democratic, i.e. one member one vote, however by voting in the different classes we can ensure that Passengers (Users) will always have control of the co-operative, whilst Non-user investors will receive a reasonable return on their investment.

Also in this category, see:

The Somerset Rules – Examples

- westwheels <http://westwheels.co.uk/index.html>
- co-cars <http://www.co-cars.co.uk/>

Horticultural

Manchester Veg People <http://vegpeople.org.uk/>

A co-operative of Greater Manchester Organic growers and restaurants working together to provide fresh, seasonal food of the highest possible quality across Greater Manchester, including encouraging new or existing growers to go organic. Our aims are:

1. To minimise the difference between farm-gate and retail prices.
2. To support our businesses so that we can make a living .
3. To engage customers and show them what's possible.
4. To do the right thing environmentally.
5. To co-operate between growers and between growers and buyers.

Why the Somerset Rules?

The Somerset Rules provided MVP with a new model enabling them to bring growers and buyers together in one multistakeholder co-operative

Also in this category, see : Healing Gardens Co-operative, Glastonbury
http://www.youtube.com/watch?v=CsQ_sPKIT_E

Information technology

Webarchitects <http://www.webarchitects.co.uk/>

Sustainable, co-operative hosting you can depend on. Aiming To enable the provision of internet based services for socially responsible groups and individuals, using free open source software wherever possible, in a manner that aims to minimise fossil fuel usage and ecological impacts and which also provides sustainable employment.

Why the Somerset Rules?

Webarch Co-operative Limited chose to set up as a Multistakeholder Co-operative ([Somerset Rules](#)) because it offered us three classes of membership:

1. Workers
2. Clients and Partners
3. Investors

The ability for clients and partners to have a say in the running of the organisation results in good working relationships and strong partnerships and helps to ensure the co-operative stays true to its aims.

User Led Organisation (ULO)

Worcestershire Coalition for Independent Living <http://www.wcil.org.uk/>

The Worcestershire Coalition for Independent Living, a User Led Organisation, aims to enable all

The Somerset Rules – Examples

people with support needs to contribute to shaping and directing the services that they need to live the life they choose. We will do this by:

- Building a stronger collective voice - from grassroots actions through to getting heard at the highest strategic levels
- Enabling greater choice - supporting people with the decisions they make to manage and develop the services and informal support they need for independent living
- Delivery of services suitable for peoples' needs, including with partner organisations.

Why the Somerset Rules?

WCIL chose the Somerset Rules because it offered a facility for Users (people who use support services including disabled people, mental health service users, people with learning difficulties, older people) to lead the organisation, but for support organisations, carers and family members to also have a voice.

For more information on the Somerset Rules, please see our website: www.somerset.coop or contact us at www.registrations.coop

Somerset Co-operative Services CIC

A Community Interest Company no. 6018662

The Hot House, Wellington Road, Taunton, Somerset TA1 5AX

www.somerset.coop

0300 456 2265

services@somerset.coop

20 UNITED NATIONS
12 INTERNATIONAL YEAR
OF CO-OPERATIVES
We build a better world