



THE PRESTON CO-OPERATIVE DEVELOPMENT NETWORK,  
THE UNIVERSITY OF CENTRAL LANCASHIRE AND  
PRESTON CITY COUNCIL PRESENT:

# Preston Meets Mondragón: Worker ownership and democratic businesses for Preston

CENTRE FOR  
**SME**  
DEVELOPMENT

<https://vimeo.com/187802604>

# What next? Co-operative development within the Preston Model



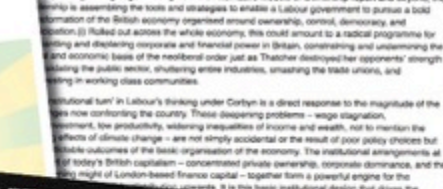
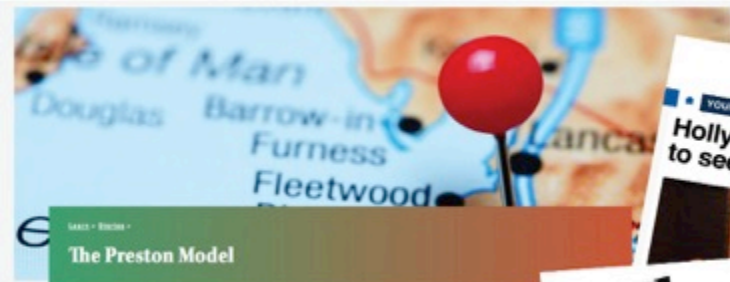
DR JULIAN MANLEY OF THE UNIVERSITY OF CENTRAL LANCASHIRE AND CLLR MATTHEW BROWN, LEADER OF PRESTON CITY COUNCIL



# 1. Background and development



**THE PRESTON MODEL: WHAT NEXT?**



What next for 'The Preston Model'?



# A democratic economy now emerging in Preston based on common sense alternatives



- **Our anchor strategy** has large placed based institutions in Preston and Lancashire with a combined spend of nearly **£1 billion per annum** increasing spending to local suppliers to benefit our community.
- **£100m placed based investment by our public pension fund** in student flats, hotel and office space through City Deal we wish to build on.
- Expansion of cooperative and employee owned businesses through **Preston's Cooperative Development Network (Presco)** with UCLan and others. Commitment to 'gap coops'.
- Commitment to establishing the **Lancashire Community Bank** and continued support for our **credit union (Clevr)** and **CDFI (Lancashire Moneyline)**.
- Preston City Council is now an energy supplier through its partnership with a neighbouring authority – **Fairerpower Red Rose**.
- Opportunity for councils in Lancashire to establish a housing development role through a **new housing company**.

# Public and community banking



# Public pension fund investments in Preston



# Public sector spend repatriated to Preston and Lancashire



## SPEND ANALYSIS 2017

Centre for Local Economic Strategies in collaboration with Preston City Council

**£616,863,091.08**

is the total amount spent procuring goods & services by 6 anchor institutions 2016/2017. Compared to £746,730,478.83 in 2012/2013.



■ Preston ■ Lancashire ■ Total Spend

**Preston:** a total of £112,337,690.64 was spent with organisations based in Preston (18.2% of total spend)

**Lancashire:** a total of £488,659,587.40 was spent with organisations based in Lancashire (equivalent to 79.2% of collective spend)

### PRESTON STATISTICS AT A GLANCE

2012/2013



an increase in spend with Preston based organisations of **£74,750,857.47**

2016/2017



### LANCASHIRE STATISTICS AT A GLANCE

2012/2013



an increase in spend with Lancashire based organisations of **£199,688,679.96**

2016/2017



For further information, please visit:  
[www.preston.gov.uk/CommunityWealthBuilding](http://www.preston.gov.uk/CommunityWealthBuilding)



# OUTCOMES – Job density



In **2016** Preston was in the **top 50** of UK local authority areas for job density (**1.03** compared to the UK average of **0.84**). Also in **2015-2016** Preston added **5% in GVA** per head equivalent to **£1,157**.



# 2. Co-operative Development



**THE PRESTON MODEL: WHAT NEXT?**

# The Preston Model: Gaps in the Economy & Industrial Strategy

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## Gaps in local economy

- ✓ **Social Community Care Supplies and Services** – Adult: an existing leakage of £6,263,991.85 and 22 existing organisations in Preston;
- ✓ **Catering**: an existing leakage of £5,420,537.89 and 23 existing organisations in Preston;
- ✓ **Facilities & Management Services**: an existing leakage of £1,212,112.99 and 10 existing
- ✓ **Furniture & Soft Furnishings**: an existing leakage of £158,104.36 and 0 existing organisations in Preston.

## Industrial Strategy 'Challenges'

- ✓ **Artificial Intelligence and Data Economy** – to put the UK at the forefront of the artificial intelligence and data revolution
- ✓ **Future of Mobility** – to become a world leader in the way people, goods and services move
- ✓ **Ageing Society** – to harness the power of innovation to help meet the needs of an ageing society
- ✓ **Clean Growth** – to maximise the advantages for UK industry from the global shift to clean growth (i.e. renewable energy)



**Preston Cooperative  
Development Network**

Promoting and supporting the  
development of local co-ops

Contributing to community  
wealth building



Supported by



Preston Co-operative Development Network Limited is registered  
in England and Wales as a Community Benefit Society under the  
Co-operative and Community Benefit Societies Act 2014. It is  
registered with the Financial Conduct Authority, Number 7636

## Members of the Steering Group





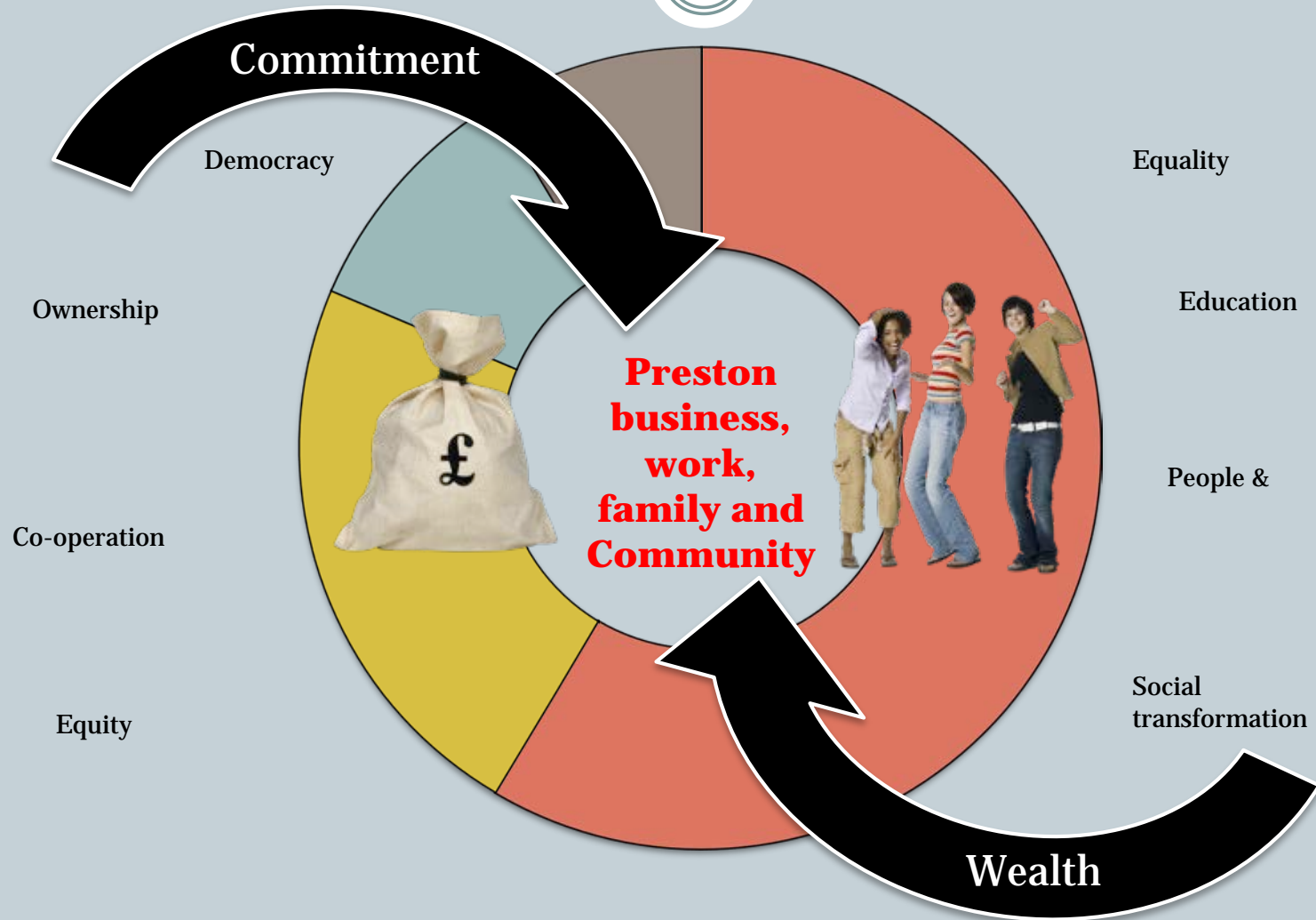
# PCDN Objectives

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- 3.2.1 the provision of information, advice, consultancy and training;
- 3.2.2 providing and facilitating the provision of premises, equipment and support services;
- 3.2.3 facilitating and enabling access to finance and investment;
- 3.2.4 providing and enabling access to suppliers, markets and customers;
- 3.2.5 enabling and encouraging cooperatives and any person or body which supports the principles of cooperative and similar forms of enterprise to work together, for example by providing a forum for networking; and

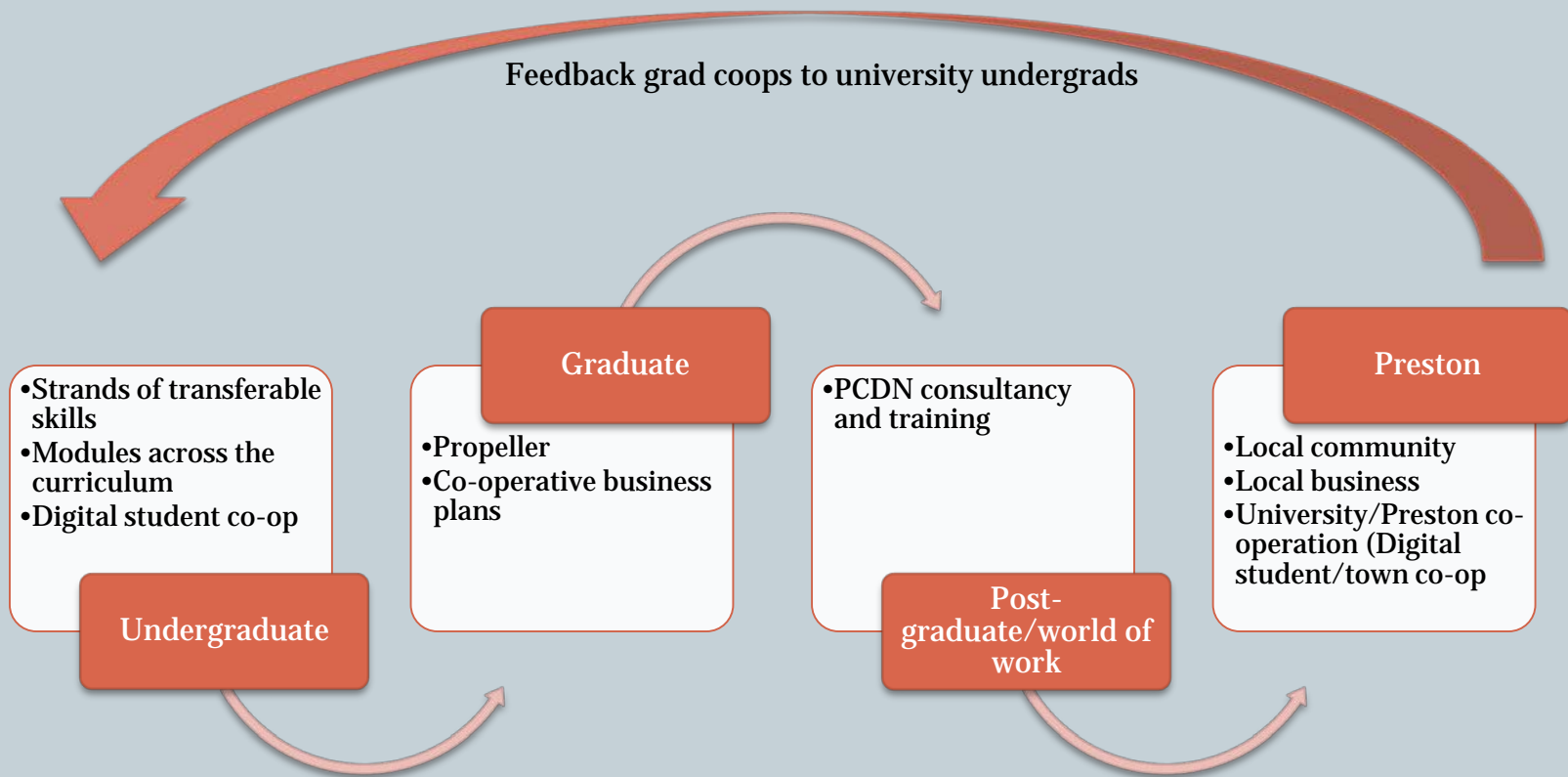
# Co-operation: working to social values and principles

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# UCLan community/Preston community

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# Growing the Cooperative economy in Preston



**CLEVR** money

**1.25million**  
Britons belong to a Credit Union like CLEVR\*

We're owned by and run for our members

Profits are reinvested back into the local community

Dividends and FSCS Protection on savings

£

FSCS  
Protected

- ✓ No set-up costs
- ✓ No arrangement fees
- ✓ No early repayment penalties

CLEVR has

4,700 members accumulating over  
£5,000,000 in savings and issuing over  
£13,000,000 in affordable loans

**Beat**  
THE BANKS

Beat the Banks guarantee on loans under £5,000\*\*

# LINK PSYCHOLOGY

# CO-OPERATIVE



The TAS Partnership Limited

Passenger Transport Specialists





## Example: The Larder Coop

Worker-owned coop constituted with support and advice of Gareth Nash of the PCDN

Hoping to find premises with help of Preston City Council

In development through PhD research project and other potential educational strands with UCLan

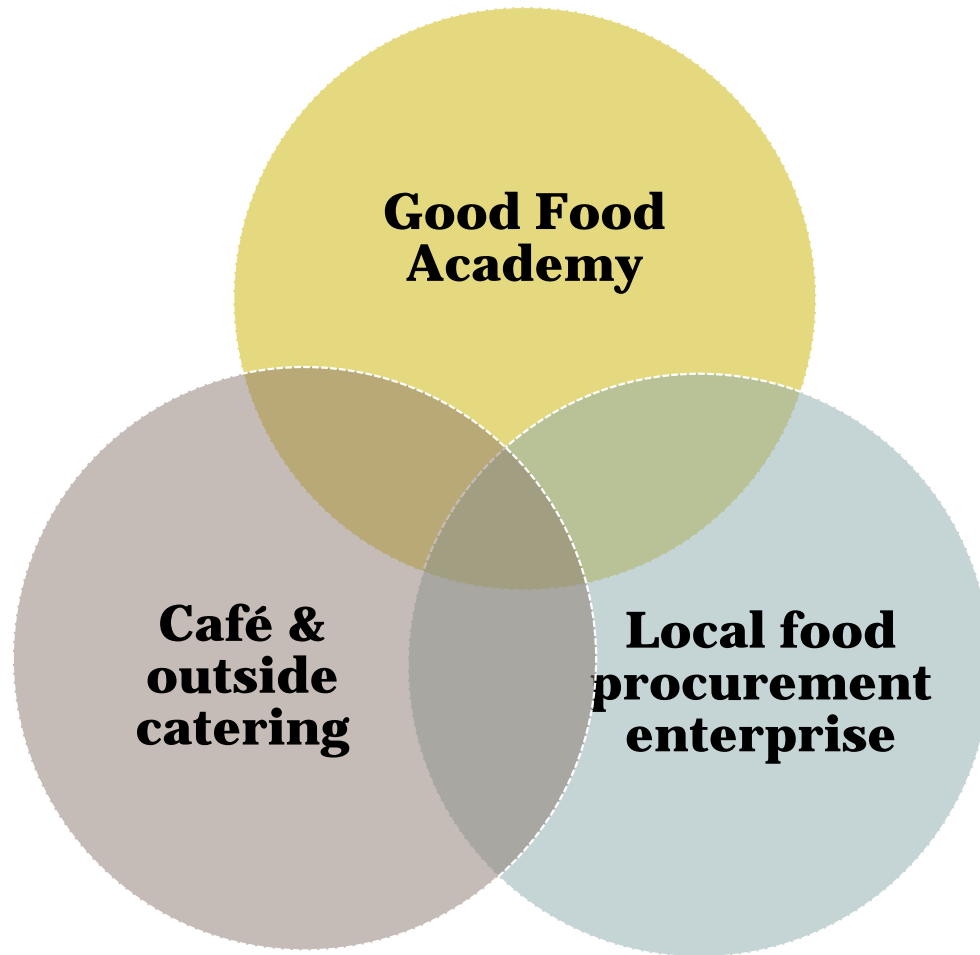
Embedded in local community & working with other Anchors

# THE LARDER



## LANCASHIRE AND REGION DIETARY EDUCATION RESOURCE

# Preston Good Food Project - *'Food Fairness for Everyone'*



# What next for coops and 'The Preston Model'



- Continue to form 'gap coops' to scale up to supply anchor institutions to prevent leakage from local economy.
- Explore utilising the community bank and other public investments to expand cooperative economy.
- Discuss formal relationship between Mondragon Cooperative Corporation and Preston's anchor institutions.
- Explore relationships between trade unions and Mondragon to launch 'union coops'.
- Reconsider work around 'succession planning' to encourage retiring business owners to sell to their workforce.





# *Eskerrik asko, Egan ona izan dezazula*

