

Spotlight on...

Co-operatives and Trader Operated Markets

What is a Co-operative?

A co-operative is a business that is jointly owned and democratically controlled by its members.

Co-operatives are trading enterprises, providing goods, services and generating profits, but these profits are not taken by outside shareholders; instead they are under the control of the members, who decide how the profits should be used.

Co-operatives use their profits for investing in the business, in the education of members, or for the welfare of the wider community and environment.

Why set up a Co-operative?

Co-operatives keep the business and the wealth it creates local due to local members and the profit incorporated back into the co-operative.

Co-operatives are also more sustainable than other forms of small business, creating more jobs and survival rates are higher.

Furthermore Co-operatives contribute to local community regeneration and supply chain development.

Types of Co-operative

Community co-operatives: Enterprises that are owned and controlled by people belonging to a particular community.

This may be a geographical community or a community of interest.

Co-operative consortia: Co-operatives formed by a number of independent businesses, organisations or individuals, and owned and controlled by them.

Other sources of advice

Co-operative Development Bodies (CDB)

Co-operatives UK

www.cooperatives-uk.coop/advice

How to set up a Co-operative

Here are some questions that need to be considered before starting a co-operative:

- Who will be involved and how?
- Who will own and control the co-operative?
- What is the co-operative going to do?
- What is the need, product or service?
- Is there a demand for it?
- Is anyone else already doing it?
- Can you supply the need, product or service competitively?
- Have you thought about how you are going to finance the start-up?

Use these questions to draw up a business plan and make sure research is used to make this as concise as possible.

The government amongst other organisations provide specific funding for co-operatives. You can seek advice from co-operative development bodies about legal formal structures and communication plans or contact the NMTF projects team on 01226 749021 or email at projects@nmtf.co.uk for more information.



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