



## How to set up a user-led co-operative



Social Co-operation Forum  
Fforwm Cydweithredu Cymdeithasol

In any new co-operative venture the key approach is to “Just Do It”. As potential members you have to take control. However we all need some hints and advice on the practicalities of turning ideas into reality.

The first step is to identify a need or aspiration which a group of people share. Without this, there will be no common purpose to hold the co-op together. Setting up a co-op and then trying to find something for it to do doesn't work.

You will need to get a group together and explore with them whether you could benefit from coming together as a co-op. You could:

- Talk with other people using the same service as you. Are there improvements (or safeguards) that could be made to the service if you ran it yourselves?
- Call an open meeting in a local community centre to see if you and other citizens have a shared ambition to make your community a better place.
- Advertise the meeting by putting up posters, or listing on community websites etc.
- The organisations referenced in this factsheet can advise you on how to contact others and how to run effective meetings.

At these meetings, the aim will be to identify some shared outcomes that you want to achieve. If you identify shared goals, and feel excited at the possibility of working together to make them happen, then you have a good platform to build on.

A more refined plan then needs to be developed. You will need to answer and easily explain:

- What will your co-operative do?
- Who will be involved and who is the co-operative for?
- Does it make financial sense? – That is, will its costs be covered by its income?

- Who will use the service? Have you any competitors?
- What legal form is best for your co-op?

The last point can sound scary but with a bit of help is not so hard.

Adopting the correct legal form for your co-operative is only part of the picture. It needs to have co-operative values and principles written in.

### ● Top Tips

1. Decide on your legal form. Before you start to employ people, an incorporated body, which gives Members and Directors limited liability, is strongly advised. You will probably need help with this.
2. Set up a bank account in the co-operative's name. You may prefer the specialist banks like **Co-operative Bank**, **Triodos** or **Unity Trust** that offer current accounts, but most high street banks do so as well.
3. **Directors** and other officers, including the **secretary** of your co-operative play a particular role, and have legal responsibilities. Get advice on these before you start.
4. Appoint an auditor or independent examiner if required in the governing document of your co-operative. Know the requirements for your co-operative **company** or **society**.
5. Organise stationery for your co-operative, and ensure that your corporate details are displayed correctly.
6. Set up and maintain statutory registers for your co-operative e.g. register of members, register of directors, etc.
7. Consider insurance for your co-operative. If you employ people, Employers Liability Insurance is a legal requirement.
8. Consider your co-operative's web presence. You can stand out from the crowd by getting a .coop domain name for your co-operative which is free for the first year.
9. Map out your co-operative and governance year e.g. know your financial year-end, when to hold your AGM and file your accounts.

### ● What are the duties of the key officers?

In your group people might have different skills and experience which

makes them suited to a particular role.

Directors need to ensure they behave responsibly, ethically and always have the best interests of the co-operative at heart. They need to be aware of any conflict between their own interests and those of the co-operative.

A registered co-operative has to have a secretary – other officers are optional. They play a key role in the co-operative and together with any other officers such as the chair or treasurer, ensure meetings and accounts are properly organised and recorded.

### ● **Where can I get help?**

There is a lot of help out there, most of it free.

#### **Social Business Wales**

**<https://businesswales.gov.wales/socialbusinesswales/>**

A support service from the Welsh Government and the Wales Co-operative Centre, which offers advice for free.

#### **County Voluntary Councils (CVCs)**

**[www.wcva.org.uk/funding/advice/cvcs](http://www.wcva.org.uk/funding/advice/cvcs)**

They cover each local authority area. They are very active in supporting social enterprise start-ups.

#### **Co-operatives UK**

**[www.uk.coop](http://www.uk.coop)**

The overall representative body for co-operatives in the UK offering support and advice to all types of co-op.

#### **Disability Wales**

**[www.disabilitywales.org](http://www.disabilitywales.org)**

It has some excellent examples of where co-operative initiatives have developed which can support and inspire.

#### **Social Co-operation Forum**

c/o **[www.wales.coop](http://www.wales.coop)**

This is the Welsh network for people and organisations who support co-operative approaches to social care and well-being. It offers reciprocal support, information exchange and a member-led policy voice.

#### **Social Firms Wales**

**[www.socialfirmswales.co.uk](http://www.socialfirmswales.co.uk)**

The representative body for social enterprises creating employment for disadvantaged people in Wales.

### **Local authorities**

**[www.wlga.gov.uk/authorities](http://www.wlga.gov.uk/authorities)**

Make contact with your local councillor who can put you in touch with the relevant people.

### **Wales Co-operative Centre**

**[www.wales.coop](http://www.wales.coop)**

It can provide with one-to-one advice, generic training and information through the Care to Co-operate programme that started in April 2016.

### **WCVA**

**[www.wcva.org.uk/advice-guidance](http://www.wcva.org.uk/advice-guidance)**

This is the umbrella body for voluntary organisations in Wales.