

ewmpas

White Paper: Co-operative Development Hub

Co-operative plan for economic growth



About us

Cwmpas works within communities across Wales to help build a fairer, greener economy and a more equal society.

For over 40 years, Cwmpas has been working within communities across Wales to help build a fairer, greener economy and a more equal society.

As a co-operative, we believe our economy and society should work differently to tackle poverty and inequality with more businesses using their profit for good and all communities feeling empowered to shape their own future.

We promote social enterprise and cooperative solutions and support communities, businesses and public services to improve and innovate by offering expert business advice, social business support, digital inclusion, community-led housing and care solutions and a range of learning, development and consultancy services.

We have three missions:

1. Creating a fairer, greener economy

Through expert business advice, social and democratic business support, and the promotion of cooperative, community or employee ownership, we are working to create a future where more businesses use their profit for good and communities can thrive through increased employment opportunities and local wealth.

2. Building a more equal society

Our digital inclusion, community-led housing and preventative care services help to reduce health and financial inequality, combat loneliness and isolation, improve health and wellbeing and empower communities to shape their own future and access the services they need.

3. Driving positive change

Our learning and development programmes support the growth of the sector and its future leaders alongside our expertise and range of consultancy services that are designed to drive innovation through supporting digital transformation, social value, collaboration and co-design, research, evaluation, feasibility studies and policy development.

Introduction

Wales can be proud of its co-operative economy and its long history of co-operative innovation. The movement has its roots in Wales through the ideas of Robert Owen, and together we have led the way in developing co-operative solutions to challenges we have faced – whether that's the story of Tower Colliery or the development of the community-owned economy in Gwynedd.

However, at Cwmpas, we strongly believe we need to go further and that there needs to be a new strategy for co-operative development. Having an unequal, extractive economy with a co-operative fringe will not solve Wales' problems of lost wealth, missed opportunities and deeply embedded poverty.

We need an approach to economic and community development that is powered by co-operative models and values – one that creates sustainable jobs and helps to build and keep wealth in our Welsh communities. By giving communities across Wales a real voice, we can ensure that decisions stay local, empowering people to shape their futures together.

Cwmpas has always been passionate about co-operative development – it's in our DNA. Where we have had investment specifically to promote these models, real impact has been made, such as in the development of the credit union sector, the promotion of community-led housing, and the rapid growth of employee ownership.

Now we need investment in promoting the co-operative model as a key part of Wales' ambitions for economic growth and capitalising on this moment of opportunity for the sector.

This is not at odds with a wider economic strategy – a co-operative economy can be a significant asset in creating wealth and ensuring it stays in Wales. It allows communities, public bodies and anchor organisations to come together, spot economic opportunities and make change happen.

The UK Government has committed to doubling the size of the co-operative economy. It is essential that Wales pro-actively takes this opportunity to develop the co-operative sector here – or we will be left behind. We need a plan to ensure Wales leads the way on co-operative-led economic growth.

This report sets out how we can achieve this through targeted investment in a Co-operative Development Hub.

Co-operative economic development: principles, models, benefits and the context in Wales

1. Cooperative principles

- A co-op is **owned and controlled** by its members. It exists for the benefit of its members, who may be customers, workers, suppliers or the wider community.
- A co-op is **democratic** – this means every member has an equal say in how it's run and how profits are used.
- **Every member contributes financially** in some way – from buying products, working for the co-op, investing in it or deciding how to spend its profits.
- A co-op is an **independent business**, owned and controlled by its members.
- It offers **education and training** to everyone involved, so they can develop the co-op and promote the benefits of co-operation.
- It **co-operates, works with and supports** other co-ops.
- A co-op **supports the communities** it works with.

Co-operatives empower individuals and communities to take control of their economic futures and local services, foster local wealth creation and reduce dependency on short-term fixes and extractive economic models.

2. Different Co-operative Models/Different Types of Co-operatives

The co-operative movement is diverse, encompassing various models suited to different sectors and economic needs. Key types of co-operatives include:

- **Co-operative Societies:** These are businesses owned and controlled by their members, who may be workers, communities, consumers or suppliers.
- **Community Benefit Societies (CBSs):** These organisations operate for the benefit of the wider community. They often focus on essential services such as energy, housing, and local food production, ensuring that wealth and control remain in the hands of communities.
- **Employee-Owned Businesses (EOBs):** These enterprises are wholly or majority-owned by their employees, who have a direct stake in the success of the business. Employee ownership enhances productivity, staff retention, and workplace democracy. An Employee Ownership Trust is a form of employee ownership where shares are held in a trust on behalf of employees.
- **Other legal forms such as CLGs and LLPs:** Co-operatives can adopt many legal forms, including joint stock companies. Adherence to the 7 principals is the defining element.

The economic power of co-operatives

Co-operatives can play a big role in creating good jobs and building stronger local economies, especially in parts of Wales where we have low rates of business start-up and higher levels of unemployment and economic inactivity.

Co-operative businesses are based on collective entrepreneurship. They allow people to come together to start businesses to meet a shared need and provide sustainable jobs for their founding members, and also to grow and diversify, ensuring that the business is anchored within the community and can create jobs and wellbeing for future generations.

Many individuals will face huge barriers to setting up their own business, whether that's skills, knowledge, finance, or confidence and self-belief. Co-ops make it easier by bringing people together. Highlighting practical, entrepreneurial and co-operative solutions is a key way that we can increase the business birth rate in post-industrial, inner-city, rural and coastal communities.

If we promote the co-operative model, targeting those who are motivated to create economic opportunities for themselves and the wider community as potential founding members, then it can be a powerful enabler of business growth and inclusive economic development within that community.

Unlike traditional businesses, where investors buy shares that increase in value as the business grows, co-operatives can be designed so that profits are reinvested into the business or used to start new co-ops. This means that as the co-op succeeds, its benefits stay within the community - creating new opportunities, supporting more jobs, and building a network of co-operative businesses, building resilience in the local economy and sustaining well-paid jobs within a community.

This is a model where profit provides power for communities and working people. In co-operatives, profits are shared democratically with members deciding together how to use the money – whether that is creating new economic opportunities, paying dividends to working people who earned that profit, or investing in areas that will benefit the whole community.

A thriving co-operative economy brings substantial benefits to local communities and Wales as a whole, helping communities to foster economic resilience, social cohesion, and sustainable development.

The social power of co-operatives

Co-operatives harness social power by enabling people to actively shape the communities they live in.

Through shared ownership and democratic participation, they support and educate individuals to take control of local decision-making, ensuring that everyone has a voice in shaping their future.

Equality, diversity and inclusion are embedded in co-operative values and principles: fairness, democracy, and shared decision-making empower individuals and communities that are too often marginalised or excluded, ensuring that participation is not restricted by gender, ethnicity, disability, sexuality, or socio-economic background. In this way, co-operatives create genuine equal opportunity to participate and to benefit from social and economic activity.

By taking ownership of community assets and services, they help to keep important resources in the hands of the community, making them more accountable and accessible to all. Crucially, co-operatives encourage long-term thinking and sustainability, embedding community benefit over short-term profit. In doing so, they build stronger, fairer and more resilient communities where diversity is recognised as a strength, inequalities are reduced, and people work collectively for a more inclusive and sustainable society.

The co-operative advantage

- **Productivity:** Unsurprisingly, economic data suggests co-operative models lead to higher levels of worker engagement and productivity, through giving workers a real stake in their business.
- **Job creation and fair work:** Co-operatives prioritise good working conditions, fair pay, and job security. Employee ownership and worker co-operatives, in particular, are linked to better job satisfaction and greater staff retention.
- **Economic stability and local ownership of wealth:** Co-operatives are rooted in their local communities and keep wealth circulating within them, rather than being extracted by external shareholders. This strengthens local economies and supply chains and enhances financial stability.
- **Democratic control:** Co-operatives operate on a democratic basis, ensuring that business decisions reflect the collective interests of their members rather than a small number of external investors.
- **Innovation and long-term thinking:** Because they are not driven by short-term shareholder returns, co-operatives have the flexibility to invest in innovation, training, and sustainable practices. Higher levels of engagement foster innovation among all members and workers.
- **Common ownership and regeneration:** By keeping assets and profits indivisible and reinvesting surpluses into new products, services, and business ideas, co-operatives can create a regenerative business development ecosystem where each co-op helps seed another, multiplying local economic value and job creation. Unlike models where profits can be extracted, common ownership ensures long-term community benefit. Inspired by Mondragon in the Basque Country, this approach builds resilient, interconnected co-operative ecosystems that respond to market needs while promoting inclusive growth.

Expanding the co-operative model across Wales presents a significant opportunity to support economic growth and build a fairer, more democratic economy. This approach delivers long-term benefits for members, workers, communities, and businesses alike. As Wales navigates economic transitions, encouraging more co-operatives will be essential in creating an economy that is more resilient, inclusive, and locally-owned and controlled.

The co-operative economy in Wales: the size of the sector and what doubling could mean in Wales

The Co-operatives UK [‘Co-operative Mutual Economy 2024’](#) report gives us an indication of the current size of the co-operative economy in Wales. It suggests there are 518 co-operatives in Wales, with a combined income of around £500m per year and encompassing 300,000 members.

Of all the nations in the UK, Wales leads the way in terms of the growth in the number of co-operative businesses with 3.0 births over five years per 100,000 people, followed by Scotland (1.9), England (1.6) and Northern Ireland (1.2). However, we are some way behind the other UK nations in terms of the overall size of the economy – with £1.6bn in Northern Ireland, £1.9bn in Scotland and £38.4bn in England, compared with £0.5bn in Wales.

Therefore, there is clearly a need to develop a strategy to foster co-operative growth in Wales, to narrow this gap and ensure Wales is maximising the benefits of a larger co-operative economy.

As part of Co-operatives UK’s [Policy Plan for Co-operative Growth](#), they recommend that the UK Government sets the following goals:

- [Double the number of co-operatives over a decade](#) - from c7,500 to c15,000, with a focus on quality as well as quantity
- [Double co-operative GVA over a decade](#) – from £13bn to £26 bn, and in doing so helping to double the combined co-operative and mutual contribution to UK GDP over the same period, by enabling the formation of more high-potential co-operatives, and enabling more existing co-operatives to thrive and reach their potential economic and social impact, individually and collectively

If we were to set the equivalent goals in Wales, based on the Co-operatives UK mapping data, this would mean [developing 518 new co-operatives over the next ten years](#). Achieving this target would mean co-operative models were being developed across the country, supported by a strong and proactive co-operative ecosystem.

For this to be most effective and truly rebalance the Welsh economy and foster inclusive economic growth, we need a focus on quality as well as quantity. We do not have the data necessary to calculate the size of the Welsh co-operative economy in terms of GVA, but based on the Co-operatives UK mapping report, we can estimate the turnover of the sector at £500m, which is broadly similar to the Welsh proportion of an UK-wide doubling of the UK sector based on population size. If we could double this number and [generate £500m additional turnover in the co-operative sector over the next ten years](#) it would keep a significant amount of money in Welsh communities.

However, the Co-operatives UK mapping tells us that the co-operative economy in Wales takes up a far smaller proportion of total income of the UK co-operative economy as a whole at just 1.2% - therefore, there is a strong argument that we should be more ambitious and aim to go further to catch up with the rest of the UK.

Case studies of Welsh co-operative successes

Dulas – a Welsh co-operative powering a greener future

Dulas is one of Wales' most successful worker co-operatives, pioneering renewable energy solutions for over four decades. Established in 1982, the company has played a critical role in developing solar, wind, and hydro energy systems, both in the UK and internationally.

Dulas was founded as a spin-out from the Centre for Alternative Technology (CAT) in Machynlleth, a leading institution for sustainable development and renewable energy research.

The organisation was created by a group of engineers and environmentalists who shared a vision of providing practical, affordable renewable energy solutions while maintaining ethical business practices. They established Dulas as a worker co-operative, ensuring that all employees had a stake in decision-making and the company's future.

Today, Dulas continues to thrive as one of the UK's leading renewable energy consultancies and technology providers. It has contributed significantly to Wales' green economy, creating jobs, supporting communities, and reducing carbon emissions. Its success demonstrates the viability of co-operative business models in delivering sustainable, long-term economic and social benefits.

Its journey from a small spin-out to an internationally recognised leader in renewable energy highlights the importance of perseverance, collaboration, and a commitment to social good. As the world increasingly turns to sustainable solutions, Dulas is a great example of how Welsh co-operatives can help create a greener future.

Organisations like the Centre of Alternative Technology show just how much these groups can do when they work together for sustainability and new ideas.

Calon Wen – co-operative success in the Welsh food industry

Calon Wen showcases the strength, sustainability and resilience of co-operative models in the food industry.

Established in March 2000, this co-operative brings together 25 family-run farms from across Wales, united by the desire to secure long-term markets for organic Welsh milk. At the beginning of their journey, Calon Wen received invaluable support from Cwmpas, helping the group to lay strong foundations for its future.

Calon Wen has successfully developed and grown its own Welsh organic brand, supporting organic processing right here in Wales and anchoring decision-making in our communities. Despite challenges such as market competition and access to capital, Calon Wen has remained competitive, providing jobs in rural areas and strengthening local community economies.

The success of farmer co-operatives like Calon Wen highlights their value as an asset in the food industry and the potential for long-term success and growth.

By pooling resources and sharing expertise, and reducing individual risk, co-operatives enable farmers to retain more value through processing, branding, and direct sales.

This model of economic sustainability empowers farmers to have a say in market decisions and offers a great example for other co-operatives to follow. The resilience and collaborative approach of working together and sharing resources, these farmer co-operatives show that collaboration and resilience can help build a stronger, more sustainable food system for all.

Awel Aman Tawe – a people-led and inclusive approach to sustainability

Awel Aman Tawe is a pioneering community energy co-operative based in the Swansea and Neath Valleys, demonstrating the economic and social potential of community-owned renewable energy in Wales.

Established in response to climate change and local economic challenges, the co-operative owns and operates wind turbines near Pontardawe, generating clean electricity for the grid and income for the local community.

As a co-operative, Awel Aman Tawe ensures that the financial benefits from energy generation stay within the community. Surpluses are reinvested into a wide range of local projects, including energy efficiency advice, climate education in schools, and support for social enterprises. The co-operative has also played a leading role in establishing Egni Co-op, expanding the impact of community energy initiatives across Wales.

Crucially, Awel Aman Tawe's work is rooted in local engagement, ensuring that decisions are made democratically and reflect community priorities. They have built strong public trust and fostered local pride in renewable energy, proving that the transition to net zero can be people-led and inclusive.

Awel Aman Tawe exemplifies how community energy co-operatives can deliver environmental goals while building resilient, empowered local economies in Wales.

Cartrefi Co-op – empowering communities through co-production

Cartrefi Cymru Co-operative is one of Wales' largest social care providers, supporting people with learning disabilities, autism, and older people across Wales to live independently and with purpose.

At its core, it is a vibrant collective, including 1,200 employees, 650 individuals receiving support, and thousands of friends, relatives, and advocates. As a multi-stakeholder co-operative, Cartrefi brings these groups together around a shared mission of enhancing community involvement and strengthening its capacity as a support provider.

In 2016, they transitioned from a traditional charity into a multi-stakeholder co-operative, embedding democratic participation into its governance. Membership is open to the people it supports, staff, and community allies, ensuring decisions reflect the voices of those most affected. A National Council, with equal representation from each group, oversees governance and accountability.

This inclusive model has had significant social impact. Rather than being passive recipients of care, members are now co-producers, shaping care and support. Staff benefit from a culture that values their expertise, improving morale, retention, and service quality in a sector where turnover is high.

There are also clear economic benefits. As one of the largest co-operatives in Wales they employ a significant number of people across the country, creating stable local jobs and reinvesting resources into communities rather than extracting profit. Its co-production approach reduces waste and duplication. By fostering independence and supporting preventative approaches, Cartrefi also reduces long-term costs to health and social care systems.

Cartrefi Co-op demonstrates how a multi-stakeholder model can generate social empowerment, economic resilience, and sustainable, community-driven care.

Cwmni Bro – local co-operative resilience

Cwmni Bro is a network of social enterprises working together to strengthen the local economy and community in Bro Ffestiniog. At its heart is a co-operative structure that facilitates collaboration, not only between the enterprises themselves but also with key partners in the private and public sectors that form part of the area's foundational economy.

This democratic and integrated approach ensures that any development in Bro Ffestiniog is led by the community, for the community.

The model being pioneered by Cwmni Bro combines environmental, economic, social, and cultural aspects of community life. Projects range from safeguarding community assets to creating opportunities for employment, promoting the Welsh language, and developing sustainable initiatives that enhance local resilience.

By bringing community voices into decision-making, the co-operative ensures that growth reflects the needs and values of local people rather than external interests. This keeps wealth circulating in the community, rather than being extracted out of it.

The impact and the potential of the model is clear. In Bro Ffestiniog a cultural shift is underway - towards a mindset of "doing things for ourselves." The community is now better positioned to take the next steps to build a stronger, fairer, and more sustainable future, offering inspiration not only for Bro Ffestiniog but for communities across Wales and beyond.

BIC Innovation – growth of employee ownership

Wales has achieved a significant milestone - it doubled its numbers of employee owned businesses two years ahead of the Welsh Government's target.

A pivotal factor in this achievement has been the investment in market development capacity through Employee Ownership Wales. This targeted initiative has elevated the employee ownership model and developed the market through strategic promotion, stakeholder engagement, and robust PR efforts, making it a compelling option for business owners across the country.

BIC Innovation, a business consultancy firm in Gwynedd, has seen its employee numbers more than triple since becoming employee-owned, with many new ideas being generated through a shared approach to co-operation and innovation. Other high-profile successful businesses that have become employee-owned include Dafydd Hardy estate agents, Tregroes Waffles and Educ8 Training Group.

These transitions have not only safeguarded jobs but also enhanced employee engagement and innovation. Employee Ownership Wales's strategic promotion and targeted market development, alongside a supportive policy and taxation landscape, has fostered this growth, and is contributing to a more resilient and inclusive economic landscape. There is a lot we can learn from the growth of the employee-owned sector and apply to the wider co-operative movement.

Cwmpas – a co-operative leading by example

As a co-operative itself, Cwmpas employs around 100 people across Wales and retains and attracts money into the country. Cwmpas was born in response to the deindustrialisation of the 1980s and sought to proactively create new co-operatives to provide jobs to the growing number of unemployed people in Welsh communities.

Cwmpas delivers a wide range of projects across Wales, at both a national and local level. By keeping investment and economic activity in Wales and always seeking innovative ways to deliver projects, Cwmpas continues to attract further funding and support.

Through its commitment to co-operation and community-led growth, Cwmpas serves as a model for how collective action can make positive change happen.

The need for investment in proactive market development for co-operative growth

The Welsh Government has supported co-operatives and the model's development in a number of ways since the start of devolution. One of the principle ways it has done this has been through investment in specialist support through Social Business Wales, delivered by Cwmpas.

This service has been successful, supporting the creation of a significant number of thriving social businesses that have themselves created valuable businesses, jobs and wealth.

In recent years, especially since the loss of European structural funds, the capacity within Social Business Wales has been largely dedicated to providing guidance to high-impact but small-scale early-stage social enterprise ideas. While these businesses create huge social value and this specialist support is key, it has meant there has been reduced capacity for the proactive development of larger-scale co-operative businesses with higher growth potential in communities and supply chains.

Co-operative development has always been at the heart of our DNA. Cwmpas is an independent co-operative organisation in our own right, and we have been successful in securing funding to promote co-operative development in specific areas. Where this has happened, we have seen real impact.

In the early 2000s, we received funding to lead an initiative on credit union development which included a grant fund. This became a flagship project under the new European structural funds Programme and played a key role in the development of the sector in Wales. The growth of the employee-owned sector in Wales came after our 2021 white paper on how to double the size of the sector, and subsequent investment in market development capacity within our Employee Ownership Wales has played a crucial role in the sector's growth. Our Communities Creating Homes and Perthyn projects are pro-actively working with and in communities, promoting community-owned and co-operative models, bringing them to new audiences and working with them to turn ideas into reality.

Now we need to be more intentional and drive growth by putting these co-operative models at the heart of our economic development policy. To realise the ambition of making social business the business model of choice in Wales, expanding the co-operative sector is essential. Fostering the next generation of larger co-operatives will ensure that wealth is generated and retained in Welsh communities, creating a sustainable supply of high-quality jobs. This will require dedicated capacity to promote, identify and develop co-operative ideas across the economy and to bring people from communities across Wales together to make them happen.

Wales – a co-operative nation

To realise the vision for Wales as a co-operative nation, Wales needs a co-operative development hub. We have devised a proposed work plan for the Co-operative Development Hub that is designed to drive economic growth and strengthen our communities. You can read this in the appendices.

High potential sectors for co-operative growth

There are clear opportunities for co-operative models in the key sectors that will power wellbeing and prosperity in Wales. These co-operative models will maximise the benefits for Wales by generating economic growth, creating good jobs, anchoring businesses in Wales and in their local areas, and encouraging worker and community engagement.

Green economy

The transition to a net-zero Wales has been acknowledged as one of the most crucial economic, environmental and social imperatives of our time. The green economy is projected to grow rapidly - but its benefits will not automatically reach Welsh communities, and could risk exacerbating inequality, unless inclusive models of ownership and control are embedded from the outset.

Co-operatives offer a powerful solution. Community energy co-operatives, for instance, not only decarbonise energy production but also generate retained local revenue, empower local people and increase public buy-in for climate initiatives.

However, this will not happen by chance. Wales must lead the way in building a proactive support ecosystem offering targeted support and pro-active network building for early-stage green co-operatives. One example of this could be supporting the development of a Wales-wide co-operative to deliver retrofitting of existing housing stock in the social and private sectors – keeping wealth in Wales and offering opportunities for self-employed workers in our communities.

For this to happen, the Co-operative Development Hub would play a key role in bringing people together, facilitating the development of the organisation and supporting it to grow, and advocating for the development of supportive policy.

Financial economy

An inclusive and ethical financial economy is essential for supporting robust local economies. The Welsh credit union sector, despite its social mission and proven track record of creating social value for its customers, lags behind comparable sectors in Ireland and Scotland in terms of financial scale and visibility. This gap is not due to a lack of potential - it is the result of fragmentation and insufficient market development.

However, with the right strategy, Wales's credit unions could quickly grow into a key component of Wales's financial infrastructure, creating jobs in Welsh communities and keeping money circulating within them. There is also high potential for impactful small business lending, with community finance acting as a vehicle for community wealth building and overcoming barriers to getting a bank account in the mainstream banking sector.

To realise this potential, Wales must strengthen and nurture its co-operative finance sector by consolidating the existing sector, enhancing digital capability, and embedding credit unions into public service infrastructure - such as payroll savings schemes, welfare support systems, and community development initiatives. The Co-operative Development Hub can support the reform of regulatory and funding frameworks to recognise the long-term social value of inclusive finance.

Digital economy

Rapid technological development is transforming every sector. Wales faces a dual challenge: how to harness digital innovation for inclusive prosperity, and how to ensure communities are not left behind by automation, AI and platform capitalism.

Co-operative models offer bold, future-facing solutions. Platform co-operatives can enable workers and users to collectively own and manage digital services - offering democratic alternatives to extractive tech monopolies. Data co-operatives can empower groups of people to control and monetise their own data, challenging exploitative business models. Technology worker co-operatives encourage innovation in a values-led environment, keeping talent and IP rooted in Wales.

To unlock this, proactive infrastructure and ecosystem support are critical. Wales needs a specialist digital co-operative incubator – working with universities, entrepreneurs and funders. Investment in digital skills must go hand-in-hand with awareness of co-operative enterprise as a viable path for tech talent.

Supporting self-employment and entrepreneurship

A Co-operative Development Hub could play a vital role in supporting entrepreneurship in Wales by enabling self-employed people - often isolated and facing significant financial challenges - to pool resources, reduce risk, and build collective resilience.

Many self-employed workers face challenges such as income insecurity, lack of sick pay, and limited access to training or shared services. By promoting and supporting co-operative models, the Hub could help these individuals form shared enterprises - such as worker co-ops or freelancer co-operatives - that allow them to access joint back-office support, equipment, or workspaces. This collective approach reduces overhead costs and enables sustainable self-employment. In addition, it could facilitate shared insurance programmes based on the Dutch Bread Model.

The Hub would play a vital role in overcoming the practical barriers that prevent co-operatives from forming and incentivising entrepreneurship among new groups of people in Wales. In doing so, it would foster inclusive economic growth rooted in community wealth and mutual support across Wales.

Public service innovation

Community health co-operatives and social care co-operatives offer a community-led response to the ongoing GP and social care crises in Wales.

By putting communities at the centre of service design and delivery, these co-operatives can help address workforce shortages, improve access to quality care, and build trust with patients. Health co-ops could involve shared practices run by professionals and communities, focusing on preventative and holistic care. Similarly, social care co-operatives can ensure high-quality, personalised support for vulnerable people, while offering better pay and working conditions for care workers.

A Co-operative Development Hub would play a crucial role in developing these models by providing technical assistance, governance support, training, and access to start-up funding. It could also act as a knowledge-sharing platform, linking communities with existing co-operative models and expertise. By supporting a thriving ecosystem for community ownership, the Hub would help embed long-term, collaborative solutions within local health and care systems across Wales.

Community ownership of land and assets

Community ownership can drive local economic transformation by keeping wealth within communities and enabling people to meet their own needs – whether that's through housing, food, energy, or any other initiative. Revenues generated stay local, supporting resilience and long-term social value.

A Co-operative Development Hub, backed by enabling legislation and expert support, can be key to unlocking this potential. Crucially, the Hub must go beyond supporting communities already on this journey.

It should take a proactive role, bringing people together, identifying local opportunities, and planting the seeds of community ownership as an option where it hasn't yet been considered.

This pre-start work is essential to ensure the benefits reach all communities, not just those with higher levels of wealth, skills, or time. By offering early-stage support and building confidence, the Hub can create fairer access to opportunities, widen participation, and help embed community ownership as a powerful tool for inclusive economic development across Wales.

Why now is the time

Wales has a unique opportunity to lead a new era of inclusive, sustainable economic development – but only if we act now.

The UK Government has committed to doubling the size of the co-operative sector, providing a key opportunity to capitalise on this commitment to create Wales as a co-operative nation. Unless Wales seizes this moment now, we risk being left behind. The UK co-op sector may double in size, but without a comprehensive strategy, targeted investment and dedicated support infrastructure here in Wales, the impact on Welsh communities could be limited.

A Co-operative Development Hub would be a strategic intervention to create inclusive economic growth and help build a more democratic, resilient and locally-owned economy – a co-operative nation. The 2025 Future Generations Report explicitly calls for this kind of investment, highlighting it as key to delivering a wellbeing economy. It provides a way to bring the private sector into this mission, aligning profit with social purpose and building wealth that stays in communities.

The IWA and Oxfam have also called for proactive support to develop co-operative models in critical sectors such as food, care and community energy - areas where Wales has both urgent need and clear potential. FSB Wales' report on business support shows that the wider business landscape in Wales is evolving and that specialist, pro-active support is key. Co-operatives and social enterprises must be at the heart of this shift to ensure the best outcomes for workers, communities and the Welsh economy – and this can be achieved by ensuring continued specialist support and a pro-active, enabling co-operative development hub.

Co-operatives UK's Plan for Co-operative Growth outlines how to deliver the ambition to double the size of the co-operative economy, and outlined Co-operative Development Hubs as a key solution. Wales has the opportunity to lead the way by implementing this agenda at speed and scale.

We are reaching a crossroads for co-operative development in Wales, and it is essential that we put the robust foundations in place that will lead to co-operative growth for future generations. With our roots firmly in the co-operative movement, our small size and relative lack of complexity to other parts of the UK, we have all the elements needed to capitalise on this key moment and build a co-operative nation that improves the social and economic outcomes for the people of Wales.

Appendix

Workplan

This section sets out our proposed work plan for the Co-operative Development Hub. It outlines a programme of activity designed to turn ambition into action and deliver tangible outcomes for the economy and our communities.

Our approach is rooted in practical steps: working in supply chains, sectors and communities to spot opportunities, identifying and removing barriers, and providing tailored support. Each element of the plan is targeted, achievable, and measurable, ensuring that the Hub can demonstrate real impact. Together, these proposals form a coherent strategy to strengthen co-operative enterprise and unlock sustainable, inclusive growth across Wales.

A Co-operative Development Hub for Wales will need to stimulate interest, knowledge of the co-operative model and its benefits, and increase the numbers of people and organisations who want to set up co-operatives.

It will need to raise awareness of the economic potential of the model to individuals, policymakers and anchor institutions such as local authorities, health boards, colleges and universities. It will help recruit and train co-operative development workers, embedded within communities, to provide specialist support to local people and key stakeholders, including economic anchor institutions, to set up co-operative businesses. It will need to lobby for access to appropriate finance and investment models and promote legislative changes that will create an enabling environment for the co-operative sector to grow and thrive in Wales.

Specific Role for a Co-operative Development Hub

Market identification, research and policy	<ul style="list-style-type: none">• Map and research strategic opportunities in sectors and supply chains• Research geographic areas to target co-op development support, including areas where there are already examples of co-operation, but also areas that have low levels of business birth rates.• Support consortium approaches - building networks of existing co-operatives and social businesses and supporting them to form co-operative consortiums, allowing them to engage with previously inaccessible procurement opportunities and delivering services at a larger scale• Provide research and learning from across the world and bring best practice back to Wales.• Investigate and promote legislative changes that are needed to create an enabling environment in Wales. This could include individuals keeping their benefits whilst setting up and test trading their co-operative, or tax changes that would encourage people to set up new co-operative businesses.
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Training and recruitment	<ul style="list-style-type: none"> • Train and employ local people to become local co-operative development workers and support local individuals and groups to look for co-operative opportunities and set up co-operative businesses.
Provide finance	<ul style="list-style-type: none"> • Research the current market for debt finance and the suitability of the products for co-op development. • Work with existing finance providers to encourage new loan products to meet the needs of co-ops, particularly the Development Bank of Wales. • If there are gaps, potentially develop new finance products. Investigate new ways of bringing in equity through partnerships with social investors.
Specialist legal, governance support and business advice	<ul style="list-style-type: none"> • Group formation • Visioning – looking for co-operative opportunities • Training for directors on running a co-operative business. • Incorporation support to register the co-operative business with FCA or Companies House. • Business planning support • Growth and scale up support
Creating co-operative spinouts	<ul style="list-style-type: none"> • Work with anchor institutions to set up new businesses that can be transferred to the employees and become a worker co-operative. • Work with the Welsh Government to set up projects that could then be turned into a co-operative business – for example, this could work well as part of retrofitting strategies, and to achieve net zero ambitions. • A local authority who lacks a capital budget could support the development of a local co-operative (CBS) to raise community equity via community shares to build a new school and lease back the LA. The rent income will be used to pay back shareholders over time with the asset eventually being transferred to the LA.
Co-operative education	<ul style="list-style-type: none"> • Develop resources to promote collective entrepreneurship and co-operative business in schools. • Identify and support co-operative champions within further and higher education to promote collective entrepreneurship and co-operative business models. • Urgently address the very limited co-op curriculum in our education system, expanding on the Robert Owen pilot project. There is a need for systematic change driven by government.

Promotion	<ul style="list-style-type: none"> • Promote the model to individuals looking to start-up businesses to increase the level of enquiries specifically for co-op support. • We know that there are many different motivating factors for entrepreneurship among individuals. Facilitating a collective approach – pooling risk, combining assets and knowledge, and prioritising social value – will bring the concept of entrepreneurship to a new audience.
Market development	<ul style="list-style-type: none"> • Bring together key stakeholders like workers, self-employed people, business owners, consumers, investors and more to explore and establish new co-operative enterprises in a strategic way, achieved through being embedded in communities and sectors • Identify and support co-operative champions within LAs, health boards and other anchor institutions such as housing associations. • Support anchor institutions to create co-operative development strategies. • Work with business representative bodies such as FSB to highlight economic potential of the model and promote co-operatives and employee-owned businesses as a succession option as well as the economic potential of co-operative consortia of established businesses.
Resource development	<ul style="list-style-type: none"> • Create resources to support the development of specific co-operatives including: <ul style="list-style-type: none"> ◦ Worker Co-operatives ◦ Multi stakeholder co-operatives where workers and users of the service are members. This model would work particularly well within the care and support sector. ◦ Housing Co-operatives ◦ Credit Unions ◦ Community Co-operatives using community equity via community shares, to take on and develop community assets. • Develop resources to promote collective entrepreneurship and co-operative business in schools. • Create marketing materials on the economic power of co-operative businesses.



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