

# Economic Growth Overview & Scrutiny Committee

**Dorset County Council**



Date of Meeting	12 October 2016
Officer	Matthew Piles (Service Director – Economy)
<b>Subject of Report</b>	<b>Independent Co-operative Businesses</b>
Executive Summary	<p>Cllr Paul Kimber highlights the scale of the co-operative movement across the UK, although this has not been very evident in Dorset.</p> <p>The Council's Enabling Economic Growth strategy seeks to promote enterprise and entrepreneurship, and highlights the link between economic prosperity and health and well-being.</p> <p>The Council, together with local partners, supports a platform of generic business support initiatives to encourage start-ups and the growth of fledgling businesses. This should be enhanced in 2017 as European Union structural funds become available to enhance the services offered by the Growth Hub, the Dorset Mentoring scheme, and specific support for communities and social enterprises.</p> <p>Whilst this support is not focussed specifically on the development of co-operatives, they do provide a business model which could be used and fostered should it be an appropriate and feasible solution to a need or opportunity.</p>
Impact Assessment:	Equalities Impact Assessment: the Council's Enabling Economic Growth Strategy was subject to an EqIA.
	Use of Evidence: the Economic Growth strategy was based upon a considerable evidence base, which is being continually up-dated and enhanced. Strands of activity emanating from the

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	<p>Strategy are also based upon robust evidence and business cases.</p>
	<p>Budget: there are no budget implications of this report.</p>
	<p>Risk Assessment: having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as:</p> <p>Current Risk: LOW Residual Risk: LOW</p>
	<p>Other Implications:</p> <p>No other implications identified.</p>
Recommendation	<p>It is recommended that the County Council continues to work to create an environment within which a range of social and other enterprises can prosper, to support the delivery of community services and create sustainable economic growth.</p>
Reason for Recommendation	<p>A prosperous, growing and diverse economy is essential to achieve the four corporate objectives of making Dorset and its residents safer, healthier, and more independent and prosperous.</p>
Appendices	<p>None.</p>
Background Papers	<p>Dorset County Council's Enabling Economic Growth Strategy.</p>
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### **1. Context**

- 1.1 The vision of the Council's Enabling Economic Growth strategy is for a strong and successful Dorset economy. It identifies the crucial link between economic prosperity and health and well-being, understanding that a vibrant economy and opportunities for all are essential prerequisites to achieving wider corporate objectives around health, well-being and safeguarding.
- 1.2 The implications of the Care Act 2014 are highlighted. In particular the significant challenges and opportunities associated with the changing way in which quality care is provided across the country. New models for the delivery of care and health services will provide new enterprise and job opportunities. Social enterprises, including co-operatives, and the voluntary sector can provide skilled, well paid jobs in Dorset and help ameliorate supply gaps in the market.
- 1.3 As Cllr Kimber's motion states, the scale of co-operative businesses across the UK has grown to become a significant part of the national economy. Co-operatives are businesses owned and run by their members, usually to meet their economic, social or cultural needs and aspirations through a jointly owned and democratically controlled enterprise. These include high profile names such as the John Lewis group and Kerry Foods, and indeed retail and agriculture lead the field as sectors promulgating co-operative businesses. Many smaller scale co-operatives have been established, covering a wide range of activity including village shops, credit unions and sports clubs.
- 1.4 Co-operatives do not currently feature largely in the Dorset economy, either in numbers or scale of business activity. Several initiatives have been delivered over the last twenty years, including the provision of co-operative development officers, support for the Co-operative Development Agency and access to start-up funding, but all with limited success.
- 1.5 Limited success with previous initiatives does not preclude the option to encourage the development of appropriate co-operative businesses, among other social enterprise governance structures, to meet the challenges and opportunities identified in the Council's strategy.

### **2. Support for business enterprise**

- 2.1 The Council, together with other local partners, contributes to generic business support initiatives, including:-
  - Dorset Growth Hub: the main source of business advice across Dorset, provides or signposts to wide range of business support services
  - Dorset Mentoring scheme: provides mentoring support, normally for fledgling companies, from experienced business people
  - Business start-up courses: the Council has sponsored several two day start-up courses, to ensure good geographical coverage, and provide the opportunity for relevant Council officers or others to receive training (these courses should be continuing in 2017 with EU funding support through the Growth Hub)
- 2.2 The majority of the support offered through these initiatives is directly relevant to all businesses, including social enterprises and co-operatives. Specific support on alternative governance structures and their implications is available from a

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number of sources, including Dorset Community Action, national support agencies and solicitors/consultants.

2.3 The Arts Development Company, itself a social enterprise created by the County Council, is organising a conference in December to bring together a range of public, private and social enterprises to be inspired and discover how we can better work together to achieve social change and build socially enterprising collaborations together that deliver required services. The aims of the conference are:-

- to explore how to work together to achieve social change and increase social impact
- to be inspired by other collaborations delivering social impact for people and communities in interesting, innovative and enterprising ways
- to explore collaborative and creative ways of delivering key social objectives in Dorset, Bournemouth and Poole in order to build a better future
- to research and develop local market providers to deliver required services

2.4 The development of markets for adult and social care involves creating an environment in which providers are supported to develop innovative solutions to better meet the needs of service users. Spend with small, voluntary and community social enterprises can make a significant contribution to local economic growth. The Social Value Act provides that Councils should be responsive to the benefits of such enterprises and facilitate their inclusion in procurement through pre-market engagement and supplier planning.

2.5 Whilst not precluding the creation and growth of social enterprise, the investment decisions around adult and social care are increasingly driven by service users, who are displaying a tendency to rely upon traditional forms of provision. The incremental nature of demand, combined with the significant investment required to ensure safeguarding, credible infrastructure and reliability of care means that the Council has not so far been proactive in stimulating social enterprises or other enterprise models.

2.6 Significant additional support for working with communities, identifying need and opportunities, and providing seed funding for the creation of social enterprises should soon become available through the Building Better Opportunities fund, part of the European Social Fund. Local partners are involved in the development of the round 2 application, which if successful will see delivery commence in Spring 2017. Business coaches, peer mentors and various team challenge techniques are planned to identify and exploit community enterprise opportunities.

### **3. Conclusion**

3.1 There is a reasonable level of generic business support available across Dorset, and this should be significantly enhanced in 2017 as European Union structural funds underpin additional services, ranging from start-ups to exporting. This will also provide specific support activity for communities and social enterprises. The development of co-operatives is an option which is available and supported, should this be the most appropriate business model or structure to pursue.

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**M D Piles**

**Service Director - Economy**

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