



Project Report and Recommendations Meeting: Transitions for Preston Two-day event

**Day 2: 15th January 2021
9:00 – 15:00 UK Time
Via Zoom**

AGENDA

LKS Mondragon Presentation

09.05-10.30: Presentation and discussion

10.35-10.40: Break

10.40- 12.00: Presentation and breakout groups

MINUTES

Julian: I do have to say that just like yesterday we're not following the breakout room idea. We'll follow the debates, as they're presented by Marta and Ibon. But we will have a break at 10:35 for a cup of tea or whatever. Okay, thanks. So over to Marta and Ibon.

Marta: Thank you, Julian and hello everybody. Today is Friday. So, the weekend is near. First of all, we would like to thank you for your attendance and for the time you dedicated to this project and to this meeting. Today is also the last meeting that we are going to have in the framework of this project. And as yesterday, we would like to hold a participative session where we you could share your opinions and also give us your ideas. Because, at the end of



the day, you are the people of Preston and you are the ones who know the ecosystem and have the relationships, and it's really important that your comments and ideas are brought to the table. So, I'm going to share a PowerPoint that I sent you yesternight. I would like to apologize because it was a little bit late. We should have sent it before, but it was my mistake. Sorry for that. So, I am going to share my screen with you.

Okay, here it is. Can you see it? Okay, great. So, as I was telling you, the goal of this meeting is to gather the action lines and fully identify challenges that emerged from yesterday's conclusion. Yesterday, we identified four main challenges that may arise in Preston while trying to develop this ecosystem.

And the first one was the challenge of inter-cooperation - how to increase this collaboration and the way that we work together to get better at creating this ecosystem.

Another problem or challenge that we are facing is also how we organise the shared leadership, going with the different stakeholders, to develop the complementary of leadership beyond the city council to create a cooperative ecosystem.

Then we have the challenge of social value approach. We think that we have to maintain a balance between the importance of creating and generating sustainable and competitive businesses that would be long running and generate employment in the community. But also having in mind that social transformation and the social impact are also important. So, we have to keep the balance between these two ideas: the economic business generation and the competitiveness of these businesses, as well as the way that they can transform reality and have a social impact in Preston.

And then the topic that was reappearing in different interviews and in the meetings that we were having is the lack of cooperative culture and awareness, and how we can create this new culture and a more cooperative and collaborative ecosystem in Preston.

We have defined clear meaning of each of the challenges, and also, tried to get examples of how these challenges are solved in Mondragon. These examples are not to be copied or directly translated to Preston. They are just to give you some ideas to inspire you, and to see how they can be adapted in Preston.

So as yesterday, first of all, we are going to present the main ideas, definitions and examples from Mondragon and our proposal of actual lines. And then, for each of these challenges we are going to have a 30-minute debate to share your opinions, ideas and proposals of projects or actual lines that you think can be applied in this sense.



So, we're starting from the first challenge – the inter-cooperation - the need to increase the collaboration and work together among the different stakeholders, to get the common goal with the premise that all members should gain or obtain some kind of benefit from this cooperation, it doesn't have to be a monetary or economic profit or benefit. There are other kinds of benefits that they can get from being part of the network.

So, how is inter-cooperation done in Mondragon? In Mondragon inter-cooperation is embedded in the way how cooperatives act. This collaboration takes place between individual cooperatives. For example, two cooperatives can do some work together - to develop a project or a new business, but also between the different divisions that are integrated in the corporation. We have 14 divisions that are integrated in four main groups. It's industrial group, retailing, knowledge and banking. This cooperation is between these divisions and these different areas, but also with other stakeholders and cooperative organisations and movements from the Basque Country, from Spain and also from abroad. So, we have this clear idea that cooperation has to be extended to other relationships that we try to create.

This inter-cooperation allows coops to maximize market opportunities, and provide comprehensive solutions as well as value added services. The key point for Mondragon is to develop new business opportunities to be sustainable long-term. And this cooperation allows us to be efficient in some sense. As a result of this cooperation Mondragon cooperative shares some facilities and some services, like production plans or business delegation, and that enables them to be more efficient and competitive in the market.

We have also developed common service platforms for all the coops in the group. We have the banking that is shared, some purchasing and procurement services that are done together by different cooperatives. And, for example, the services that are provided by Mondragon corporation for the development of new businesses through the promotion centre. It's true that during the years of Mondragon's existence it has evolved and changed considerably. Its development was quite organic and based on personal relationships and shared values and those kinds of ideas. But as a result of the

growing of the network, when more coops got integrated into Mondragon, it was necessary to develop new structures to organise and to facilitate this cooperation. So, the corporation was created, where all of the cooperatives are joined together and share the same principles and also the four areas and divisions that integrate the different coops according to their sectors, their activity.



We had to create a structure, because Mondragon integrated 96 coops. So, there was a need to create a common structure and shared vision to facilitate the cooperation among them. For example, one of the most relevant points of inter-cooperation is when a company has economic problems and needs to reduce its employee workforce, instead of workers being made redundant, they are being relocated to other coops. This is an important way how cooperatives can help themselves and cooperate and collaborate to keep the jobs between inside of the corporation.

This inter-cooperation is also manifested in restructuring results. Within the four sectoral groups results are presented together from the different coops. When cooperatives make profits, they give some amount of money to the corporation to create funds that afterwards Mondragon Corporation can invest in activities that have a social impact or that enable cooperatives to sustain their activity long-term. For example, they invest in research and development of new activities.

And this cooperation is very close to the principle of solidarity. It has an impact on profit distribution Spanish law says that 10% of net profits of the cooperatives should go into education funds. And Mondragon coops, of course, follow the law. They also establish higher percentage for themselves comparing to the law, for example, reserve funds by law must consist of 20% of net profits, but Mondragon raises that to 45%. And that enables them to increase the resources of the coops to guarantee the sustainability and long-term activity. And another 45% of the net profit returns to its members.

The cooperatives that are integrated in Mondragon have to report to Mondragon's headquarters about their economic performance: number of workers, profits, etc. There is no internal competition between coops that are integrated in Mondragon. They compete with the rest of companies of the market, but they try to find ways to avoid competition among themselves. They try to find ways to collaborate instead of competing.

Cooperation values are integrated in the training and education programmes of Mondragon. For example, Mondragon University has a lane programmeme where a team of academics would have a special approach to working in teams, to develop degrees, learning by doing. LANKI is the Institute of Cooperative Research of Mondragon and is focused on the development of social educational aspects of cooperativism and social economy. And it's a group of researchers that also collaborate with cooperatives and with Mondragon University. So, they are really embodied in the future of this training initiative. So, these are some of ways that cooperation is done in Mondragon.



And from the interviews and the meetings that we have been holding in the framework of this project, we have identified some action line that can be taken in Preston to develop this cooperative ecosystem. However, it's only a partial vision and we would like to complete it with an addition of your proposals as well. Maybe there are things written that are not correct, or don't have the correct approach. So that is why we would like to share them with you and get your feedback on them and also your proposal of new action lines that could be taken in Preston.

As we have commented yesterday, one action line that emerged was to identify new inter-cooperation projects between the educational stakeholders of Preston, with UCLan, Preston's college, Preston's Vocational Training Centre, and also Preston's Cooperative Education Centre and the different trade unions. We see that there are a lot of opportunities to increase collaboration and cooperation to develop new trainings in entrepreneurship and to create a more employable workforce. So we think that one action line should be centered on the collaboration between educational institutions.

One of the goals of this initiative is to foster collaboration between the existing coops of Preston and other social enterprises through networking meetings, first of all, to meet each other, to build a relationship and then to see in which way they can collaborate and create shared projects or have a higher impact in the communities. We also think that it would be good to have networking events or meetings to connect these clubs and social enterprises with the rest of the ecosystem, the productive fabric of Preston, especially with the anchor institutions who have a higher purchasing impact; also, with the Chamber of Commerce, for the relationships that they had maintained with the rest of business ecosystem, and the industry and business fabric of Preston. Another action line would be to strengthen the relationship between Preston and Mondragon Corporation and another territories or organisations that that are developing similar approaches of collaborative and democratic economic model.

So, these were the four ideas that we think could be integrated as action lines or projects to be developed in the future. But I'm sure, that there are many more other things that can be done. And now I think that's your turn to make your proposals, to give your ideas of new projects or things that should be done. So, I don't know who is the first one who wants to start talking or who has ideas to give us to improve this proposal.

Olga: Can I ask a question please? Marta, you mentioned there are 15 research and development centres and nearly 2000 researchers. Were they already available or they grew along while project has been developing? Where they kind of grassroot initiatives or specific



efforts were put into setting these centres and, probably, feeding and helping these research or think tanks to grow.

Marta: These research centres originated out of a need of cooperatives to develop knowledge, new technologies, and also are very close to Mondragon University. Most of them originated from Mondragon University, but Mondragon University also give answers the demands of the coops. So, our research centres specialise in the topics of cooperative development. For example, we have a division that makes car components. One of the research centres is working on the development of light-weight car materials.

Sometimes new research centres emerge out of cooperatives' needs to increase their knowledge on a specific topic. So, they invest money to create this research unit. So, sometimes it's the Mondragon Corporation or a University who develop them and other times they are established due to the needs of cooperatives. But the funds are normally coming from the Corporation, who receives some of the profits from cooperatives and then allocate them for research purposes. These research centres also work for other companies that are not part of the Mondragon. They provide services to any kind of customers that are interested in the topics that they are researching or things they are developing. I don't know if I answered your questions Olga, or you have something more.

Olga: No, no, it's just to know how they are integrated. Am I allowed to ask another question? Or not? Who is responsible for running solidarity funds? I understand that if it is a financial fund, it cannot be passive. Who's responsibility is it to run this fund trying to increase its value?

Marta: Ibon, correct me if I am wrong. This fund is run by the Corporation and then the Corporation distributes money to other entities. For example, there is a Mondragon Foundation, that's one entity from Mondragon, there is Mondo Kira, that's an international ONG that develops cooperative projects in Africa or in the rest of the developing countries. So, these funds come from the Corporation and Corporation distributes money to different foundations, organisations that develop programmes in solidarity. There is an open statement on how these funds are re-distributed.

Ibon: Marta is right. Just to add that the funds that the coops allocate for solidarity, growth, research issues are quite complex. There is a long set of rules that gives stability and governance to the system, because these funds are covering different targets and aims in the corporation, as Marta said, some are clearly focused on solidarity, both within the corporation and outside for territorial development and solidarity issues in the region or internationally. Some funds are also in solidarity issues on the corporation itself. So, they are



balancing resources from our coops that are doing good to cops that are not doing so well. And there was a big reform also after Fagor Electrodomesticos collapsed because the past system was not working in the right way. So how much solidarity is being offered by the coops to other coops and how much obligations are asked was not clear enough. So, there was a big reform of the rules at that time also, for those solidarity situations, but all in all the system was working quite well with the Fagor Electrodomesticos case. And most of the worker-owners were relocated to other coops for some time. And then there are some other funds that are also oriented into other priorities, like Marta explained, in some cases, they are more business-oriented priorities, like research and development, or sometimes what we call the promotion policies on developing new business activities. So that there are some funds allocated to what we call the promotion centre where they are all the time thinking and working on developing new business activities with different coops and divisions. Also, for research and technological development, there are some internal calls for projects where the coops are investing their own funding and the corporation is also supporting those investments with other corporate funding. And of course, like it was mentioned in previous sessions, there are some other funds that are allocated into education and training directly for the coops themselves, that they have their own education and training, lifelong learning projects, but also to other education structures within the Corporation, like Mondragon University, or Otalora, that is the training centre for the staff, especially for the management of the staff in the corporation and another education initiative. So, you see, it's a little bit overwhelming, it's very complex in the in the case of the Mondragon Corporation, but at the same time, I think the general principles are the ideas that could be useful for the Preston model. So how it works overall.

Julian: Yeah. And I'd like to say that absolutely resonates with my own experience with Mondragon. So, for example, I was first invited to Mondragon by LANKI. Then I did some work with Otalora. And through Otalora, I managed to get some work with Mondragon University. So, when you go to Mondragon, and you become involved in something like that, for example, the education and training aspect, you can see easily how they're all linked together. And there is a very interesting balance between autonomous organisations which are nevertheless linked at the same time. And I think that your four areas of inter-cooperation for Preston are exactly right, and very exciting. And this is, for me, the true challenge of scaling up the Preston model from a collection of disparate and interesting and good initiatives to initiatives that are interconnected and work inter-cooperatively.

So, I think these four areas that you've identified are really exciting, and some of them are already tentatively inter-cooperating. So, I can see for example, how the Preston Cooperative Education Centre could be working with the Preston Vocational Centre, with the Preston's College, with UCLan, and of course, we're working with the Cooperative College in



Manchester as well. It makes perfect sense. It also demonstrates how the opposite would make no sense. How if all of those educational and training centres were working individually, and, in effect, actually competing with each other, that would be a lost opportunity for the model.

I can see how, for example, the Preston Cooperative Development Network should be and could be interconnecting and networking coops together to work in inter cooperation as opposed to competition and I can see as well how that might link into for example, the Centre for SME Development and its own network of SMEs and how you could create a network of cooperatives and SMEs, some are actual cooperatives, but others might be SMEs who want to work cooperatively without being cooperatives. And that would further bind together the university, the business community and the growing network of cooperatives.

I can see how the work that the council has done with URBACT, the different anchor institutions working together, could be increased to include Chamber of Commerce and SMEs. And that could also fit in with the Centre for SME development. And the connection with Mondragon of course is something which would be so beneficial to us, it already exists in different ways. This very meeting here is an example of how that connection is developing. Because there's a memorandum of understanding between the cooperative College in Manchester and the University of Mondragon, which is going to be linked into the Preston Cooperative Education Centre. So, in terms of education and training, there'll be a developing connection between Mondragon and Preston. So, all of these things, I think, are absolutely vital. And I think the definition, really, of the success of Mondragon, and probably the future success of the Preston model, if we can get our act together is precisely in inter-cooperation.

I think for me there are two further questions in inter-cooperation, which have come out of these meetings, actually, one of them is community, I think, in Preston we are very interested in how can we bring community and disadvantaged areas of Preston into the system, so that we don't have a Preston model that is inter-cooperating with businesses and leaving communities behind? We want to integrate I think the communities into the inter-cooperative systems. I think that's one added challenge, if you like, inter-cooperation between, in, and within communities and businesses. I think that's another challenge.

And a sort of macro challenge is the inter-cooperation between the four challenges. How does the education centre, the URBACT procurement anchor institution group, the connection between Mondragon and Preston, and the network of cooperatives and SMEs, - how do they also as four challenges, inter-cooperate with each other? I think that's another eventual macro challenge as well. So, I'm very excited and pleased with the four challenges



you've put into there. And I would add those two extra challenges. And I do think this is the key to success. That's what I think about it.

Alina: Mick's hand has been there for a while. Mick, I hope you haven't lost your point. Just unmute yourself.

Mick: I've got a load of points. And I think the idea is something that's really systematic and mutually self-supporting and is a really desirable prospect. And, obviously, that's why we were interested in hearing from comrades in Mondragon in the first place. But one of the things that's vexing me is, Marta, when you spoke about starting off with a much looser system that was based more organically on relationships and everything. And eventually, it transitions into something that's very, very formalised. And it has quite standardized expectations in terms of allocations of funds and such like, and the transfer of employment obligations and everything.

When is it too early or too late to bring that formalization in? Because I'm not aware at the moment, for instance, where the OSF fund is going to be setting up 10 new cooperatives. I'm not aware at this point that we're actually stitching in formally, connections and formal cooperations and obligations between those cooperatives. And I'm not sure. I don't know. To what extent should that be part of our mission, right now beyond a looser, more relational network approach. So, when does that come in, and I don't want to distract you from that one?

But the other thing is about the collaboration between the different educative wings of this. To some extent, we're sitting in this competitive system, and as much as most of us on this call would want those organisations to operate cooperatively. I'm just wondering how at my university, for instance, UCLan, would provide research support to external cooperatives. Informally, and if it was done formally cooperatively, how do we get from where we are now, which isn't set up to do that, to what I'm thinking... For instance, the University at the moment is investing in research centres. And I'm thinking, there's no reason why I couldn't, as an anchor institution, develop a UCLan Cooperative Research Centre, that, for instance, brings in all the engineering expertise that might develop new prototypes and such like, but at the moment, I don't think we're anywhere near that. I may be wrong, but I don't think we're near that. And I'm not too sure whether colleagues are even fond of these ideas in different disciplines within the university. So, there's a sort of question from me: how do we get from A to B. I wonder whether it should be led by the collaboration between anchor institutions to sort of lead the university to something that is more like what we're looking for here, but I'm not too sure. So that's a woollier question. But the first question I think is more particular.



Marta: Okay, Mick, I will try to give you an answer. I don't have an answer as to the exact moment that you have to create an organised structure for collaboration and cooperation. I think that in Mondragon's case they can to the point, when they needed to formalise things. Because Mondragon currently integrates 96 cooperatives, so you need some kind of a structure to organise things. And this organizational structure has evolved and changed from the beginning. I don't know exactly when the umbrella cooperative was created, but there were some kind of shared entities that helped to make this step forward. For example, Laboral Kutxa, was helping cooperatives with investment, funding, resources. So, I think that there need to be transversal services that enable you to create this kind of structure, some services that are offered to all the cooperatives. So, training can be another driver to facilitate these common services. If you need an entity that tries to give training in the skills that cooperatives need specifically. So, it's another kind of service that can integrate the different needs of the cooperative.

But I think that it's something natural that in the end you have to organise this collaboration because when you start growing, it's more difficult to develop in an organic or in an informal way. And I think that having this common service and platforms is really important to organise this, to make it easier, and that the coops accept these kinds of structures.

And in regard to the second question, I think that you are lucky to have UCLan, and SME Development Centre because I think that there are a lot of synergies that can be done. And there are mentoring process, there are lectures, there is a research about business, about the technologies. So, I think that it's also a good starting point to have this collaboration with UCLan and with the rest of educational entities to support this development. I don't know if you would like to add something, Ibon.

Ibon: No, I totally agree. It's a challenging situation like Julian pointed out. We were inspired by these inter-cooperation ideas, but we are also aware that starting, let's say a Mondragon today is not the same as it was in the late 50s in Mondragon Bailey at that time. So, how to adapt that inter-cooperation idea to a well thought structure that can support very strong cooperative movement. And that is the key - what would be the role of the anchor institutions in this case? Even the PCDN. What would be the role of UCLan, like Martha was explaining, and what would be the role of PCDN in the whole ecosystem. I think UCLan has a very important role in supporting the whole process, and especially in this entrepreneurship ecosystem part where we see nowadays Mondragon University is doing in the case of the Bilbao innovation factory and other initiatives. And actually, in in the 50s also, the very beginning of Mondragon was through the technical school, so, for sure UCLan is if not the most important, one of the most important anchor institutions in the in the whole process.



Mick: I just think that this group needs to give a lot more thought about how we actually grow organically and formerly. I think with the UCLan thing, I get the SME Development, the business modeling, the business development. I think that's much more aligned to this, and there's allies there and everything ready to go. I'm thinking of the more product development stuff that I know is sort of there in UCLan, or the potential is there anyway. But I think at the moment, a lot of that endeavor is arguably geared towards a more capitalist spin off company type ideas. Do we need to grab hold of some of those people like the engineers and such like, and the chemists and those people and get them interested in this endeavor? I don't know whether they are or they aren't, I suspect they are fairly unaware. And it might be a way of strengthening what we're about in the long term if we can begin some of those conversations now.

Marta: You have mentioned, Mick, the fact that UCLan has also Propeller, and it's an important point because it offers business training. And I think the idea of cooperatives and collaboration has to be integrated in the trainings and mentoring services. So, UCLan has to adapt a collaborative open mind and try to pass it on to the projects and companies that they are supporting. And in that sense, I think that Preston Cooperative Education Centre can provide a really important role to define trainings to find new methodologies. Mondragon University has a team academy kind of trainings that are very focused on collaboration between the students. Another programme that they call Change Maker Labs has to facilitate entrepreneurship in a collaborative way. So, there are contents that they are already doing and applying here and also abroad in other universities in the United States, in Amsterdam. So, there are programmes that try to reduce this gap or try to include these kinds of new concepts in the training process.

Julian: Any more comments on inter-cooperation and the four challenges? Education networking coops?

Alina: Alison wants to speak.

Julian: Ah, Alison.

Alison: Yeah, this is a question from Sue and I. How would we go about developing an action plan, Marta, to sort of kickstart this? I mean, there's lots of things that I have picked up, how would we go about that? What would you suggest?

Marta: I think, Alison, that, first of all, it has to be an institution that would organise this initiative and I think that in that sense, PDCN could play an important role in dynamising that kind of initiative and trying to put together the different members of the ecosystem, and



organise and prioritise things: ok, now we're going to do that, we're going to talk with these ones. And that requires also a discussion inside of PCDN of the resources needed, what kind of activities can be developed, and what partnerships are needed.

Gaynor: Can I speak?

Julian: Yes, Gaynor.

Gaynor: I think they're all terrifically great ideas. And I would love to work with the people to discuss how we can develop an action plan. And I'm sure the board would be really happy to do that. And our membership when we've grown it this year. That'd be fabulous. So please speak to me, please come and talk to me and talk to PCDN about how we can be involved with different institutions. That's fine.

Absolutely no problem whatsoever. I'd love to work with Propeller. I'd love to work at the Preston Cooperative Education Centre. I'd love to do all those things. We do have an issue with resources, because we haven't got any, apart from some small (*word not clear*) from OSF funding, which we are hopefully going to develop 8 more coops in the next 18 months or so, you know, we've got two already and we've got another couple on the line.

We're in discussion with other groups. We are working, we are networking with local community and grassroots. But we find it difficult to work with other organisations. So, I would really welcome people say: "hey, come on and talk to us". We talked to Preston's College, that's great. We've talked to the Vocational Centre. We talked a lot about construction coops, we've done an awful lot of talking. And now we want to work with people to actually put this into action. And to say to us: "we have these resources here, we will help you, we have people, money, time". It's a part of our strategy to do this and PCDN I think we would be there. But we can't do it in isolation. I'm asking if you are interested in working with us if you want to network with us. Come forward and we'll do that. Thank you.

Ibon: Shall I, Julian, comment on that?

Julian: Yes.

Ibon: Just to say that the aim of the session today was to share the challenges with all of you. And of course, if we share most of these challenges and ideas today, the natural next step is to start with an action plan, with a roadmap which will say how to build this new entrepreneurship ecosystem. So, the idea of the project was originally to reach the point where we can see the common challenges. And then from January on, we can have a common understanding of the roadmap and strategy to pursue. So, that's clearly the idea.



Julian: Thank you, Ibon. I think what emerges for me is that we have quite a lot of pieces, but they're not gathered together in an action plan or a concrete strategy that encourages the inter-cooperative aspect that we're talking about.

Julian: John...

John: It would help me in trying to explain to outsiders, to third parties what I'm involved in here. If there was a single A3 document, which had pictures of the different entities that exist, a quick summary, and how they relate to each other. Because, at the moment, I think I would have some difficulty in actually conveying that information. The other point I was thinking about was the point about community that you raised. And it'd be interesting to hear from Chris on this as well. And I'm particularly thinking about the third sector, voluntary organisations and so on. There's a variety of different structures that may be organised around some hierarchical and some actually quite democratic. And, at the moment, they're mostly missing from this network, and I'm just wondering about how to engage with them more effectively. The actual infrastructure for the third sector in Preston is not very strong at the moment.

Julian: Chris, I don't know if you want to chip in.

Chris: Yeah, I think that, historically, in the third sector, it's certainly estate based stuff, where we're so protective of our thing, and so engaged in and in love with our thing, we're very protective. And we're aware of its fragility, so we're very protective. So, yeah, that doesn't help the situation in terms of a wider network of things. Because it's inherently built into the way we operate, which needs to change. And I think I can change. In terms of a couple of things that have occurred to me is that structure wise I'm really interested in the informal formal thing, because I'm aware that certainly in our case, the initiatives that are going to come out of our estates that are potentially cooperatives going forward are going to be very informal in the operation and the nature because that's kind of how we work. So, I'm interested to see how that fits in with any kind of models.

An example of that came up recently while doing some research around how we can provide care better in our estates ourselves. And having spoken to some people in Somerset and various other places who are doing that outside of statutory care, there's a clash between the formality of social care and commissioning, and all of those rules and regs and how local people want to do stuff. So, there's that issue.



I'm very interested in the fifth strand that Julian raised, not only engaging communities, but starting bits of it from communities. So, I'd be keen to sit on that subgroup, whatever it is, to try and help that along as an action. I'm happy to put some time into that.

The second thing is, and it points to what John was saying, is that the final bit that Marta has mentioned in the presentation about marketing and narrative. I think it connects with what John was saying. What is this thing? What do the ingredients look like? What color is this thing we're making? What shape is this thing we're making? Not necessarily about branding at this point. But giving it some kind of descriptive codes and some narrative of what we are, where we're going, why we're going there would be really useful. And I'm happy to put some crazy time into that. For me, that's maybe an online space, that is a forum, but also as an online space where people can go and look at what those ingredients are. Hear from people who are in those ingredients and what they think what they're doing, that would be good to have a digital space to go to. But I think you kind of need to give that a name. So, they are my two bits of interest going forward, because I have to go. So, thank you to Marta and Ibon for all your help.

Julian: Before you go, Chris, just to say that it seems to me that the formal informal thing is a key aspect. And I think that some people might have to become more formal and some people might have to become less formal. It's a bit of a give and take thing. And I think that what you have in Mondragon is an example of a trying to do that. Because the cooperatives in Mondragon are autonomous. Each cooperative is autonomous, each cooperative can do what it likes. It chooses to be part of the Mondragon Cooperative Corporation. Once it chooses to do that, it chooses to be integrated into certain formal structure. If it disagrees with the formal structure, it's free to leave. So, there's a kind of freedom there to choose to buy into the formality and maintain autonomy. And I think that that kind of approach, or that kind of thought fits in with what you were saying. And in terms of what you and John were both saying about having a kind of one sheet of A3 or something, which shows us what all this is, I think that should be an aim of an action plan or strategy going forward that one of the final things that we get to is that that succinct summary thing that you can show people and that will be great. Thank you.

Chris: Can I also say before I go, because I know Craig's on from Gateway. the gateway does do some of that connecting of estates as an organisation.

Craig: Yeah, very much so. I certainly think we need to get involved in all these aspects. Because, as you say, we've got food hubs, we're engaging with our tenants, we've got 15,000 tenants across Preston. And we can't underestimate how difficult it is. And there's



definitely a role for us to play in these strands. So, I would like to direct members of our staff to be involved in these aspects.

Chris: I'd be interested to have a conversation, Craig, about that if you want to.

Craig: Definitely. Yeah.

Julian: And it's also true, Craig, isn't it - that tenants are on your board?

Craig: Yeah, we've got four tenants on our board. This is a key thrust for us in terms of involving our communities and getting them engaged. And it's difficult. I think the thing that's come through out of all the pandemic is people are working better and harder together. I think we've got to use that as an opportunity.

Julian: Thank you. Thanks, Chris. If you got to go, take care.

Chris: Take care.

Julian: We have Alison next and then Julie.

Ibon: Julian. Sorry. We are running out of time. Maybe we should move with the presentation. Some questions may come in the different four areas. The next one is leadership also. I don't know, whatever you prefer?

Julian: Well, I think that because Alison and Julie have just been coming in on this specific point, if we could just ask Alison and Julie to be brief and then we move on.

Alison: I'll keep it brief. I didn't really know how to articulate myself the first time. So, it's actually the same question just said a little bit different. So we need to join the dots, the Centre, UCLan are two of the dots. Who is we? Nobody's going to own this landscape mapping that needs to happen in terms of joining the dots. Chris just mentioned then maybe there's a web presence that we can all contribute to, but it, it feels, the action plan that I'm referring to is how do we do that? So, you don't have to answer it now. It can be, something that comes out later. But that's what I was trying to articulate the first time in terms of the action plan for joining the dots.

Julian: Alison, can I ask you to write that down in the chat, so we can record it and come back to it?



Julian: Will do. Thank you.

Julian: Julie, briefly, please.

Julie: Oh, yeah. I'm always brief. Just really to say, there are some strong communities around Preston. And we know about those. There's quite a lot of information about that. But I think the issue of inter-collaboration between those communities is something which could be better, could be increased. But there is a new thing called the Preston Community Network, which is being run through Lancashire County Council. And I think that's something we need to link with. And that is in lieu of there being a voluntary service organisation. So, I think that's my main thing, really, apart from adding to what Chris was saying about appealing to the hearts and minds of people in communities, and how do we do that? And I think it would be great idea to have the community subgroup, and I'd be very interested in being involved in that.

Julian: Thank you, Julie. That'd be great. If you could, that'd be fantastic. I think we need to move on what Ibon is hurrying us on. So, yes, please.

Ibon: Thank you, Julian. I didn't really want to stop the debate, because it is a very relevant part of the whole project and as soon as I finish this part of the presentation, we will open the debate again and continue discussing the many issues. There is actually a statement on the need to come to a common strategy, a roadmap that can be one of the big conclusions of this project also.

So, coming to the shared leadership pillar. First of all, as we did in the in the last one, what do we understand under the shared leadership challenge. The whole idea is to create an ecosystem where the different Princetonian stakeholders can develop complimentary leadership beyond the city council: development of the new projects, participations in the strategic planning processes and policy definition. So, we were already talking about this when we were talking about the formal and informal perspectives and how to engage the stakeholders in the process, and how to link that with a whole development process in in the city of Preston.

The Mondragon experience is that shared and extended leadership is a core element of the whole Corporation, both in the coops, then in the business organisations and in the corporation as a whole. So, there is a very complex leadership idea that in many cases is also supported by what we call the Mondragon management model. This is a strong model that states and clearly defines who is doing what on the different levels of the of the corporation and of the cooperatives. There are, of course, shared values among all the



cooperatives. So, you cannot have a shared leadership without shared values. So, democracy - one member, one vote, inter-cooperation, solidarity, wealth distribution that facilitated in the beginning the informal and organic cooperation among the first cooperatives or business organisations that started working together. Initially, the leadership was based on the priest, on Arizmendiarieta, but already in the 60s a mutual support movement was established between the coops, and later the Corporation was created. So, the Corporation was not there at the very beginning, it was something that came later on, which is also a strong idea for Preston. It is a democratic organisation that defines the mission values and the inter-cooperation framework for the group and shared leadership with the coops that are at the same time struggling to make their own decisions. And as Julian pointed out, also to leave the corporation whenever they don't agree with the common rules. More than 250 companies and entities organised in four areas are the proof that there is a shared leadership idea and these four areas our knowledge, industry, retail and finance, and these different sectarian divisions, as you know, 11 of whom belong to the industrial area, and the rest are in the in the other three areas. Each of these organisations have autonomy and independence within the general strategic framework agreed by the overarching Annual Mondragon Congress, which is made up of 650 members or delegates from all the cooperatives, however, each cooperative makes its own decisions internally. So, you see, there is a balance between what you have to commit to the corporation and the common rules and how you keep also your own identity and your own governance within your own coop.

So, within each cooperative in the annual general meeting worker-owners select the Social Council and their governing council members, which set the rules. While the rules are not changed every year, they are ratified. Define the mission of the cooperative. That is usually been reviewed every four years in the strategic planning process and select the managing director who is responsible for selecting the Management Council that takes the operational decisions of the company according to the premises of the Governing Council. So, this is how it is balanced internally.

So, coming to Preston. What could be some action lines for that strategy? On the one hand, identify some shared common values or common-sense elements between the different stakeholders to facilitate the development of the shared leadership.

Second, facilitate the engagement of other relevant stakeholders in the Preston model: The Chamber of Commerce, community organisations, SMEs and industrial companies, Lancashire County Council, through the creation of new spaces for core collaboration or changing the approach of the existing ones to facilitate this cooperation. This is exactly what we were discussing. So how to engage all these other organisations and establish neutral



organization to dynamise the entrepreneurship ecosystem, detect collaboration opportunities among different stakeholders and support the creation of new cooperatives. So, these are the three lines that we have already discussed in the previous part. Of course, it can be a food for thought. How much do you agree with these lines? And how do you think we can take them to an action plan? We can show the previous slide for inspiration, but you have already received these slides yesternight. So, who is who is willing to discuss this?

Alina: And there is silence.

Julian: I think the silence is about how challenging that actually is. So, it makes perfect sense. But, of course, the gap between where we are now and where Mondragon is now is a very big gap. So, I think, the group that should be set up maybe from this group, in order to create an action plan, in order to lead to a template of the kind John was talking about, and incorporating community, bringing together the strands that already exists, is a first step towards this, I think. And shared leadership is something that should emerge from such a plan or strategy. I don't know if you, Marta and Ibon, have an idea of what our first step should be in terms of shared leadership?

Ibon: Yes, I would say Julian, that this is very linked to what we were discussing on this governance model that probably the PCDN or whoever you decide is going to lead the process. So, let's say, if we decide that the PCDN would be the framework network organization that leading the process, that action plan could define what would be the role of the different stakeholders in the PCDN. So, coming from this A3 map of stakeholders, deciding what are the different roles of the different stakeholders. The roles don't have to be the same for everyone. So, you could have different roles that form a part of the shared leadership. And this would be like the governance pillar of the of the action plan. Not the total solution, just the governance part to share and decide who is doing what in this ecosystem, how the decisions are going to be made. It doesn't need to be as complex and difficult, as in the case of Mondragon, that is a very large and complex organization. I think it can be very easily solved, but just needs to be defined as a governance system.

Julian: Thank you.

Alina: Marta, did you want to come in?

Marta: Yes, I would like to say also apart from what Ibon has said that I think it's important to define the governance model. I think that it's also important to define the main principles and the main values of the organisations that are integrated in the ecosystem and that are interested. So why do we want to collaborate? Why do we want to stay together? What are



the things that connects us and make us work together in a common goal or a common objective? So, I think it's important to define the governance model, but we have to make clear in our minds what are the principles, the values that make us collaborate and take part in this in this network?

Julian: Thank you, Rachel.

Rachel: Yes, perhaps I could say something that will contribute in a very practical way to this conversation, because something that hasn't been mentioned, and perhaps Ibon and Marta weren't aware of this, because, I think, they didn't interview anybody involved directly. But we do have a Cooperative Steering group that meets every 5-6 weeks in Preston. It's chaired by Councillor Bailey, who's the lead member for community wealth building. And it brings in together Cooperatives UK as an external partner, PCDN, we have representation from the BAMME support group within the Preston community wealth building model, and we have UCLan, Alison is on it, Gaynor is on it. And we are doing a number of very practical projects together. So, there is already a forum in which different interests, different cooperative partners come together and work very collaboratively and very effectively to progress projects. Now that the group was originally set up to support the rollout of the aspect of the OSF project, which obviously is also funding Ibon and Marta's contribution, and the aspect that is seeking to develop the 10 worker cooperatives, and we report regularly on activity there.

So, perhaps, it was John who was saying, what's all this about? Where's it all going? Well, if you want to get involved, John, in a very practical way of sitting down with people with a shared interest in cooperative development in Preston, come and join the steering group, because that is actually doing the doing, and the more people we have involved, that are willing to actually work with others to take projects forward -the better.

I've been working on project delivery for years, that's what I do, and in my experience is that you can actually make a lot more progress if you have a specific project in mind. Because then it becomes much clearer what needs to be done, who needs to be involved. And also, the first thing you have to say is how much resource and capacity do we have, because we can have a wonderful vision and want to do all sorts of things and have all kinds of ideas, but if you actually want something to happen, you have to take a step back and say: "Well, what do we actually have available to do this? Who is willing to actually do something? Where might we be able to look for resources?"

Now one very positive development is that Alina is now funded through the OSF project with a very specific brief, to support the work of the PCDN, in delivering the OSF project in



Preston. So, we have now somebody working three days a week to support this work. So, she's absolutely critical. And it's really important that those of us who want to see things move forward, think carefully about what our priorities are. Because in any project situation, the first thing you have to decide is what are our priorities. We can have a million ideas about things we might like to do, but in the end, with the resources we have available, we've got to prioritise. So, I'd say one of the big challenges for this group is to agree a few priorities, and then to use the resources available, which include Alina, to progress them. Because we actually have got a little bit of capacity now.

I would encourage this group to start thinking along those lines. And we've got some really wonderful partners here. Partners, you can start putting project ideas together, perhaps linking in with where there may be funding to support this. And one of the objectives we've identified for Alina is to do work around where there may be funding available to progress projects. So, again, that kind of thinking is the kind of thinking we're doing with a steering group. So, if you are sitting here, and you want to be a bit more actively engaged with the doing, I would encourage you to join that group. It's an open membership for people who want to be actively involved. It's good to think in conceptual terms. It's helpful, but in the end we'll only see change in Preston if we focus on specific projects for which we have the resource. And we do have a resource in Alina's post, that we use it very effectively to progress those priorities.

Julian: What's interesting there, I think is that actually you're talking about the steering group, which was originally set up, not as this kind of group, but as a group for coordinating the PCDN, and the Cooperatives UK to promote the cooperatives. But what you're talking about, which I think is very interesting, is expanding the role of the group to include the entire project. And I wasn't aware of, by the way, that the group had an open membership, I thought it was a specific group designed specifically for coordinating the Cooperatives UK work and the PCDN work. But if it is going to expand, I think maybe we should all know about it. And we should all define what the aims of such a group would be beyond the creation of cooperatives. And maybe it could be converted into precisely what we're talking about here. And we're not talking just about creation of cooperatives. We are talking about all of the challenges that Ibon and Marta have brought out, which includes, for example, this kind of debate that we're having now. So, it's really interesting that we could maybe think of expanding the role and aims and targets and potential outcomes of that steering group. And maybe we should have a discussion about that.

Rachel: What I was encouraging people to do was to get involved if they actually want to be involved in some kind of project. What I'm not proposing is that one group, which has a much more action focus, be overwhelmed by setting out all kinds of additional aims and objectives



for which there are the resources. What I'm trying to emphasize here is it any project, any change projects, any ambition, has to think very carefully about what resources it has to deliver it. Otherwise, it just becomes a talking shop. So, I am talking about the Cooperative Steering Group, because it is bringing a number of project partners together. And we are developing projects and supporting new project development, as the capacity of the group allows it to. So, to give the group more things to do is a bit back to front. What I'm saying is that if people join the group, then we'll have more capacity and more collaboration and more partners to progress that agenda. So, it's not a question of making it bigger because it's there already, it's saying this group is here, come and join in. And then let's step by step, see what we can do. So, this is very much stepwise work. We can't be overwhelmed by ambition, because then it means nothing happens.

And several people have said, what is all this about, and feels a little bit like (*word not clear*) to be honest, as we're going around in circles a bit. But the real test of something like this is the capacity to deliver and to do things on the ground that make a difference in people's lives. So, if people want to come and join the group, fantastic, but I think it's got to be on the understanding that the ambition is to take forward discrete projects, and in particular, the work of encouraging the development of another 6 or 8 cooperatives. That is mission critical to deliver the OSF project. And that has been the main focus of the group, you are right. And there's still an awful lot of work to do, just to deliver that objective of the funding. So, don't pile all sorts of other things onto that group. The group has a clear commitment to deliver on the OSF project. But what I'm saying is if people involved in this conversation would like to get involved, and they're very welcome and we can work together on that objective.

Julian: Right. The point is that I misunderstood. I thought you were saying that the group was expanding its ideas, but the idea of the group is to combine and to coordinate the work of the PCDN and Cooperatives UK to create work around cooperatives, so that's clear. But we can continue that discussion as well later on in case there is there's potential for some other kind of development. Mick, you wanting to speak for a while?

Mick: Yeah. I got a bit confused by the last bit of discussion, because it seems to be some sort of contradictory elements. I was going to suggest and some of the earlier discussion leads us this way that if all the people involved in this group want to get involved on this territory and know more about what's going on and everything, perhaps PCDN, which is trying to open up its membership and actually, develop and grow its membership is maybe the vehicle for that more collective diverse across the whole project input. It may not be. But that's a conversation to be had.



I think, from Rachel's point of view, I agree, obviously, the practical getting stuff done in a sort of project driven manner is really, really important. But I don't think we should go overboard on the other resources that we have, that are the time and energy and enthusiasm of the people who are interested in this stuff. So, for instance, the OSF project only exists because, for want of a better word, a talking shop, proceeded it and collectively made demands, and wrote proposals to get that money. The Preston model itself came out of talk and activism. It didn't just come from nowhere; do you know what I mean? So, we need both - is what I'm saying.

My view is we shouldn't curtail our ambitions. For me the whole point is, if we only create isolated and separate coops, - they are vulnerable in the future. We may not have the resources from the get-go to develop a Mondragon style ecosystem, but we have to have that aspiration. And we have to have a commitment to it. And we have to have an understanding of it in detail to enable us to make the incremental steps that will get us there. So yes, I do hear what you're saying, Rachel, about principles and practices of project management, - of course, we need that, but we need the other as well. And they're not antithetical to each other, from my point of view.

So, I think what we need to build as well, is an understanding of what such an ecosystem could be, what the value of it is, what the values are, that underpin it, and how we actually organically grow those ideas, as well the point where we where we are in a critical mass situation where we begin to formalise a whole set of obligations and interconnectedness. And I think that's where we need to deepen our thinking. I think that thinking will happen on the back of commitments, enthusiasm and activism, it won't necessarily be resourced, because we haven't got that resource right now. But without that commitment, enthusiasm and activism we are not in a position to make demands and secure resources, so I do think we need both.

Julian: Thank you, Mick. Marta and Ibon, could I ask if you have any final reflections on this bit before we have a 5–10-minute break?

Ibon: Yes, just to just to say that I think the discussion is in the right way. So, this is the kind of debates that we need to define clearly such a governance system and, of course, including what Marta said about the values and principles, once we sit together and want to decide who is doing what, what is the role of the steering group, what is the role of the PCDN. Whatever you decide, of course, you need a common sense of mission of who is doing what, and of course, that idea of common principles and values - why you are getting together in the steering group, why are you getting together at the PCDN, and so on. It's clear to me that we won't decide that today. What we are doing today is to debate on how to



move ahead. There is a need to make some decisions in that line of this governance framework. And this is something I understand will come once this part of the of the project is completed.

Julian: Thank you. I'm going to suggest we have a break until 10 to 11. So, it's a nine-minute break. So, see you on the other side.

Maybe you'd like to continue with your presentation.

Marta: So, the third challenge that we identified yesterday and we were talking about was the social value approach. And we have defined it as the need to foster the creation of competitive companies with a robust business model. But at the same time, complying with cooperative principles and values and have a positive impact in employment generation, improvement of living standards of the minorities and communities and the application of a more democratic (*word not clear*) of shared ownership. Here, what we are saying is that we have to find the balance between business competitiveness of the coops and the social impact, the social transformation principles that are integrated in the principles of Mondragon Cooperative as well.

So how does Mondragon integrate this social value approach? The 96 coops of Mondragon are business projects. So that means that they need to be profitable long-term and competitive in the globalised market where they are competing, but also without losing the sense of their mission of a social transformation. From the start Mondragon was trying to improve social living standards of people living in Mondragon. Having this principle in mind, Mondragon cooperative has to be competitive. And as we have said several times, Mondragon coops need to make money. From our point of view that that is not a bad thing.

The main thing is how do you redistribute this money? What do you make after with this money? Do you accumulate or do you redistribute to others and have a social impact in your area? This commitment to the community can be done through business development and creation of the coops, and also through the different funds that we have been later talking about, that are generated by the profits of the coops, which are then invested into the projects which can have an impact on social transformation like education or solidarity.

To be competitive in the global market it is necessary for Mondragon coops to generate robust business models, and the constant need to update them and to create new value for customers. So, research and innovation became a key element of this ecosystem, because it enables us to be sustainable, to generate new activities, new products and to be competitive. So annually, around 130 million of euros are invested by all the coops and also by the



promotion centre of the corporation into innovation projects, which is around 8.4% of the added value of the industrial area. And in this industry area 628 million euros come from products and services that did not exist five years ago. So, it's really important to generate new activities, new products to guarantee the sustainability of the cooperative and to be competitive.

And the outcomes of this social approach generated by Mondragon corporation is that Mondragon district where the cooperative movement was born in the Basque Country in 2018 had a higher income per capita than the average rate of the Basque country. Around 10% higher than the average rate of Basque country. We have to take into consideration that Basque country is one of the Spanish regions with a higher income per capita, after Madrid. Mondragon district occupies the third position in the ranking of income per capita of the 20 best districts. So, Mondragon district is the third one with a higher income per capita. So, that is an element we have to take into account.

Another outcome that has been demonstrated is that this model is more resilient than the traditional one. During the periods of crisis it was capable to keep more jobs than traditional businesses and we have figures that illustrate that. In the last economic crisis in 2010 Mondragon cooperative had a loss of employment around 6% and it's lower than the 9.5% registered in the Basque county and 20.5% that was suffered by non-cooperative companies. So, the retention of employment in periods of crisis is a clear advantage of the cooperative model.

Apart from the impact on employment generation and maintenance of the jobs, it's also important that 1:6 pay ratio difference exists in the cooperative between the lowest and the highest paid workers. And that's a very small difference comparing with American companies where these intervals are around 1:278 between workers and the owners. This approach enables to address the structural causes of inequality in the society in a direct way. However, we have to say that in the last years, it has been very difficult to maintain this ratio because there is a difficulty with talent retention. And in some cases, this ratio has increased. So, we have to adapt to the reality of the context. And nowadays one of the challenges of the cooperative movement was to maintain this ratio because some talented workers can receive a higher pay outside of the cooperative and they decide to leave. These are the things we are struggling with and need to adapt to.

We also would like to say cooperatives have a long-term commitment to the location where they are settled. Especially comparing with the strategies of multinational companies. Mondragon corporation is not going to leave Mondragon to go abroad. They do



internationalize their activity, but always have in mind the objective that employment creation must be in the place where they are settled.

And an important element with the social value approach is the core value of Mondragon cooperative of labor solidarity. This is a very important principle, because capital is seen in a cooperative as a tool for creating employment and for the long-term sustainability of the model, and profits are sought as means to create jobs and socio economic change, rather than as an end in itself. So, the goal of the cooperative is not to accumulate capital and distribute it between shareholders. The goal of the cooperative is trying to create new employment, long term business projects and to be sustainable long term.

So, we have identified so some action lines for Preston. That can be considered and adapted. One of the objectives in Preston was to support the creation of worker coops. Sectors that have a predominant number of self-employed workers like the digital sector, social care, can be easier to integrate.

Also, there is a need to offer assessment services and grants to strengthen the business models to the small and medium enterprises and cooperatives, and companies with social values to support them in being more cooperative. And we are thinking to create that kind of mentoring service or support service to do this kind of companies.

Also, we could think about offering mentoring and assessment services to companies that are going through a conversion process to become worker-owned cooperatives. This is another way to create cooperatives, however, is not yet well know, so we can take some actions to develop these processes.

As it has been said yesterday there is an opportunity to collaborate with unions and the Chamber of Commerce to identify running companies susceptible to go through a conversion process, and to take part in facilitating this kind of service.

Another action line that we have considered should be the mapping of the community assets and strengthening the relationships with grassroots community organization that we were talking about yesterday.

And another action line could be the creation of microcredit lending programme for cooperatives and social value companies with the support of the Northwest Mutual Bank, that it's going to be established.



So, these are some of our ideas. Is there anyone that would like to say something about them?

Julian: Thank you, Marta. Marta, I wonder if you could put up the penultimate slide so that we can see it?

Marta: Yes, sorry.

Julian: That's right. Thank you. So, any comments or questions for Marta and Ibon?

Alina: Julie has got a question,

Julian: Julie? Yeah.

Julie: Hi, it's more of an observation in a way, because having listened to presentations from CorNet researchers yesterday, I was quite struck by how when there is a good community capacity, there still needs to be some kind of help. I think this idea, Marta, that what you're talking about - mapping existing communities - relates to what we were talking about before about reaching out more and going out more to those communities that already exist and encouraging inter-collaboration between those communities, because I think that there are many opportunities for that inter-collaboration to happen. And that's important. I think we shouldn't lose sight of the fact that, as Michelle Booth from, I think, Northumbria University said that communities need some kind of help, even if there is high social capital. That was my observation from the research that we listened to yesterday.

Julian: Julie, would you expand on that a bit? When you say "some sort of help"? What were you referring to?

Julie: Well, she talked about different investments in the social economy, there were four different areas that she identified around unemployment, low skills or the need to retrain. She talked about disengaged youth, she talked about the lack of local services, and she also talked about elderly care. So they identified these areas in the area of Walker in Newcastle, and there was some kind of investment... I'm not entirely where that was coming from, as I haven't read the report. But there was some financial investment in developing initiatives that responded to those four main areas. There was a very strong community with lots of social capital, people felt proud to live there and did collaborate with each other. But they needed some support. And they needed some financial help. There were all sorts of different initiatives she talked about that had been set up. So, some of it was monetary. Some of it was about the community sharing physical resources. And it was about some key people in



that community doing things. Am I right to say, Julian, she was talking about a Catholic priest that was quite closely involved in sharing resources from the church?

Julian: Yeah, what about, Julie, though, the work in Broadgate, which hasn't necessarily had an injection of a lot of money. Would you like to say something about that?

Julie: What about that?

Julian: Is there not a group now that organises the community called Community Connectors or something like that?

Julie: Yes, there is. But it did have some support from the Preston City Council and Lancashire County council - a small injection of funding. And in order to be able to do something more it is looking for further financial support at the moment. It is looking at the Reaching Communities grants with a big lottery. So, it's not it's not resource free.

Julian: Ok. Thank you.

Alina: Mick had his hand raised up.

Julian: Mick and then John.

Mick: On this territory, I think unions have got an important role to play. Right now, there is a growing interest in expanding what used to be part of the trade unions makeup, which was a more sort of solidarity connection with the communities that exist in and around the workplaces in which unions organise. And on the back of the Union's Co-op UK Manifesto the general secretary of the Bakers and Food Alliance food workers union has got a real interest in this and is working within her union to actually develop a commitment to organizing that involves a commitment to developing worker cooperatives in the sector in which they organise. And in doing that they're inspired by Suma, which is the large worker co-op in the food industry that it's already in the Northwest. That isn't formally a union, co-op, but it is a worker co-op that is unionized, and has an alliance with the Bakers and Allied Food workers union.

But one of the things that's driving the Baker's union interest in this, is to try and extend solidarity around issues like food poverty, food distribution, the scandal around inadequate food parcels in schools and all of this. So, I think one of the things that we're operating in is a sort of curse and the blessing is the impoverished, austerity driven, hit by COVID, about to be hit by Brexit consequences in the northwest economic circumstances that we're in. And I



think that will promote much more union interest in communities ideally, and some of which, if the Baker's union are indicative of wider trends, will be interested in alternative economic forms as well, including co-ops.

So, I think that the time's right to sort of try and bring all that together and we could be in a position to persuade the Baker's union to make Preston and Lancashire, the place that they pilot their new organising initiative. And some of those discussions are on the way. And I could see how they might link into things like the Larder and the Larder's ambitions for tackling food poverty by imaginative food distribution processes.

So, I think there's lots to be going on with there, but the thing I wanted to raise is to some extent, a little bit of an answer to Julie's issue, because the unions are relatively rich comparing with communities. And to some extent, the idea of reciprocal community trade unionism is about mobilising union resources into communities. But resources are fleeing our communities at the moment with the economic crisis. I think that's damaging, but I think that creates openings as well. And some of the openings will be around mutual aid, as much as mobilising cash resources. And so, there's lots of really good thinking on this going on as well that that we could tap into.

Julian: Thank you, Mick. John.

John: I just wanted to share what I took from the last section, which is just the complete focus on labor, and the creation of employment, as part of this. A lot of what we've just been discussing has been sort of heading off into the sort of more general community activity. I'm just conscious that we've got a limited amount of collective energy in focus on this. And I do see that we really ought to focus on the labor aspects of this, because there actually are quite a number of other agencies who were also working on community organisation, and so on. And I'm conscious of the SMEs, who have the sort of social values that we would share with this, but who are not thinking in terms of cooperative labor control. And similarly, there are employee owned organisations, my own organisation is one of those, who are not organised on a cooperative basis.

And I think I've just been really impressed, as you put it, Julian, that people opted into discipline within the Monragon network. And that will be a real conceptual challenge, I think, for a number of the smaller employee owned organisations to actually make that change and think collectively, across the movement, rather than how they're working democratically within their individual, entity or company, or whatever it is. I think that's a vital point.



I want to particularly bring religion into it. It's quite interesting how the involvement Catholic activists has been there because in some ways, I think that the cooperative movement has almost like a Protestant ethic about it, it's very disciplined, and it's not fun. And somehow, we actually need to reverse that process. This should be really enjoyable. If we're going to make it attractive, it should be seen as happy.

Julian: Thank you, John. The idea of working inter-cooperatively for SMEs, which you mentioned, John, I think that what we noticed in the Centre for SME development, and maybe Alison, would like to make a comment on that is that with the COVID crisis, we found that the Centre for SME Development network were more willing and able and enthusiastic about the idea of inter-cooperation. Alison, I don't know if you want to make a comment about that.

Alison: Yeah, basically it started as soon as COVID hit overnight in terms of the lockdown. We did have an emergency member meeting. We basically said to our members: "Look, if you're struggling, come on to this meeting, let's work on it together." And we found that businesses were attending the meetings, not because they had issues, but because they openly wanted to help others. And there was kind of a shift from what happens at networking events where people tried to sell to other people, what we found was people wanted to give their services free of charge to help other businesses. So, we had a lot of businesses just openly saying: "I'll do this for whoever needs it", "I can do this, whoever needs it". And it was quite fascinating, and we have done a piece of research on it called the Phoenix research, which is still ongoing. And we interviewed members of the Centre for SME development. And I think what it has done is it's brought the membership close together. And I think it's made us somewhat unique, that we were able to drive our activities to meet the needs of our members. Not just those as a centre, because again, resources come up time and time again. We are facilitators of support. Basically, there's about two and a half peoples worth behind the Centre for SME development. So, what we do is we connect communities, so we facilitate the opportunity with the support.

I think what we've been left with is a community that is far more collaboratively working together, more cooperative, they feel part of something. So, we've actually created a much deeper relationship with our SMEs, and that wouldn't have happened had it not been for the pandemic. So, it would have probably taken years for us to get that close to our SMEs as what we have done in these last 10 months. So fascinating. And, like I said, the Phoenix project is ongoing, but one of the things that has come from that is a set of principles for remote working, because that's here to stay no matter what. And it's the hybrid model, etc. And that's gaining traction with other universities. So yeah, great little case study.



Julian: Thank you, Alison. And I kind of think that in a more general way that demonstrates that maybe there is potential for people working in a more cooperative fashion, whether they're cooperatives or not to work inter-cooperatively in the way you mentioned, John. Any more ideas about social value? Of course, social value is very much linked to the project of increasing local spend from anchor institutions or anchor institutions have introduced, in some cases, at least, criteria for tendering, which has upped the importance of social value, as opposed to other criteria. So, one of the ways of increasing local spend from anchor institutions has been to place an emphasis on social criteria such as, for example, reducing your carbon footprint, that will be a criterion for procurement. Another one might be introducing local quality employment. And these social criteria elements are being more emphasized in anchor institution procurement.

Julian: John.

John: One of these practical tasks that Rachel was saying in relation exactly to that point about social value in procurement, because the content or the tools that are available to the anchor institutions, and indeed wider outer other bodies are not adequate in respect of precisely the sort of cooperative and labor focused models that we're talking about. That part of social value procurement still suffers from the 1998 legislation which prevented, terms and conditions of employment being taken into account in procurement. And it requires some distinct creativity to actually come up with stuff which can stick. So, there's a potential task there to identify tools that could be taken into account properly by anchor institutions, which would assist the process we're talking about.

Julian: Thank you, John. And any other comments on social value? I don't know, Craig, if you have any comments from Gateway perspective, social values, obviously high up on the agenda in Gateway?

Craig: I think you've covered off all the main aspects. And, certainly, we're very, very actively involved in the procurement aspect and trying to encourage greater sort of wealth through those sorts of avenues. That's something we've been very actively involved at continue to do so.

Julian: Okay, any more comments before we continue? Marta, Ibond, do you have any further aspects to comment on? And if not, maybe we should continue?

Alina: Mick raised his hand.



Mick: Just a quick one. I think we mentioned that yesterday. There's quite a lot of talk going on around the care sector in particular. And I think we've mentioned this before, haven't we, about trying to be careful around the care sector and the health sector. So, from a trade union point of view, there's quite an understandable desire to protect what we recognise as public sector provision, but to view the care sector as a place that could be nationalised, but could also very fruitfully be organised on alternative lines, like cooperatives.

And I think Matthew Brown and a number of others, the OSF, people from CLES, a number of others, that are all trying to sort of woody away at how we can come up with the best fit solution to the problems that beset the care sector. And it's looking like cooperative alternative forms are all a favored approach there by all parties, including the unions.

And there have been other parallel discussions with commissioning bodies now, NHS related, an ideally local government related as well, so also anchor organisations, to try and knit it all together. So, nothing tangible has happened yet, but it's definitely something that's on this territory of this challenge that's bubbling under and again, would be something that would benefit wider interest and involvement if people are interested, and people can contact me to make connections with the group. So, we're having those discussions.

Julian: Thank you, Mick.

Alina: John raised his hand.

John: Just very briefly. The critical issue there is the living wage, real living wage, because the care sector is such a minimum wage economy. And that's a real problem for the commissioners with their restricted budgets. So, I come across a lot of commissioners, which themselves have signed up to be living wage employers, but they're outsourcing the work, and they're not requiring living wage from the outsource providers.

Mick: Yeah, definitely, John, and this is one of the reasons why, amongst many others that the unions are interested in. And right now that's why CLES are involved to try and work out - even within what is possibly an inadequate allocation of resource - if cooperative business can do better in relation to all the economics and there's a whole lot of other things. It's not just the wage in your pay packet. It's things like pension entitlements, access to training, sick leave, all these sorts of things. But what I'm trying to say is people are actually working away right now, in a lot of detail on these issues.

But back to this idea of sort of discrete levels of activity that aren't necessarily as connected to communities as they possibly might be. This is another level of activity that's really crucial



to communities. The communities have a real tangible stake in it, and we need to connect up a bit more. There was a planned public meeting on this in March last year, and it fell apart because of the first lockdown. And that community connected part of this activity needs to be reassembled and energized, so any help with that would be really welcome.

Julian: Thank you, Mick. Mick, are you in touch with Chris about things like that?

Mick: Chris Davis? Yeah. Not in a very formal way. There's been a chatter on meetings like this. I have sent a few private messages to Chris. Chris would be very welcome to get involved. He had to leave this call at the at the moment, hasn't he? Maybe sharing emails. We haven't actually got everyone's email. I know there's data protection issues there. But if it was possible to broker a sort of email exchange, that might be the easiest.

Julian: Yeah. Okay. Thank you. All right. Anyone else before we move on?

Rachel: Yes. Just to say about Chris, that Gaynor and I are talking quite regularly with Chris about his ideas. I think he's done quite a bit of research himself on different community and local initiatives around social care. So, his next step is to start engaging with the local community at Brookfield. I think he mentioned that, didn't he, either yesterday or today. So that's very much work in progress. Didn't he say this morning, that he's got to balance the view from the people he's working, who he's hoping to involve in this project with the bigger picture. So, I think he's very much engaged in that kind of community engagement process at the moment, and it'll be interesting to hear more how he gets on.

Julian: Thank you. Okay, over to you Marta and Ibon.

Ibon: Thank you, Julian. So, we will move forward with the next pillar on the cooperative culture and awareness. First of all, what do we understand by cooperative culture and awareness. In general, they support the development of a more collaborative and cooperative culture in Preston. That would be the framework of this pillar. The Mondragon's definition is that solidarity and social responsibility with the community as an essential part of the corporation's identifying feature. So, as we have been repeating several times, we cannot understand Mondragon without this idea of having a role and the responsibility at the community level, at the very beginning, in the city of Mondragon, but nowadays, even globally, in every place, where we are operating and also even in some other places related to development policies, and the promotion of cooperativism with deep cultural roots in the Basque Country. Many people when they visit Mondragon, they ask themselves: "why Mondragon was created here?". It's not by chance. There was already a culture of what we call "common good", very much related to community work. So, the people in the Mondragon



city and Bailey are responsible for their own community and are engaged in community work in several ways. This was one of the main principles for beginning of the cooperative movement.

Set aside sufficient human and financial resources for cooperative professional education. So, we have also been repeating this. So, the educational approach was at the very beginning of the cooperative movement in Mondragon and is still one of the driving forces in the Mondragon strategy. So, we need to keep enough resources and investments in education to keep this culture and awareness alive in our activity.

Mondragon University and its cooperative learning and research units, like Marta mentioned, LANKI but also, we see the education and humanities faculty at Mondragon University, and also MIK, that is research centre on management and innovation issues. So, all those together are also contributing to this cooperative culture every year. And the cooperative dissemination education activities - Otalora, LANKI. While there are many activities, for instance, under Echeveria, who some of you met, when he and I were in Preston, I think two years ago. And Andres is actually in charge of what we call cooperative dissemination, not only internationally, but also at local and regional level here.

So, there is also the cooperative school model that we were talking about yesterday – Ikastola - that was founded at the very beginning in connection with the Basque language, but also today is part of this cooperative culture and awareness dissemination strategy.

Mondo Kira that is the foundation for development activities, especially in third world countries, where they are bringing the cooperative movement idea into development projects worldwide.

And Mondragon Foundation is a big organization that also manages the big funding within Mondragon for competitive culture and awareness initiatives.

Mondragon beginnings before the creation of any cooperatives was in education and training. Those were the key pillars of the cooperative development through the first technical school - Escuela Politécnica Superior (that today is the Mondragon University) and the engineering faculty with two main goals: to provide vocational training to young people, and to instill in them a humanistic participatory mission based on values of equity and justice. So, you see, there was this double approach of not only providing training and the skills but also the humanistic values to the students.



And talking about Preston now on cooperative culture and awareness. This could be somehow the main potential actions: the creation and launch of the Preston Cooperative Education Centre that Julian has mentioned a couple of times and define its strategy to collaborate with the rest of the educational institutions in Preston so how to make this educational ecosystem operational.

Support the educational institutions in Preston to include cooperatives and collaboration concepts in the current training offered by them. So, in the curricula in general, in UCLan, in Preston College, in Preston Vocational Training Centre, in Preston Cooperative Education Centre, and even at the unions, when they are engaging in training and education activities.

Support the creation of apprenticeship programmes in cooperatives or social companies of Preston. So, again, following the example of Mondragon with Saiolan and other activities, where we are developing apprenticeship programmes within the cooperative corporation.

And also, the collaboration with Propeller, Centre for SME Development, UCLan and Chamber of Commerce to create training programmes about the cooperative model and share ownership models for entrepreneurs and business people. So, there is a clear idea that there are many, many things that can be done in this line. Many of you have shared that there is a lack of awareness about the cooperative models in general, in Preston, and at regional level. So, we think these could be very good beginning lines and proposals to start with.

We continue the design of marketing narrative campaign to publicise the cooperative and share ownership models to citizens and update this concept to the current market competitive vision, successful innovation business models, like through videos of co-op members explaining their experience for entrepreneurs and community leaders, promotional and information events in unions, Chamber of Commerce, Centre for SME development, Propeller. There are many, many marketing strategies that Preston can follow on in this line.

Development of training awareness sessions of the council officers and anchor institutions about the cooperative movement and social and economic impact in Preston. So, even at the institutional level there are many activities that that can be done. And all in all, this is the proportional. And we would like to hear from you about this cooperative culture and awareness potential activities.

Julian: Thank you, Ibon. So, we have about 10-12 minutes to do this before I hand back to you both Marta and Ibon, just to say a few final words. Just to say that I know through personal experience how even in Mondragon culture, and the development and sustaining of



culture is absolutely critical. And in Mondragon it's become more important recently than before, precisely because of the crisis of Fagor Electrodomésticos going down. And it's not something that you can take for granted.

And for that reason, as part of the development of the curriculum programmes for the Preston Cooperative Education Centre, in partnership with the Cooperative College in Manchester, we have a double module set called Starting Up, which is all about learning about cooperative governance, cooperative principles and values and ways of incorporating those cooperative principles and values into the workplace. And that Starting Up module, was intended to be the first two modules of a BA in Cooperative Leadership, Management and Culture.

And in the Education Centre, there will be a module which is offered to all whatever other learning modules you take onboard, everyone will have to first go through the Starting Up module, so that we understand that any other transferable skills such as, for example, team working or health and safety at work, other aspects are all learnt and seen through a cooperative lens. It's interesting how we're trying to get that balance between creating practical skills-based training in order to create businesses, but also ensuring that there is an aspect of cooperative values and training available, so those businesses can balance the skills, the practice pragmatic skills of creating a competitive and profit-making business with a cooperative lens. So that is absolutely part of the PCEC remit in collaboration with the Cooperative College. So that's really interesting.

We've had a bit of this debate here today already, you could say that learning about cooperatives, values and principles is a bit abstract, compared to the hard reality of creating a business, and that we should get on with creating the businesses and so on. Actually, if you want to create a successful cooperative business, you have to understand and be walking the talk of cooperative values and principles at the same time. So, that's the perspective of the Cooperative Education Centre anyway. And other comments? 10 minutes or so to continue this debate?

Olga: What would be the most appropriate channels to create this awareness? What kind of campaign or what approaches are possible there? Because probably, there are a lot of community clashes, not explicit, but because cultures have so many different elements. I like the word I think Ibon used at some point "neutrality", creating this climate of neutrality, how to create this climate of neutrality, probably building awareness will help with that. So, there is more than one issue, but what would be the most useful or helpful approach in this agenda?



Ibon: I don't know maybe we can show the slide again, because in the second part, there were some specific proposals made that are targeting more of the managerial and entrepreneurial profile. This first part is more related to the management and entrepreneurial profile. And if we go next, here when we are talking about marketing and narrative campaign and so on, it is more focusing on the population in general. So, we are talking about citizens, about students, about children, about young people who also need to become more aware of what a cooperative is about, and what is the difference with traditional company and how they can contribute to a different social perspective.

Julian: Thank you. Any further comments?

Alina: John raised his hand.

Julian: Yes, John.

John: I'm just thinking about the opportunity that exists in terms of reinforcing a mutual culture of the current crisis, because it was interesting listening to Alison's point about the SME network, and how the crisis had altered some of the attitudes and the definite changes in attitude and population as a whole. So, actually, now it's a good time to be making the points about mutuality, which are inherent in the models that we're looking at.

Julian: Thank you, John. And I think that the COVID pandemic has also helped a lot of people to question things that we took for granted before, such as, for example, we're all naturally competitive. I think people are starting to question that and scientifically is questioned as well. And there's a fair bit of altruism available, that is lying dormant, I think, in people's ways of working and living. Okay, so I think we're coming to the end here. We, that is to say, at least, Alina, Marta, Ibon and myself will be back in this room online at one o'clock. In case anybody wants to attend that meeting, and that includes anyone you want to invite or have already invited, I'm not sure if that that has transpired or not. Because of course it's a lot of pressure and there's the COVID. And I'm not sure what kind of meeting we'll have between one o'clock and three o'clock, however, Marta, Ibon, myself and Alina will be available at one o'clock for anyone who wishes to turn up. And just to round off this particular meeting, right now, we finish at 12, I am handing back to Marta and Ibon to finish off for today.

Ibon: Yes, thank you very much, Julian, and thank you to everyone for staying here for one and a half days so far. And thank you very much for all of your contributions. I think we had the right debate. We, obviously, could not make final decisions today, but at least we raised the right issues and I think we had a very, very good debate that will, for sure, put the ground



for a good strategy in the near future. And from our side we would like to tell you that all of these contributions from your side will be part of the report that Marta and I will draft in the following days together with all the input contributions that we have received in the last months from you, the sessions, from the interviews, and from other sources. So, all these will be part of this report that will end with recommendations for this ecosystem, that if we are not in the wrong way, it should be the beginning for the future strategy or for the future plans. So, I don't know Marta, maybe you want to add something else.

Marta: Yes, thanks Ibon. I would like to say thank you very much for your attendance. We have had eight sessions apart from the interviews and I would like to thank you for your collaboration, for all of your ideas that you have brought and we will continue working on this final report. And we are going to prepare the executive summary from today's and yesterday's session because there are things that you have also contributed. Thank you very much for everything. It has been a pleasure and I hope to see you again in another situation. So, thank you very much for everything.

Julian: Yes, thank you, Marta. And we were just saying before with Marta and Ibon that, in theory, they should have been in Preston with us today. So, it's a bit sad that the COVID pandemic has kept us apart. But Marta and Ibon are absolutely invited to Preston the minute the COVID pandemic is over, big time. And I think we should organise another trip to Mondragon as well. We had one with some councillors before - Matthew Brown, Martin Rawlinson, and some people from the PCDN - Bob Cannell. We visited Mondragon, and I'm sure that there'll be an appetite for another visit to Mondragon later on when things get better. So, thank you. And for those of you who have time and want to - see you at one o'clock, if not - have a good weekend. Thank you.