

Cross Party Group on Co-operatives
Minutes from Tuesday 23 October 2017
6.00 pm to 7.30 pm
Scottish Parliament

Theme: Worker ownership and inclusive growth

Attendance

Convener: James Kelly MSP

CPG members: Johan Lamont MSP, Claudia Beamish MSP, Neil Bibby MSP

Other guests: representatives from the Scottish co-operative sector

Secretary: James Wright (Co-operatives UK)

Apologies: Willie Coffey MSP

Actions for Cross Party Group Convener and Secretary:

- Explore potential to promote and support worker ownership in the following areas:
 - Public procurement and the Scottish Government's new Community Wealth Building agenda
 - Scottish Government's announced plans to "investigate the scope to expand support for employee ownership"
 - Education and business advice
 - Social enterprise policy
- Explore how government can support co-operative housing
- Report back to CPG and stakeholders on progress against actions

1. Welcome and introductions

James Kelly MSP opened the meeting and thanked everyone for their attendance.

2. AGM business

James Kelly MSP was reappointed Convener, Willie Coffey was reappointed as Deputy Convener and Co-operatives UK was reappointed in its secretarial role.

3. Experiences of a worker owner

Representatives from Green City Wholefood discussed the development of their worker co-operative and how they operate a values-driven, inclusive and socially responsible business model, fit for the twenty-first century.

It was suggested that Scottish Government and partners could do more to support grassroots development, incorporating more peer-led provision.

It was also suggested that Scottish Government could do more to support local, inclusive and socially responsible businesses through public procurement.

4. Co-operative Development Scotland

Representatives from Co-operative Development Scotland (CDS), an agency within Scottish Enterprise, set out how they provide advice and support to a range of worker and employee owned firms.

CDS has been particularly successful in promoting and supporting employee buyouts as part of planned business succession. Scotland is currently averaging at one employee buyout every month and has around 100 prospective buyouts in the pipeline. CDS has been successful in mainstreaming employee buyouts within the wider support Scottish Enterprise provides to businesses looking at succession.

The CPG was told that CDS has limited resources which may be further limited in future.

Due to how Scottish Enterprise measures the performance of CDS, the focus will need to emphasise fewer larger-scale employee buyouts going forward.

5. Panel-led and open floor discussion

Maggie Chapman (Co-Convener of Scottish Green Party)

The Green Party is very supportive of co-operatives.

If Scotland is going to have inclusive growth inequalities in power and wealth need to be addressed.

Broad political support for co-operatives needs to be backed up by firm action.

Better public procurement is one area that should certainly be looked at.

Away from worker ownership co-operative housing is something that should urgently be expanded.

Johan Lamont (Labour and Co-operative Party)

The Fair Work agenda may lack substance at present. There is currently too much unfair work in Scotland. Co-operatives can demonstrate that genuinely fair work is commercially viable.

Practically, the Scottish Government could do more to educate and advise people and businesses about co-operative approaches to work.

We need to develop more detailed evidence-based policy making for co-operatives.

Open discussion

It was suggested that we need to consider how co-operative values and principles can be instilled and sustained in Scotland's employee owned businesses. How can responsible worker owners be replaced over time?

It was suggested that co-operatives and worker co-operatives in particular do not get enough support through Scotland's social enterprise policy. There was also a discussion about the Social Enterprise Code in Scotland and how this excludes most co-operatives.

It was discussed whether EU rules limit the scope for procurement to support local and co-operative businesses and whether Brexit could provide fresh opportunities in this regard.

The Scottish Government's recently announced Community Wealth Building initiative may include a focus on local procurement.

A representative from Clansman Dynamics related how as they transitioned to employee ownership their main banking provider 'pulled the plug'. Scottish Government needs to be firmer in supporting and championing employee owned businesses.

It was suggested that the Cross Party Group looks for small wins to improve the positioning of co-operative models wherever possible.

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