



The All Parliamentary Group for Mutuals

Mutuals exist in every sector of the economy, from financial services to housing, to retailing, to public services and sport. Whether it is through providing rewarding work, strengthening community enterprise, or supplying affordable and sustainable services to consumers, a strong network of co-operative and mutual businesses can play an important part in a diverse and modern British economy.

The purpose of the All-Party Parliamentary Group for Mutuals is to bring MPs and Peers together with a wide range of co-operatives and mutual enterprises, including Building Societies, Mutual Insurers and Housing Associations, to facilitate better support for the sector through public policy.

These enterprises operate in a diverse array of sectors, and take many different forms, which are listed and explained below.

A Guide to Co-operatives and Mutuals

Building Societies

Building Societies are a type of financial mutual that provide banking services to consumers, particularly in the fields of savings and mortgage lending. Since they are owned by their customers, they are able to channel profits into offering good interest rates and low fees, as well as a more personalised service than the large high street banks traditionally provide.

Mutual Insurers

Mutual Insurance companies are firms that are owned by their policyholders. The absence of a need to distribute money to their shareholders enables them to offer better services to their customers, as they can afford to take a longer-term view in managing risk.

Consumer Co-operatives

A co-operative owned by its customers to achieve better prices or quality in the products that they purchase. Although food retail remains the area consumer co-operatives are best known for, this model functions in various other sectors too, notably in healthcare, travel, and legal services.

Worker Co-operatives

A co-operative owned and democratically run by its employees. Though this type of business operates under various models, in all cases the majority of shares are owned by the workforce. By giving them a stake in their business, they can provide rewarding work, and in doing so, enhance productivity.

Community Co-operatives

A co-operative that, rather than being in the hands of employees or consumers, is owned by members of the local community, such as businesses, schools, local councils, or ordinary citizens. Profits can then be distributed to bring about lower costs, or through reinvesting the money into community projects.

Clubs & Societies

Many of the clubs and societies that exist for leisure purposes are mutualised, and are usually registered with the FSA as either Friendly Societies or Industrial and Provident Societies. The sector has a large presence in the UK. It is estimated that over 10,000 such clubs exist in the UK, with over 7 million members, and over 20,000 employees.

Housing Co-ops

A collection of residential buildings that are owned and run by members of a co-operative on the principle of 'one person, one vote'. Membership is granted to those who purchase a share, and is approved by existing members for admission. Each shareholder is granted the right to occupy one housing unit, as well as the right to participate in decisions related to management of the co-operative.

Housing Associations

Housing Associations are independent, non-profit businesses that provide homes to those in need. They are run by a board of volunteers usually comprised of residents, as well as representatives from councils and the community. Though they are not part of the public sector, they receive public funding, and many tenants have their rates set by the government.

Supporters Trusts

Supporters Trusts are not for profit organisations democratically run by groups of supporters, with the goal of influencing their club. Over 140 such trusts exist throughout the UK, primarily in football. Most hold a stake in their club, and in five cases, own it outright.

Co-op Schools

Co-Op Schools operate under two models. Most tend to be part of 'foundation trusts', that run multiple schools as part of a wider network. However, a minority are run as 'co-operative academies', that operate under a variant of the academy model that incorporates co-operative principles. In both cases, schools will be managed on co-operative lines with significant input from parents, staff, and members of the local community.

NHS Foundation Trusts

Established in 2004, Foundation Trusts are independent health organisations that are accountable to local people, whilst upholding the basic principle of the NHS that care should be free at the point of use. Anyone living in the area that that a foundation trust operates in may be a member, and can participate in its governance, through voting for the Board of Governors.