

Business
for people



How co-operative and mutual businesses can
contribute to our nation's growth and prosperity

The Mutuals Manifesto 2015

mutuo



About Mutuo

Established in 2001, Mutuo is the leading advocate for mutuals, promoting all types of co-operative & mutual business through:

- Public affairs and policy advocacy
- Research and publications
- Management consultancy to establish new mutuals

This means that Mutuo supports the work of a wide range of member owned businesses such as:

- Co-operatives
- Building Societies
- Friendly Societies
- Mutual Insurers
- Employee owned mutuals
- Community mutuals

Since 2001, Mutuo has worked to promote new mutuals. This has led to renewed growth in the mutual sector, with public sector mutuals established in health, housing and education and new community based businesses ranging from football to childcare.

We seek to:

- Campaign for a better understanding of the benefits of mutual businesses
- Conduct and publish policy research on issues of importance to the mutual sector
- Develop innovative new mutual businesses for the delivery of public services
- Mutuo is operated by Westminster Bridge Partnership, a strategic consultancy for member owned businesses.



Mutuo
c/o Westminster Bridge Partnership
PO Box 71312
London SE17 9DL
mutuo.co.uk

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Anthony Collins
solicitors



The **Midcounties Co-operative**



1 Preface

Since the publication of the first Mutuels Manifesto prior to the 2010 General Election, we have seen significant progress, with the growth of all-party support for co-operative and mutual business. Since the last election, more than 60% of the recommendations in that document have been acted upon by the current Government.

The Mid-Term Mutuels Manifesto supplemented this effort in 2013, and in 2014 Mutuo published its European Mutual Insurance Manifesto, which offers new ideas for pan-European policy and institutional actions in support of fair competition for co-operatives and mutuals.

However, there remains much work to do, with new challenges and opportunities for mutuals emerging in the last few years. It is now time for a much more ambitious plan for the sector, which has much to offer to each of the political parties' plans for the future prosperity of our country.

This Manifesto is a cross party document which aims to influence all political parties over the period of the next Parliament, regardless of which party leads the Government.

It seeks to blend together the objectives from each of the component parts of the UK mutual sector – co-operatives, friendly societies & mutual insurers, building societies & employee owned firms, combining ideas from policy documents published by trade associations and policy groups that we have combined into a single list of policy objectives.

This latest Mutuels Manifesto seeks to capture the potential that mutuals have to offer and translate it into solid policy ideas that will lead to a greater role for mutuals and their members in our economy and society.

Peter Hunt
Managing Partner
Mutuo



2 Executive Summary

Mutuals are valuable to the economy and society. They:

- Create diversity in business, which acts as a counterbalance to mitigate systemic risk to the economy
- Operate longer-term business strategies
- Provide competition and choice for consumers in a range of markets
- Spread wealth throughout the country
- Re-build and maintain public trust in business
- Provide business structures for public service providers that keep them accountable to their users and taxpayers
- Provide business structures that protect the public interest

Government should ensure that mutuals can compete freely and on fair terms with all types of business so that:

- Legislation and regulation for mutuals matches the best standards for any business
- It is as easy and cost effective to set up and run a mutual as other business forms
- Government policy recognises the value of mutual business as mutuals and provides appropriate incentives for their creation and development
- The unique contribution that mutuals can make in public and community services is recognised and supported by Government
- Mutuals are championed by Government alongside other forms of business ownership
- There is more joined-up thinking in terms of policies to promote mutuals and to coordinate government policies and initiatives
- The social contribution of mutuals is properly recognized

In order to capture the potential that mutuals have to offer, a series of actions are required of the next government.

This document sub-divides these recommended actions into five thematic sections:

- Political leadership through policy and fiscal measures
- Actions to improve the workings of Government
- Reforms to the laws and regulations governing mutuals
- Actions to facilitate the role of mutuals in fostering economic growth and prosperity
- Actions to extend mutuality in the public interest

3 Introduction

The first mutuals were set up by ordinary people to provide basic items that were otherwise not available to them: safe and affordable food, insurance against illness and accident, and savings and loans at fair rates.

These co-operatives, friendly societies and building societies grew rapidly to a point where they dominated the home lending, life & property protection and retail food markets. It was an immensely successful idea; some of the largest businesses in the UK were owned by their customers. At their most significant, mutuals accounted for a quarter of the food market, more than half of insurance business and dominated mortgage lending.

But since the late 1980s, demutualisation completely changed the face of the sector – carving a hole through mutuals by slicing off many of the largest firms as they converted to stock listed companies. Along with privatisation, this led to the emergence of a mono-culture in favour of companies limited by shares, with government policy, legislation and regulation skewed towards this as the ‘norm’ for business.

Short-term business strategies designed to reward this capital meant that ever-larger institutions would be created to provide our products and services. In the financial services industry the former mutuals were now unrecognisable in their new amalgamated plc groupings.

It was the financial crisis of 2008 and the catastrophic failure of demutualised banks that finally showed the error of this process. It exposed the risk to our economy of having markets dominated by similarly structured, strategically flawed institutions, essentially focused on short to medium term economic outcomes. The crisis challenged the consensus in favour of stock listed financial services firms, igniting new interest in mutual forms of business, whilst opening up the debate around company ownership more widely.

Since then, mutuals have continued to win back market share. Their focus on service and quality rather than risk taking and profit extraction has meant that they were less exposed to the global credit crisis. At a time when people continue to feel disillusioned

with and excluded from many of the institutions of our country, there is strong support for businesses that work in their interests.

Meanwhile, the remaining mutual sector has responded by regrouping through consolidation and improving individual business performance, which first arrested and then began the slow claw back of market share. The leading mutual businesses are committed to a different business purpose that puts customers and employees ahead of investors. This has included a rediscovery of the value of engagement, and the part it can play in improving the chances of success.

At the same time, the re-birth of the mutual idea has begun to take shape in new areas. From early beginnings in community based mutuals and local government services, through to football supporter trusts and then larger scale public service mutuals in health and education, the mutual business form is once again being used as an agent for change.

The new mutuals have started to show the possibility of citizen members rather than the state becoming the guardians of public interest, for their own and future generations. They also started to show how through engaging a range of membership constituencies including users and employees, the mutual organisation itself could become the vehicle for resolving tensions, reducing cost and improving quality. Such organisations provide the platform for collaboration and co-production, which are fundamental to securing optimum value from public funds.

Today, there is a real need to address the risk that a single dominant corporate form, dependent on market fluctuations, can pose to the health of our economy and society. There is also a need to earnestly continue the search for successful alternative models in areas of public service where traditional business forms have been found wanting.

This is the opportunity for mutuals: to contribute to better managed markets, protect consumers and taxpayers as well as to promote sustainable wealth creation.



4 Why mutual business matters

A mutual is a business owned by its customers, its employees, a group of like-minded producers or a combination of these.

The purpose of a mutual is different from other businesses: it exists to serve its members rather than to reward capital investors.

The UK mutual sector consists of co-operatives, friendly societies, mutual insurers, building societies, credit unions, employee owned firms, public service mutuals and community mutuals. Each form of mutual is defined by its own history, legal framework and market experience. Each has responded differently to changes in the size and impact of the sector but many share common challenges.

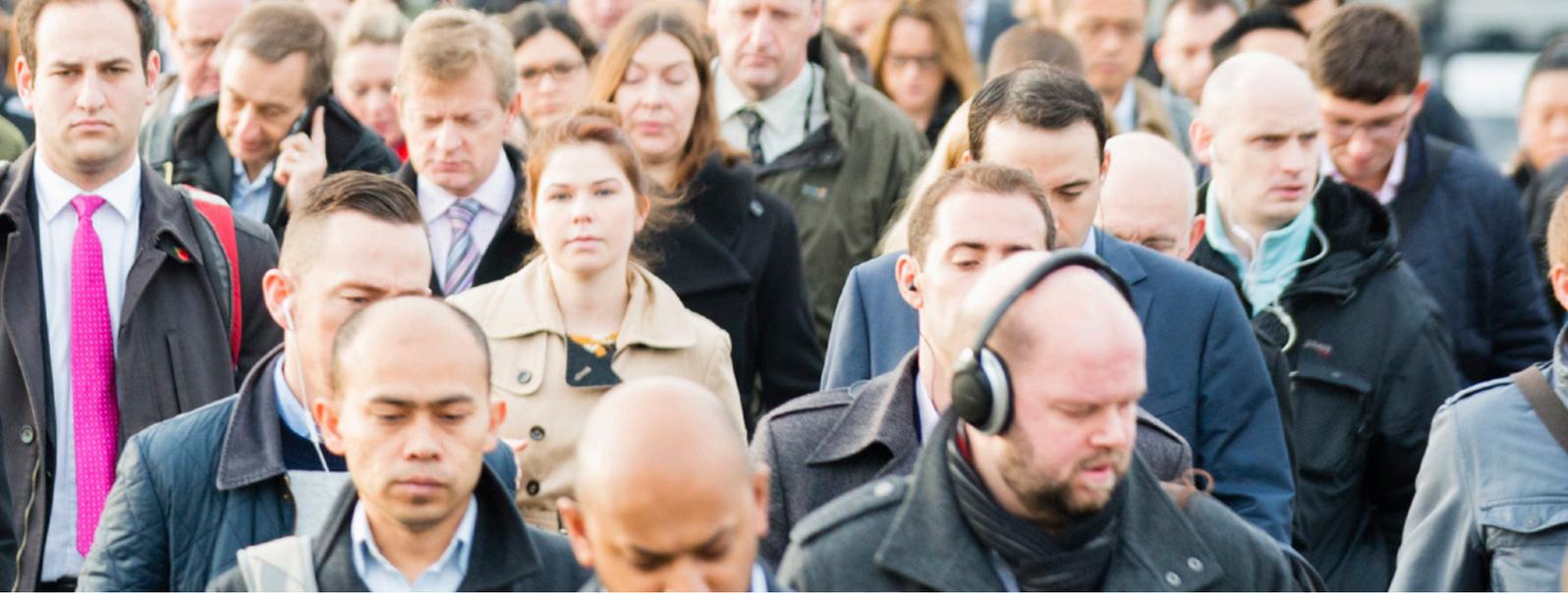
The majority of members of mutuals belong to these organisations and most of these types of mutual have been around for 150 years or more. One in three UK citizens is a member of at least one mutual.

Their purpose is to serve their members, who are also their customers, suppliers, their employees or a mixture. They do not have external capital shareholders, and this distinguishes both their ownership and their business focus from proprietary firms. It means that they can concentrate directly on the products or services that they exist to provide, instead of the economic reward for shareholders. It is a different way of doing business – with a different purpose.

Where there is a proper alignment between the products and services and the interests of the member-owners of the mutual, this way of doing business works well. With good management it is efficient, with no leakage of value from the business, and provides a systemic advantage over investor owned firms.

It also provides a diverse contrast with share owned companies – helping to spread overall risk in markets and economies. Mutuals are inherently long term in business strategy.

Today, mutuals provide a wide range of products and services in a diverse range of markets. Their business purpose is focused where markets alone fail to deliver access to products and services in an equitable way.



Mutuals are valuable to the economy and society. They:

Create diversity in business, which acts as a counterbalance to mitigate systemic risk to the economy

One lesson from the economic downturn is that a stable mutual sector acts to protect the UK economy from the large fluctuations experienced in stock markets.

The financial mutual sector has a key part to play as part of an overall policy objective to manage risk to the UK economy.

Operate longer-term business strategies

Without the need to respond to stock market pressures, mutuals are able to adopt longer term business strategies. Their success is evidenced by the longevity of mutual businesses, many of which have traded continuously for over 100 years.

Provide competition and choice for consumers in a range of markets

Mutuals are good for the markets that they operate in. Their presence means that there is a permanent competitive pressure on profit maximising firms.

In financial services in particular, mutuals can promote competition through a range of diverse business options and products.

Spread wealth throughout the country

Mutuals are successful businesses that share their profits through lower prices to customers and dividends to members. Mutuals reward loyalty and hard work for their members' contribution in making their businesses a success.

Employee owned business directly incentivises and rewards workers for their efforts.

Re-build and maintain public trust in business

Research consistently shows that the public trusts mutuals more than other types of business. This is because mutuals have been established to serve their customers, rather than their investing shareholders. This means that not only do they have an in-built advantage in not having to pay dividends to outside shareholders, but they can concentrate on running the business in a way that best meets the needs of their customers.

Provide business structures for public service providers that keep them accountable to their users and taxpayers

Mutuals are increasingly seen as a good choice for providing public services. The examples of NHS Foundation Trusts and Co-operative Trust Schools show how public providers can be converted to high quality, business-like bodies, which are directly accountable to the people that they serve, whilst eliminating the threat of privatisation.

Provide business structures that protect the public interest

Many businesses provide services that are important to the national interest and the social fabric of our country.

5 A plan to create the environment for mutual growth and prosperity

The accountability that mutuals deliver should be applied in many more areas where the public interest should be recognised, from major public utilities through to football supporter trusts, where the extraction of an equity-holders profit unnecessarily increases the cost and distorts the organisation from securing public or community benefit.

This Mutuals Manifesto seeks to capture the potential that mutuals have to offer and translate it into solid policy ideas that will lead to a greater role for mutuals and their members in our economy and society.

The proposals have been sub-divided into five thematic sections:

- **Political leadership through policy and fiscal measures**
- **Actions to improve the workings of Government**
- **Reforms to the laws and regulations governing mutuals**
- **Actions to facilitate the role of mutuals in fostering economic growth and prosperity**
- **Actions to extend mutuality in the public interest**

5.1 Political leadership through policy and fiscal measures

The policy priorities and supporting fiscal environment will determine the direction of the next Government.

1 Government should ensure that mutuals can compete freely and on fair terms with all types of business so that:

- Legislation and regulation for mutuals matches the best standards for any business
- It is as easy and cost effective to set up and run a mutual as other business forms
- Government policy recognises the value of mutual business as mutuals and provides appropriate incentives for their creation and development
- The unique contribution that mutuals can make in public and community services is recognised and supported by Government
- Mutuals are championed by Government alongside other forms of business ownership
- There is more joined-up thinking in terms of policies to promote mutuals and to coordinate government policies and initiatives
- The social contribution of mutuals is properly recognised

2 In order to ensure that there is equitable treatment for all corporate forms:

- 2.1 Government should adopt a clear manifesto commitment to promote all types of mutual ownership and corporate diversity in general.
- 2.2 The government's Impact Assessment template should be amended so that officials are specifically prompted to consider whether any legal forms are unintentionally disadvantaged.

3 To ensure that mutual ownership is understood and that the concept is not abused by misrepresentation:

Government should adopt a clear and inclusive definition of mutual business that includes customer, employee and mixed ownership mutuals

4 Tax incentives for share ownership in companies should apply equally to all corporate forms:

- 4.1 Fiscal measures should promote mutual ownership as much as share ownership
- 4.2 Government should explore ways of recognising the collective long term benefits of co-operative equity through the tax system, such as operating a Co-operative Equity Incentive Scheme for members of co-operative societies
- 4.3 Government should introduce a tax relief on profits paid into indivisible reserves of small asset locked co-operative societies
- 4.4 Establish a new category of Small Start-up Enterprise (SSEs) subject to better calibrated tax and regulation regimes
Government must not base its employee ownership policy on incomplete categorisations of ownership models that take no account of co-operative collective ownership. The distinctive benefits of co-operative collective ownership must be recognised

5 Employee ownership should be promoted as a means of spreading wealth and rewarding work:

- 5.1 Government should commit to continue and build upon the work of the Nuttall Review of employee ownership

- 5.2 Government should go further by introducing new provisions aimed at achieving a radical shift in the impact Employee Ownership has on an individual's working life, and therefore on the economy
- 5.3 Government should introduce a new savings and investment account – a “working life ownership account” through which the proceeds of employee share ownership and financial participation can be ported between employments
- 5.4 Government should review the existing tax reliefs for Employee Ownership in order to introduce a new tax-approved scheme comprising the three elements of: all-employee participation; working life forum; working life ownership account
- 5.5 Government should work with local authorities, the co-operative sector, trade unions and private businesses in piloting worker-owned Mutual Employment Agencies. These will provide access to employment on more favourable terms than most agencies and gang masters currently offer, while still retaining flexibility in the labour market. Steps will have to be taken to ensure that this model is not abused by those who exploit vulnerable workers.
- 5.6 Government should work with local authorities, the co-operative sector, trade unions and private businesses in piloting Entrepreneurs' Co-operatives, in which young people, the unemployed and vulnerable workers with business ideas are supported to use a consortium co-operative model to share input costs, provide mutual financial and legal cover, and offer 'mutual guarantees' to financiers
- 5.7 Amend the Supporting Employee Ownership Tax Relief so it only benefits business succession to employee ownership arrangements with strong institutionalised accountability for employees. Meanwhile, expand it to benefit business succession to co-operative societies using worker co-operative rules. This would ensure public money spent on these reliefs only goes towards the proliferation of high quality employee ownership arrangements
- 5.8 Introduce a statutory Right to Request employee ownership during business succession
- 5.9 Pilot schemes supporting employee buyouts for firms facing uncertain or unfavourable business succession, or are at an early stage of risk around insolvency. Existing regulations for company reporting should be amended to improve the possibility of rescue by employee buyout at an early stage of risk around succession or insolvency. Employees must be treated as key insider stakeholders and should be kept informed of the situation. Rather than simply waiting for jobs to be lost, employment services and their strategic partners should get involved at this stage to provide support in putting a buyout offer together
- 5.10 Pilot a New Co-operative Allowance as a variant on the New Enterprise Allowance, with job seekers and working benefit claimants supported in establishing new co-operative ventures. Potential beneficiaries should be helped to find others with similar skills and ideas, and be encouraged to explore working jointly, rather than just on their own

5.2 Actions to improve the workings of Government:

The manner in which mutuals are able to interact with the institutions of government will play a key role in the effectiveness of any policy direction. Reforms are required to ensure that this is managed properly.

6 The anomaly whereby HM Treasury is responsible for co-operatives legislation should be corrected:

Co-operatives should be treated as a mainstream business form alongside companies, with responsibilities transferred from HM Treasury to the Department for Business, Innovation and Skills (BIS)

7 Specific responsibility should be given to the Cabinet Office to coordinate government policies to support mutuals:

The Cabinet Office should have a dedicated function to champion mutuals in government, promote sharing of best practice and to drive forward government policies to support and foster mutual ownership across the economy

8 To provide the Government with a coherent focus, leadership and responsibility for working with mutuals:

All parties should appoint a (shadow) Minister for Mutuals

9 A Housing Minister at Cabinet level should be appointed:

There should be a Housing Minister at Cabinet level empowered to coordinate government initiatives and actions across the broad range of issues which affect housing policy, including planning, construction and housing finance.

A housing minister should ensure the debate about housing is not confined to issues that relate predominantly to South-East England (supply and affordability) but focuses on areas of concern for other regions, particularly around the area of the quality of housing. Broader consideration should be given to housing policy outside the main conurbations.

10 In order to lower the costs, simplify the procedure and mainstream the administration of mutual business registration:

Government should transfer mutual registration functions to Companies House

11 To establish a solid evidence base for future policy decisions:

Government should ensure that regular official statistics are collected about mutual businesses

5.3 Reforms to the laws and regulations governing mutuals

A suitable legal and regulatory framework is essential to allow mutuals to fulfil their potential, but too often, it has acted as a barrier to growth and innovation. This imbalance should be corrected to allow mutuals to compete on a level playing field with other corporate forms.

12 Mutuals should be able to choose to adopt legally binding protection from asset stripping and demutualisation:

Government should act to safeguard mutual ownership by removing incentives for demutualisation

A review should be undertaken of mutual society law along the lines of the Company Law Review which preceded the 2006 Companies Act

13 To avoid the misleading of consumers through misrepresentation of firms as 'co-operatives' when they are owned by external investors:

Government should legislate to protect the use of the term 'co-operative'

14 In order to learn from and share the benefits of the best international standards of treatment of mutuals:

Government should work positively with EU partners to build shared Regulatory standards

15 A new government must create a regulatory regime that is appropriate and proportionate in relation to the different types of businesses being regulated:

The recently imposed requirement on the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA) to consider the specific impact on mutuals of any new rules needs to be embedded from the start of policy-making and regulation setting, rather than added on at the end as an afterthought.

16 The unfair structure of the Financial Services Compensation Scheme funding system needs to be urgently reviewed:

The current funding model means that building societies pay proportionately far more in relation to their total balance sheets than banks. Societies are currently paying up to 16% of their pre-tax profits to FSCS.

17 Legislation should open up new capital raising opportunities for mutuals:

New capital instruments are required to allow mutuals to raise funds for new investment and members of mutuals should be permitted to invest in their firms through new investing shares

18 Government must create the policy and regulatory environment in which new mutuals can be developed to provide consumers with a more diverse choice of financial services:

The removal of the restrictive barriers to raising mutual capital, making it easier to run and to set up new financial mutuals such as building societies, friendly societies and community banks

19 The law governing friendly societies and mutual insurers should be modernised:

Government should legislate for a new mutual insurance Act to update legislation for friendly societies & mutual insurers

20 The interests of consumers should be promoted as a way of re-building trust in financial services. As part of this, Government should act to ensure that pension funds are accessible, understandable and fair to those who contribute to them:

These objectives can only be achieved once:

- Financial service providers take responsibility for financial education of their customers
- Greater transparency and simplification in financial services products is achieved
- Pension providers are obliged to offer the best value products to their customers on an impartial basis
- The cost of providing advice is reduced

21 Financial regulators should be responsible for ensuring that a wide range of providers is available to consumers:

The Financial Services Act should be amended to introduce a Statutory obligation on regulators to measure and promote corporate diversity in financial services

22 Relevant Government officials should be educated and experienced in mutual business:

Government must ensure that Regulators and Government departments have sufficient knowledge and expertise to work with mutually owned firms

23 Share ownership incentives for company employees should be available to all mutuals:

Employee share ownership should be incentivised in consumer mutuals as it is in other businesses, by the introduction of qualifying shares

5.4 Actions to facilitate the role of mutuals in fostering economic growth and prosperity

The economic crisis has shown the importance of a strong mutual sector, which can act as a counterbalance to stock ownership in our economy. Measures should be taken to strengthen the role of mutuals, particularly in financial services.

24 Financial diversity should be actively facilitated by Government

Government should adopt a policy on lowering the barriers to entry for new financial mutuals to complement the regulation already in place to facilitate new plcs and privately owned challenger banks

25 In order to grow a mutual banking sector, committed to customer service:

Government should consider transferring or selling government owned banking assets to existing building societies and new mutual banks that adopt blocks to future demutualisation

26 Government and investors should work together in a partnership to make a success of a British Investment Bank:

Government should create the new British Investment Bank as a mutual, owned jointly between Government and investors

27 Members of the public should be able to easily invest in national infrastructure projects:

Government should support the development of new 'One Nation' savings products to promote consumer investment in infrastructure projects

28 Government should consider measures to increase the impact of mutual banking in the UK:

Consider the role of customer owned mutual banking institutions

(building societies and credit unions) in the context of a diversified and competitive financial services sector and make recommendations for improving their market share.

Government should also enable "investment" in bencoms, public benefit corporations etc.

29 Government should act to improve working peoples' access to fair savings and credit:

29.1 Wherever Government is a significant employer, it should work with the credit union sector to establish credit unions for its staff.

29.2 Government should build on the work of the coalition in scaling up credit unions to help more people save and manage their finances, provide a practical alternative to payday lenders and loan sharks, and offer a diversified and competitive range of financial services

29.3 Encourage payroll deductions and other links between credit unions and employers in both the public and private sectors

29.4 Tax Exempt Savings Plans are offered by friendly societies where deposits are invested on behalf of their members to provide a tax-free return. The last time the investment limit, which currently stands at only £25 per month, was raised was in 1995. A new government should bring forward proposals to increase the limit to at least £50 per month to at least bring the limit in line with inflation.

30 Islamic banking and insurance should be promoted as part of a growing mutual financial services sector:

Government should promote Islamic Finance as an integral part of increasing financial diversity

5.5 Actions to extend mutuality in the public interest

Across the country, institutions provide services that are of great importance to the public. From public services to assets of public importance, it is essential that the public interest is protected. Mutuals can play a major role in delivering accountable institutions over the long term.

31 When considering a change of corporate provider for public services, Government should:

- 31.1 Always consider a mutual option before a private sector contractor is engaged
- 31.2 New providers must have structures in place to engage with customers and employees
- 31.3 Refine the legal and procedural frameworks through which public sector workers in the NHS and local government 'spin out' to create social enterprises, thereby encouraging the creation of multi-stakeholder social co-operatives
- 31.4 Investigate whether current legal frameworks are suitably developed to underpin multi-stakeholder social co-operatives
- 31.5 Investigate whether the correct incentives and regulatory frameworks are in place to support investment in social co-operatives out of operating profits, and by employees, users, communities and outside institutions. Guidance for public commissioners on securing social value should emphasise the added value of mutuality and co-production
- 31.6 Department of Communities and Local Government should champion 'in sourcing' by local authorities as an incubatory step in creating social co-operatives out of public services
- 31.7 Legislation should cap the extent to which a single supplier can capture a public service market locally and nationally
- 31.8 Public commissioners should be required to try and award contracts locally before going out to larger national providers
- 31.9 Central government should bring together BIS, DWP, local welfare provision, charities, and the third sector to pilot Bare Essentials Co-operatives. With these people could pool resources to secure life's essentials at affordable prices, providing a means of mutual aid beyond food banks. Taking a more proactive approach to poverty alleviation, some funds could be diverted from future benefits to help establish these co-operatives, with other input coming from charities and the third sector. For this innovation to be successful the policies proposed to support people to pool their resources will need to be implemented
- 31.10 Community Rights should be extended to allow communities the legal opportunity to bring local services and infrastructure into mutual ownership. These rights could be exercised during development, when franchises are due to expire, or when ownership is going to be transferred

32 Any new mutuals created from state or municipal bodies should be nurtured to avoid them becoming a stepping-stone to privatisation:

Government should adopt a clear protocol for public service mutualisation that allows sufficient time and ensures a fair and consistent approach across government departments

Where public service mutuals are established, they should be supported and nurtured in their early years particularly through contract renewal processes to ensure that they have sufficient time to become established and are not swept away through short sighted procurement decisions

33 Parental, staff and student involvement in schools should be actively promoted:

Government should support and promote co-operative education providers by creating a level playing field for co-operative schools

34 Business studies curricula should cover the full diversity of business forms:

- 34.1 Students on vocational and creative courses should be given advice about how to make a success of being self-employed and starting their own business. This advice should include discussion of the benefits of co-operating with others in small business consortia
- 34.2 The National Careers Service should take account of how co-operative models provide opportunities for different pupils, and should offer advice accordingly

35 Large health mutuals such as NHS Foundation Trusts must use their new mutual structures better to fully empower their staff and engage with the public that they serve in order to improve healthcare standards further:

The role of public and staff members of Foundation Trusts should be strengthened.

36 Social housing providers should adopt/explore greater tenant and employee engagement:

Social landlords should be encouraged to adopt the 'Rochdale' housing model that empowers both staff and tenants as members built into the fabric of the organisation with a sense of shared priorities and working together.

- 36.1 The Homes and Communities Agency (social housing regulator) should recognise the validity of the Rochdale model and central government should make it a genuine option upon transfer which other ALMOs and existing housing associations should be encouraged to explore.

The Department for Communities and Local Government Housing Transfer Manual should be updated so that giving due consideration to community ownership / mutual models whenever a transfer occurs.

- 36.2 Financial support should be provided via Cabinet Office to enable organisations to sufficiently explore this model.
- 36.3 The Homes and Communities Agency should recognise how mutual housing providers build the principles of co-regulation into the fabric of their organisations.

37 New Communities should harness the power of co-operative organisation

- 37.1 Garden City developments must include locked community ownership of land and assets. This ownership must be participative and democratic.

- 37.2 Economic planning for Garden Cities must give a central role to community owned enterprises running key amenities and infrastructure. Crucially these enterprises must provide bottom up democratic accountability and a means for economic participation through the community shares model.

- 37.3 Garden City projects must incorporate models of community agriculture including co-operative farms and allotments, and localised food supply chains through community supported agriculture.

- 37.4 Government must continue and expand on support for community self-build projects with common ownership at their core.

38 Communities should be assisted in establishing collaborative mutual structures:

- 38.1 Existing community-based member organisations (e.g. member- owned housing associations) are uniquely well placed to offer wider services to their members such as through partnerships with local credit unions or in relation to community energy. Government should explore what prospects exist for further devolution to communities which would allow organisations to offer additional services to their members, and build on the strength of existing organisations, before looking to set up new bodies.

- 38.2 Councils should hold community-led housing registers for people who want be involved in meeting their housing needs, and should have a duty to develop community-led housing strategies aimed at helping local communities develop homes for people who register.

- 38.3 Introduce a Community-led Housing Bill that will level the playing field for people trying to meet their own housing needs.

- 38.4 Strengthen the Community Right to Bid powers by period of moratorium to a minimum of 10 months and the right to appeal an unsuccessful application for listing.

- 38.5 Where an asset of community value is to be sold, the owner should have a legal duty to at least consider any offer made by a community group under the legislation.

- 38.6 Consideration should be given to how Permitted Development and Change of Use regulations could be used to protect potential community assets.

38.7 Remove the ability for powers like Universal Notices to render Community Rights useless.

38.8 Adapt the planning framework to give a material weight to community owned developments, such as community energy co-operatives, where membership of the enterprise is open, democratic and facilitates community investment.

38.9 Create a new national presumption in favour of change of land use being granted where land value uplift is to be captured for the benefit of the community.

39 National public services should be directly accountable to their customers and other stakeholders:

Government should ensure that, where appropriate, providers of major national services are operated in the public interest through mutual structures.

40 Government should make the UK Rail network more accountable to the public:

40.1 Governance of Network Rail should be strengthened by electing its members.

40.2 Rail franchises should be altered so that they better serve the public interest.

40.3 Those franchises which are forfeited to Government should remain in public ownership or be set up as independent mutuals.

41 In order to free up the potential for major investment in fibre optic broadband infrastructure:

Government should separate Openreach from British Telecom and consider converting Openreach into a public interest mutual to improve the chances of faster investment in data infrastructure.

42 Government should act to promote supporter involvement and ownership in football clubs as a strategy for building trust and confidence for the long term:

42.1 Government should ensure that the football authorities follow the lead of the German football league, with clubs required to adopt a minimum 50+1 supporter ownership.

42.2 Supporters Direct should have a stable and predictable funding from the proceeds of football, on the basis of a fixed percentage levy on transfer fees.

42.3 Government should legislate to protect certain football community assets (club colours, club name, home ground ownership and the rights to securitise assets) from sale or abuse.

43 Community Energy projects should be actively supported

43.1 Introduce a Local License regime in the energy market that allows communities to directly supply themselves with the energy they generate.

43.2 Position Local Licensing prominently within a wider agenda for further energy market reform.

43.3 Set high level multi sector principles for regulation conferring a duty to enable community-led economic and social innovations.

43.4 Resurrect the Green Deal as a programme that focuses on financing the roll out of retrofits at a community level through co-operative structures.

43.5 Commit to a target of at least 3GW of community owned electricity generation by 2020.

43.6 Tailor future state support for onshore renewable deployment towards developments that are either partially or wholly community owned.

43.7 Ensure that community energy deployment benefits from a stable and predictable regime of subsidy and investment incentives.

43.8 Attach material planning weight to onshore renewable deployments that are either partially or wholly community owned.

43.9 Housing associations are particularly well placed to help provide community energy. Government should work with housing associations to consider new and innovative approaches to community energy provision.

44 The role of co-operatives in securing food supply should be supported

44.1 Develop the role of agricultural co-operatives in supporting independent farmers to be sustainable and viable through the adoption of innovations in technology, technique and commercial practice.

44.2 Help deliver public sector local food procurement commitments by putting co-operative supply chains at the heart of the delivery strategy.

44.3 Extend the agricultural development exemption to cover low impact farms smaller than five hectares that are either community owned or engaged in community-supported agriculture.