

Homegrown

The Co-operative Economy in Wales 2013



CO-OPERATIVES UK



Wales Co-operative Centre
Canolfan Cydweithredol Cymru

Introduction



Wales has a long and proud tradition of thriving co-operatives. The first were established in the mid 19th-century and the country is proud to be known as the birthplace of Robert Owen.

Today, as Wales faces significant economic challenges, a thriving co-operative sector is more essential than ever to its long-term well-being.

This report shows that there are many co-operatives in Wales which are proving to be resilient and stable in a tough economic climate. They are providing good quality jobs and creating wealth across the country.

Many of Wales's communities, urban and rural alike, rely on co-operatives for their local shop or pub, childcare, learning opportunities and community facilities. Welsh co-operatives are also providing for people's most fundamental needs, such as food, shelter and financial security.

The Wales Co-operative Centre's vision is for Wales to be the international leader for co-operative thinking and action. This report shows that there are many co-operatives in Wales making this vision a reality.

A handwritten signature in black ink that reads "D. Walker". The signature is written in a cursive, slightly slanted style.

Derek Walker, Chief Executive
Wales Co-operative Centre



Across the UK, co-operative enterprises represent a homegrown economy, one which is providing enduring solutions to the economic and social challenges of today's society.

Founded on principles of shared ownership, shared voice and shared profits, it is an economy driven by the will to broaden control to many, to increase empowerment to many and to drive participation at every stage.

Wales has a thriving homegrown co-operative economy that is local, loved and trusted by all those who form part of it. This is a tough economic climate for all enterprises but it is co-operative businesses which, particularly in Wales, are providing an option for growth, for fairness, for innovation and sowing the seeds for long term strength and resilience.

A handwritten signature in black ink, appearing to read 'Ed Mayo'. The signature is fluid and cursive, with a large initial 'E' and 'M'.

Ed Mayo, Secretary General
Co-operatives UK

The Co-operative Economy in Wales

There are 446 co-operative organisations active in Wales, accounting for a total annual turnover of £1.54 billion

More than 725,000 co-operative memberships exist in Wales, from individuals participating in local social, sports and community clubs to residents in housing co-operatives and co-operative agricultural business trading shaping the Welsh economic landscape

Co-operatives employ around 11,000 people in Wales, supporting a diverse range of jobs

Twelve of the UK's top 100 co-operative businesses are based in Wales, accounting for around £280 million annual turnover

Participation through ownership

Members are at the heart of all co-operative enterprises. The co-operative principles of democratic member control and economic participation for members open up new opportunities for communities, customers and consumers to take part and have their say.

“Housing co-operatives in Wales have a combined turnover of £188m. Together they account for around 12% of the Welsh co-operative economy in turnover, and 8% in number of organisations”

Case study: RCT Homes

In December 2007, tenants voted to transfer Rhondda Cynon Taf Council's entire housing stock of more than 10,500 homes to a new type of organisation – Wales's first housing community mutual.

This enabled tenants to effectively become the organisation's shareholders and nearly 5,000 tenants have since become voting members. Five tenants sit on the RCT Homes board and tenants have hands-on involvement in the selection of contractors and suppliers for multi-million pound contracts, key staff appointments and policy development.

Eighty formal promises made to tenants when RCT Homes was set up were achieved within five years including delivery of a £147 million project to bring all tenants' homes up to the Welsh Housing Quality Standard. RCT Homes was one of only five social landlords to achieve the standard before the end of 2012.

Tenants have also supported RCT Homes to seek innovative ways to lead the regeneration of local communities. They include the establishment of training and education organisation GrEW – which became one of the UK's top 50 social enterprises within two years – a multi-million pound regeneration charity and a new housing development arm.

In its first five years, the RCT Homes group created more than 100 new, local jobs and 1,600 unemployed people benefited from training or employment opportunities across a number of different programmes.

The winner of numerous national awards, in 2012 RCT Homes became the first housing organisation ever to be named as Business in the Community Wales's Company of the Year.

www.rcthomes.co.uk



Performance through participation

Co-operatives are participatory and therefore have the potential to engage those close to the business and sustain high performance.

Member owned clubs across Wales allow communities a real say in what matters to them. Community owned clubs represent 37% of organisations in the Welsh co-operative economy.

In a time of limited opportunities and an increasing gap between the haves and have-nots, the 'grow your own' co-operative economy allows individual collaborators and communities to work together to take ownership and create opportunities.



Case study: PrimePac Solutions Ltd.

PrimePac Solutions Ltd, is a worker co-operative that fills bottles, sachets and tubes for clients including leading brands in the health and personal care sector.

The co-operative was formed when their parent company decided to withdraw from Wales following a major fire which destroyed their packing facilities. When the news broke that the company was not going to reinvest in the area, a group of employees decided to invest their redundancy payment into setting up a new employee owned company.

Since 2007, PrimePac Solutions Ltd has seen a year on year increase in turnover which has increased from £370k in 2006 to £4million in 2013. The firm has paid out dividends to shareholders greater than the amount they invested at the start. The company employs 22 permanent staff and between 10 and 20 temporary staff.

In 2012, PrimePac Solutions won the prestigious Productivity and Performance Award at the national Employee Ownership Conference in Birmingham. The award showcases the most dramatic and powerful examples of employee owned organisations driving up levels of productivity to deliver improved performance, and leading to exemplary outcomes in a particular field.

Managing Director Steve Meredith commented, "The award was recognition that Primepac Solutions is a successful business that is driven by the commitment and input of its owner / employees and is a successful co-operative business thriving in difficult trading conditions against other more traditional business approaches".

www.primepacsolutions.co.uk





CO-OPERATIVES UK

Co-operatives UK works to promote, develop and unite co-operative enterprises. It has a unique role as a trade association for co-operatives and its campaigns for co-operation, such as Co-operatives Fortnight, bring together all those with a passion and interest in co-operative action.

For more information on the UK co-operative economy visit

www.uk.coop

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Wales Co-operative Centre Canolfan Cydweithredol Cymru

The Wales Co-operative Centre is the largest co-operative development agency in the UK. Established in 1982, it delivers a range of projects to promote social justice through financial and digital inclusion and social enterprise. Its team of business advisors works co-operatively across Wales providing expert, flexible and reliable support to develop sustainable businesses and strong, inclusive communities.

For more information on the co-operative economy in Wales visit

www.walescooperative.org



CO-OPERATIVES and Mutuals Wales

Co-operatives and Mutuals Wales is the representative body (Regional Co-operative Council) for the wider Co-operative movement in Wales.

www.cooperatives-wales.coop

Co-operatives UK has made every effort to ensure that the information provided is correct but in the nature of an exercise like this, we cannot accept formal responsibility for any omissions or errors.

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