

COMMUNITY ACTION: MK

Co-operatives & Community Enterprises

Community Enterprises

The UK has a long and proud tradition of community enterprise. The phrase 'community enterprise' goes back many decades, pre-dating the more recent concept of 'social enterprise'.

Run by a community as well as for a community

Community enterprise is a significant sub-sector within the wider social enterprise sector. It shares the same definition as social enterprise: an organisation trading for social purpose with profits reinvested rather than going to shareholders.

But a community enterprise is more specific in that it is based in, and **provides benefits to a particular local neighbourhood or community of identity**. A community enterprise is owned and managed by members of that community. It is an organisation run by a community as well as for a community.

Some community enterprises go further and develop a range of different enterprises, products, services and projects to meet a range of different social, economic and environmental needs in their community. They provide a more joined-up approach to tackling often deep-rooted and complex issues. This type of community enterprise is called a development trust, and most development trusts aim to acquire and develop local land and buildings.

What are Co-operatives?

Co-operative businesses are owned and run by and for their members, whether they are customers, employees or residents. As well as giving members an equal say and share of the profits, co-operatives act together to build a better world.

Co-operatives are a flexible business model. They can be set up in different ways, using different legal structures, depending on what works for the members.

The definition of a co-operative business is that they are owned and run by the members - the people who benefit from the co-operative's services.

Although they carry out all kinds of business, all co-operative businesses have core things in common.

"I'm one of 3500 members of FC United of Manchester. We own an equal share of the football club that we support, as well as being members of a co-operative. For that, I'm a happy man!"
Phil Frampton, FC United of Manchester.

Co-operatives share their profits

Co-operatives want to trade successfully – they are businesses, not charities, after all.

Members, such as farmers or freelancers, tenants or taxi drivers, can often do better by working together. And sharing the profit is a way to keep it fair and make it worthwhile.

Rather than rewarding outside investors, a co-operative shares its profits amongst the members.

Co-operatives are owned by people like you

Co-operatives are a business model that exists to serve its members, whether they are the customers, the employees, or the local community.

The members are the owners, with an equal say in what the co-operative does.

As well as getting the products and services they need, members help shape the decisions their co-operative makes.

Across the UK, co-operatives are owned by more than 15 million people – and these numbers keep on growing.

Co-operatives are a success around the world

This mix of self-help and mutual aid has made co-operative business an international force for good.

100 million people around the world are employed by co-operatives, while nearly 1 billion are members.

Should your organisation be a Co-operative?

The business planning side of starting [a co-operative](#) is very similar to starting any business.

There are, however, two main differences in the process:

- The start-up process generally involves more people in a democratic, inclusive planning process. These people will be the future members; as customers, workers, tenants or users. This means that you create the business that the members want.
- There are lots of people and organisations who can help because you are a co-operative. The co-operative movement is great at helping more co-operatives start. Indeed co-operation amongst co-operatives is one of the seven cooperative principles.

Contact us for 1:1 advice and support on whether this is the right option for you - **01908 661623** or email support@communityactionmk.org

We are members of Co-operatives UK, the national body that campaigns for co-operation and works to promote, develop and unite co-operative enterprises.

<http://www.uk.coop/>

ACKNOWLEDGMENTS

With thanks to [Locality](#) for some of the information in this Spotlight.

This information sheet has been produced by Community Action: MK and was last updated in 2015. Community Action: MK has taken all reasonable precautions to ensure that information contained in this document is accurate, but stresses that the content is not intended to be legally comprehensive.