



# A fairer, better, more co-operative Scotland

Edited by Richard McCready and Paul Godzik

Preface by Cathy Peattie  
Chair, Scottish Co-operative Party

**the scottish co-operative party**  
politics for people



# Preface

**Cathy Peattie** Chair of the  
Scottish Co-operative Party



I don't need to remind colleagues that it has been a challenging year for many within the co-op movement. However, like you, I believe that the principles underpinning our movement are strong, and it is on that firm basis that we move forward.

I believe that the Scottish Co-operative Party can be proud of the contribution we are making to policy change in Scotland, and proud of the tangible difference these policies are making in communities across Scotland. Across the country, in local government, co-operative and mutual solutions are playing an increasingly important role in providing services.

As the articles that follow show, we have a rich and diverse tapestry of co-operative and mutual solutions in a range of different sectors and settings. But they also show that seeds are being planted in a range of new areas that, I hope, will lead to a range of new opportunities.

I would like to thank all those that contributed to this pamphlet, along with Richard McCready and Paul Godzik for the editing and production. Most importantly I would like to thank all of you for your continued commitment and unstinting belief that together we can make a difference, and build a more co-operative Scotland.

# Foreword

**Johann Lamont MSP**  
Scottish Labour Leader



The Co-operative Party has a rich history of radical ideas that have brought real change to people's lives. Whether it be in housing or energy, transport or business, our movement has allowed communities to take control of their own affairs and transform their local environment for the better.

I was reminded of these successes two years ago when I set up Labour's Devolution Commission, which reported its findings earlier this year. I recognised from the start that power should be devolved down to the lowest appropriate level, empowering people to get involved in the decisions that affect their lives.

It meant we had to look beyond the stale debate about how power should be shared by Holyrood and Westminster.

Power lies with the people, and we should decide at which level we share it and what works best for us. And where it makes sense, it should lie as close to our communities as possible, not at a distance in our city halls or in parliaments with politicians.

We set out radical ideas that will empower our rural and remote towns and villages, our cities and our communities, allowing them to make key decisions on jobs and local economies. I believe this is part of a far richer debate that will help us bring about the Scotland we want, not a narrow debate about the constitution.

On September 18th, the people of Scotland will answer the referendum question but I don't want to wait until then to have that real debate Scotland needs – about how we build a new economy that allows us to share prosperity, how we create an education system that allows all children to achieve their potential and how we build a health system that gives our sick and elderly the care and dignity they deserve.

Whatever the result of the referendum, the challenges that brought me into politics will still exist. Unfairness and inequality won't be solved by a change in the constitution. It comes through arguing for real change, and winning the argument for it to happen.

That is why I want our movement to be the forum for the real debate about the ideas that will truly transform people's lives. It has been the radical voices of our movement which has brought about change.

The Co-operative Party has played a crucial role in the battle of ideas in the past and I believe it will again. We understand that there is fairer, better way and the ideals which the co-op was founded on are the perfect antidote to some of the broken practices which have failed people so many times.

I believe people want to hear this kind of fresh thinking, and learn more about the different approaches which can make all of our lives better.

I hope this project is part of that debate about how we bring about a fairer, better, and more co-operative Scotland, and I look forward to working with the co-operative movement as we look to achieve that aspiration.

# Working together for Stronger communities and Better Services

Sarah Boyack MSP



**If our local councils didn't exist we'd have to invent them. But we often take for granted their existence and the role they play in our everyday lives.**

They enable us to determine what services and what support is provided in our communities, how our built and natural environments are shaped. If we are to put in to practice our values of equality and fairness, social justice and solidarity local councils need to be funded and empowered to address people's concerns locally whether it's in relation to schools and childcare, social care, cultural services, local transport and recycling facilities.

But as a result of Tory and SNP Government policies the ability of our councils to meet our aspirations are under severe pressure. By 2016 our local councils will have experienced a prolonged period of increasing centralisation, with a financial straightjacket and a significant loss of staff. The impact of cuts and the regressive nature of the council tax freeze has been well documented by the Joseph Rowntree Foundation. People on low and modest incomes are now experiencing service reductions, with rationing of services and significant increases in the cost of services that used to be free.

The loss of 40,000 staff has impacted on our councils' ability to deal with the pressures that councils face in providing services. Increases in fuel and energy costs, the increasing number of older people needing social care, the impact of climate change on infrastructure and the increase in poverty caused by the UK Government's reshaping of welfare have all put the provision of services under strain.

Labour has already started setting out and implementing our alternative vision. Our Devolution Commission report Powers for a Purpose has restated the purpose of local government – to represent the views and collective aspirations of people in our communities. We believe in the democratic accountability that comes from local councils having the capacity to act in the common interest and to reflect community wishes. We support double devolution with the Scottish Government focusing on national priorities and setting the legislative framework working in partnership with local government. We need to see the Scottish Government doing much more to support best practice and setting standards rather than interfering in the day to day delivery of services. It was never the intention of devolution that the Scottish Parliament would take power up from local communities.

In Powers for a Purpose we focused on the need to address the systemic underfunding of local services with a rational discussion across the parties to debate how we get the balance right to fund services nationally which are delivered by local authorities and to seek new funding opportunities for local communities to fund the services they wish to prioritise.

We set out an empowering agenda, transferring powers from both the UK and Scottish Government levels to enable councils to make better use of the resources allocated to the Work Programme and to enable them to take the lead in working with local employers and colleges to deliver the training needs in our local communities. In addition we supported more powers on housing benefit to enable local authorities to plan housing supply more effectively.

We see a strengthened Scottish Parliament working in partnership with local government, not dictating to it.

A commitment to co-operative values would, I believe, strengthen our vision for local government and would chime with people's aspirations in our communities. Co-operative values could add to our capacity to tackle inequality, regenerate our communities and help bridge the gap between our desires to see more responsive councils and the reality of councils forced to make difficult choices.

Given the profound pressures that local government is facing I believe we need to support innovation and new ideas which empower people to make the most of resources that aren't being utilised in our communities and to make our services influenced by what people need in our communities rather than being driven by profit or bureaucracy. Empty and abandoned buildings or land capable of development where there are no plans for its use should be available to communities to make better use of these physical resources. Co-operative projects are one means by which communities can come together to create collective benefits and enable reinvestment locally.

There are already new co-operative initiatives being pursued in Labour-led councils across Scotland. In 2012 many more Labour councillors were elected in Scotland and in both power and opposition they have begun to put in place new ideas and support initiatives which apply co-operative principles both to how councils operate and what they do.

They've also been networking with council colleagues in other parts of the UK learning from different experiences, recognising that we have common problems across these islands, and reflecting on what would work locally. The Co-operative Council Innovation Network (CCIN) case studies show interesting examples of new ways to work and design services. In February I visited Lambeth Council and talked to senior Labour councillors about the changes they are making. I was particularly interested in the complete redesign of their youth services. This wasn't a top down initiative, but came from the demands of local parents and community leaders who wanted better support for young people in their area to give them decent opportunities in life. The recent elections in May 2014 were a ringing endorsement for the Lambeth approach with a 54% vote for Labour – up from 43% in 2010.

There are already good examples of work being undertaken by Scottish Labour councils particularly in Glasgow and Edinburgh. Both have signed up to create Co-operative Development Units which will facilitate and support new co-operative initiatives. Glasgow have identified 4 themes which their co-operative strategy will include: Co-operative Values and co-operation, Co-production and community led commissioning, Community Assets, and Co-operative Service Delivery. The work on credit unions is particularly important and a practical way of challenging the poverty and inequality that scars so many people's lives.

Edinburgh is committed to look at childcare and education, health and social care, renewable energy and housing with pilot projects to enable future expansion of co-operatives. There are now hundreds of local community energy projects across Scotland producing benefits to local communities, but there is still much more that could be done but the opportunities in our towns and cities has to date not been tapped.

Ongoing work in Glasgow and Edinburgh will let other councils learn from their experience – both in terms of the benefits and the obstacles to progress.

A key area which needs to be thought through and developed is the potential to be gained from community led and worker led co-operatives to be included in council strategies. Co-operatives have the potential to empower both those for services users and those providing services – but this has to be designed into structures from the start.

The Care and Share Associates (CASA) based in Newcastle is an employee-owned social enterprise which is structured so that people will always come first. Staff members help set budgets, pay and conditions through democratic bi-monthly meetings. Staff members have a vital role in the decision-making process because they own a stake in the company and turnover is lower than in other care companies. What a contrast to the high staff turnover and poor terms and conditions seen in the companies that are often entrusted with the care of our older people.

One of the attractions in promoting a co-operative approach is the potential to motivate employees to feel secure in their work, to influence the services or company they are working for and to benefit from success. In the recent Procurement Bill debated by the Scottish Parliament Labour MSPs argued for the procurement process to enable services to be procured from co-operative companies and groups.

In a recent submission to the Scottish Parliament on Scotland's future post 2014 Oxfam commented that "collective business models such as community or employee ownership can be used to share prosperity, allowing communities and employees to own and control their assets. This can be vital in deprived communities where other sources of investment or service provision are not available. Models of community or employee ownership include credit unions, community or employee co-operatives and community trusts. In Scotland there are approximately 550 co-operatives, community owned businesses and mutuals.

“The presence of co-operatives in local economies is associated with lower levels of inequality. Co-operatives give greater influence in economic transactions to individuals who – as employees, communities, consumers or producers – would otherwise be unable to exercise significant market power. This distributes resources more fairly than other business models as the wealth received by employees flows into local economies.”

A Labour-led Scottish Government would lead the way by building capacity and knowledge across local government, by ensuring that Co-operative Development Scotland was re-energised to assist councils and local communities to establish co-operatives and to make the most of the talent and resources that are currently not being used to best effect.

## **Sarah Boyack MSP**

Labour Spokesperson for Local Government & Planning

# Building the Co-operative Capital

Cllr Andrew Burns



I think you'd need to be inhabiting a wholly different world from the one I live in not to be aware that trust between the electorate and those of us either elected, or employed, to serve that electorate, has broken down badly in recent years.

And you don't have to look far to find yet another expenses scandal playing out in the media.

Of course, this malaise doesn't simply affect government or councils, but it has to be openly acknowledged before we can successfully re-invigorate our democracy.

It was clear when we formed a coalition administration in Edinburgh in May 2012 that business as usual wasn't an option; we had to change the way we do things. That's why we committed to becoming a 'Co-operative Capital'.

If this is to work, it can't be a one-way street: two-way dialogue is a must. We want to encourage communities, partners and those using our services to become more involved in how these are planned, managed and delivered.

The Co-operative Council philosophy underpins our approach to work on many levels. It means looking at new ways of delivering services but it also means co-operating with other agencies, other cities and, crucially the people of Edinburgh: doing things with them and not doing things to them.

In a time of economic challenge, Edinburgh's different sectors need to make real co-operative efforts to ensure this city's high quality of life is maintained and, where possible, enhanced. There are good signs that this co-operative approach is starting to take root.

Administratively, we have sought to make the way the Council does business more accessible to people through webcasting meetings, early publication of our draft budget and developing the policy review and development sub-committees to give stakeholders more of a role in how we develop policy.

We established the first Petitions Committee in Edinburgh to enable local residents to have an additional channel to raise issues of concern, with their elected representatives, and directly with the Council.

We also completely revised the budgetary process to allow months of debate and discussion before any final decisions are made, this year publishing a draft budget in October – five months before the budget was set. Hundreds of business and residents responded to our consultation and I'm grateful to them for taking the time to let us know their thoughts.

In September 2012, we took on board voters' priorities and focused our efforts on promoting and establishing co-operatives in four key areas: housing, childcare, energy and social care. In the year-and-a-half since, I'm pleased to report that we're beginning to make some tangible progress in all four.

The power of working with other sectors was recently demonstrated when Edinburgh was named as the site for Scotland's National Performance Centre for Sport following a campaign led by Heriot Watt University and supported by the Council, Edinburgh Airport, and nearly 5,000 individual supporters – a real victory for Team Edinburgh.

And just in case it looks like I'm being too Edinburgh-centred in my focus, the impact of a successful Edinburgh isn't simply felt in the city itself. The case for the cities is well rehearsed: successful cities have a huge impact on their surrounding areas and are the driving force behind the national economy.

The establishment of the Scottish Cities Alliance, the collaboration of Scotland's seven cities, the Scottish Government and the SCDI, has been a welcome step and we are fully committed to achieving its collective aims of attracting external investment, stimulating economic activity and most importantly creating new jobs and business opportunities.

Closer to home, we have joined forces with our neighbouring local authorities so that we can work co-operatively on issues of mutual interest such as skills and training, investment and tourism, energy and renewables.

We also became the first Scottish Council, closely followed by Glasgow, to join the Co-operative Council Innovation Network. It aims to enable councils to improve collaboration with citizens and communities, and strengthen cooperative practice.

Together with Glasgow, we are planning a number of seminars and a conference later on this year and I am very keen that we continue to work with them, and hopefully other local authorities, to develop more cooperative practice and to create a Scottish network.

Now more than ever, I see co-operative councils being at the forefront of innovative partnership working across sectors, tackling the serious challenges that lie ahead together and rebuilding voters' trust in local democracy.

## **Cllr Andrew Burns**

Leader of the City of Edinburgh Council

# Let Co-operation Flourish

Cllr Gordon Matheson



The time for co-operatives has well and truly arrived. And Glasgow City Council is once again leading the way.

Within Glasgow, co-ops provide a unique range of services from financial advice and social housing to the arts and education. In doing so, they touch the lives of many of our citizens, bringing a variety of social and economic benefits.

But it is not just in terms of service delivery where co-ops are making a real difference. They are helping to create and sustain jobs, strengthening our communities in the process.

The co-operative sector in Glasgow employs an estimated 1,100 full-time and 240 part-time employees with a further 930 volunteers also playing a part. There are over 100 individual co-ops across the city and the sector generates annual revenues of over £200 million. This is expected to rise to as much as £268m over the next five years.

At the heart of the co-op movement in Glasgow are our credit unions and our housing associations. They play a vital role in community life, helping bring about real social change.

Glasgow's housing associations manage close to 50,000 homes and have played a significant role in the city's continued regeneration. Glasgow is unique in terms of Scottish cities – we have nearly 70 individual registered social landlords.

This reflects Glasgow's social history, where the values of self help and community ownership thrived. In many communities it has been the housing associations that have driven change and regeneration.

In September last year Glasgow City Council formally became a co-operative council and just a few months later we established a new £500,000 Co-operative Development Fund to help support co-ops. This fund has already paid out £250,000 to 11 co-ops, supporting three new start-up companies and eight existing co-ops and social enterprises across the city.

Being a co-operative council means drawing inspiration from the values of fairness, accountability and responsibility that have driven progressive politics throughout our city for centuries. It puts the resources of the state at the disposal of citizens so that they can take control of the services they receive and the places where they live.

We are following this path because we believe it is possible to pursue both economic viability and social responsibility by embracing co-operative values. In essence, this new approach to public service delivery will hand more power to local people, so that a real partnership of equals can emerge.

But as a council we always try and go further and that thinking has been behind many of our groundbreaking initiatives such as 'Glasgow's Starter for Ten' financial inclusion project – a partnership between our secondary schools and credit unions.

The future savers scheme is the first of its kind in the UK and will see the council open thousands of new credit union savings accounts for all S1 pupils in the city, with an initial deposit of £10 in each account.

Over time, this will ensure that every young person in the city has access to a dependable, responsible option for savings and money advice. It will also mean that, as adults, they will have a better alternative to costly products such as payday loans if they decide to borrow.

Every secondary school in the city has already been matched with a credit union and more than 4,000 first year pupils will benefit from Glasgow's 'Starter for Ten' this year. That number will increase each year as there is a new intake of pupils.

At the same time my administration has guaranteed 100% non-domestic rates relief to credit unions in the city as part of our continued support of responsible and ethical financial organisations. This support is worth almost £400,000 and will continue for the rest of this council term.

Across the council much of our core work is underpinned by the principles of the co-operative movement including the £50million Glasgow Guarantee employment initiative.

The case for co-ops has never been stronger and I am proud that my administration is playing such a key role in their development across Glasgow. Together, through the co-operative business model we can help people to make a real difference in their own lives.

**Cllr Gordon Matheson**

Leader of Glasgow City Council

# Co-operatives for the Country – the Natural Choice

Claudia Beamish MSP



At a time when there is much discussion about where power should lie, co-operative models have a strong resonance. The co-operative model is robust, alive and well in rural Scotland.

There are, of course, flourishing co-operatives all over the world. These exist within all manner of constitutional arrangements. I would argue that bringing power closer to people in the co-operative way does not depend, in any way, on changing our own constitutional arrangements here in Scotland.

As an MSP for South Scotland and as part of the Scottish Parliament Co-operative Party Group of MSPs I make it a priority to support, help develop and sustain co-operative models. Much of the vast region I represent is rural and there is great work going on in a wide range of sectors here and across Scotland. There are also great future rural co-operative development opportunities and much to learn and share with other countries.

One of the co-op models which can be used in rural areas is credit unions. I have been heavily involved, in my own region, in drawing attention to the value of the options offered by these institutions as a sustainable alternative to the highly damaging 'payday loans'. Credit unions are, of course, community-owned, democratically controlled institutions. The main aim of a credit union is to bring benefits to the entire community.

The Blantyre & South Lanarkshire (BSL) Credit Union is an excellent example of how credit unions are working well in our rural communities. Historically it has been difficult to develop the capacity of credit unions in rural areas due, in part, to distance from main offices of a specific credit union. However, BSL has recently made arrangements to have a regular set time outreach office in Carluke. I know this is a model adopted elsewhere in rural Scotland. Indeed, in the future, I hope that online credit unions may be further developed, which would further allow people in rural communities to use them.

When we hear how often people on low incomes have to choose between heating and eating, there is a strong argument for the further development of co-operative models for energy. This can be part of tackling fuel poverty.

In rural Scotland there are significant and growing challenges for those having to heat their homes off-grid. At its simplest, an energy co-op can be a group of consumers who negotiate a lower price for oil delivery. We do this in my own village and many other groups of over 10 people in a locality approach oil companies for a discount. More boldly, small scale renewable energy projects such as shared biomass boilers, using wood chip/pellet are developing, though initial costs are still a barrier. Sharing of initial investigation of the right energy source for the community concerned, is at the heart of the way forward for community and co-operative energy projects. There has been much debate about onshore wind power in Scotland, including that of cumulative effect. Addressing these is beyond the scope of this article. However, co-operative models of ownership or part ownership of wind farms are creating a keen interest. Spirit of Lanarkshire is one such example under the auspices of Energy4all

A discussion on the merits of the co-op model in rural areas would not be complete without discussing their use in farming. There is a long and established tradition of co-operative working in agriculture across the world.

Scotland has some excellent examples, such as Border Machinery Ring Ltd which are assisting smaller farmers co-operate and share expenses. The Scottish Agricultural Organisation Society – (SAOS) have been instrumental in driving forward the co-operative model for farmers in Scotland. They support farmers in setting up co-ops and advise on important business aspects such as branding and risk management. And there are a wide range of members from umbrella co-ops such as Scottish Organic Milk Producers and Grampian Growers through to smaller co-op enterprises.

I was recently welcomed by one of the SAOS members, the Scottish Shellfish Marketing Group at their processing factory in Bellshill. This vertically integrated co-operative sells mussels and other shellfish from its members in the West Coast of Scotland to main supermarkets and restaurants. I also attended the SAOS Annual Conference earlier this year and learnt of a wide range of examples of how they have helped farming communities all over the country work together and many co-ops have had great success. It was also inspiring to hear of European and US co-operatives on a much larger scale than here. So it's clear more could be done.

The new Scottish Rural Development Programme, part of the future Common Agricultural Policy framework is yet to be finalised by the Scottish Government. However, I am very supportive of one of the new strands being proposed, and it may help further encourage co-operation within rural communities. The 'Collaborative' strand will encourage farmers to co-operate and work on joint projects, such as a strategy for flood prevention along a river.

In rural Scotland there are many other opportunities for the co-operative model to support communities, beyond those I have touched on – transport, housing, childcare and caring more broadly to name but a few.

Rural co-operatives are indeed flourishing and I wish them a resilient and positive future.

**Claudia Beamish MSP**

Labour Spokesperson for Environment & Climate Change

# How co-operation can achieve equality in education

Morag Pendry



The City of Edinburgh Council believes the concept of co-operation can provide a values-and-principles approach to learning and teaching.

This can allow all students to succeed and help to tackle the entrenched attainment gap seemingly dictated by postcodes. It has taken this pioneering approach as part of its bid to become the first co-operative council in Scotland and encourage more democratic participation in people's own communities.

As a teacher and a co-operator, I feel very privileged to be part of this innovative approach, which is still in its infancy. Edinburgh has committed funding for the next three years to allow this approach to be introduced to all 88 primaries and 23 secondary schools. This challenge should not be underestimated, as the education landscape is constantly changing and the wheels of bureaucracy turn slowly.

The starting point for Edinburgh was to identify one cluster of schools, with mixed catchment areas, who would like to pilot some of the concepts we were hoping to introduce. Broughton High, with four associated primaries, was selected. The schools agreed to shared values, derived from co-op values, which were then shared with their students. All staff were trained in co-operative education approaches and cluster pupil councils were formed, which meet at a different school each time.

Representatives from all schools were invited to the City Chambers for a day to take part in co-operative activities and learn more about "living the values". Now, the next step is for pupil councils to take responsibility for sharing what they have learned with the staff and students in their own schools.

This will involve designing assemblies, delivering training sessions for teachers and hosting open evenings for parents. The students will lead this initiative and, in doing so, will feel ownership of the project and be more inclined to run with it rather than just treating the values and co-op model as another lesson from the teacher.

Having recently been part of a commission looking at how we could reform schools in Scotland and create a more equitable system, I have had the opportunity to look at a variety of educational systems in a number of countries.

The first thing that struck me is that we still cling to a system of measuring by the ability to pass exams – and the more passed at higher grades, the more successful the school is judged to be. As access to higher and further education is seen as a passport to better paid jobs (which we are assumed to aspire to), the whole ethos is one of competition rather than co-operation. Student is pitted against student, schools compete to be at the top (or not at the bottom) of the league tables and school departments and teachers are competing to get the best students to get the best results. Sometimes the real purpose of learning is lost in the target-setting.

The important question to ask of those involved in this stressful exam-driven environment is “What is education for?”. Educators are excellent at giving great answers about developing the whole person, allowing everyone to fulfil their potential, valuing everyone for who they are ... but our systems and actions in the education world are at odds with these sentiments. Ask most 5th and 6th year students what school is for and they will tell you it’s about passing exams!

Our current education system is not equal and, I fear, never will be if we don’t fundamentally change our deep-held beliefs about why we compulsorily send children to school for 11 years. The status quo continues because we replicate what we experienced at school ourselves. The difference between the best and worst performing schools hasn’t changed in 50 or 60 years. It is still our postcode that is the indicator of academic success, despite the many reforms of different governments. I believe we now need to empower our young people to make the change from within the system to develop a more equitable education environment.

Pupils in Edinburgh may well be the seedlings who can start to do this. I’m hoping that by empowering our young people to learn to co-operatively discuss their shared values and meet outside the segregated classroom environment, we will see them start a movement towards a more humane approach to schooling, away from the postcode segregation that still dictates success or failure in the education world.

It is time to ask the next generation to rethink and reframe the current paradigm, so education reform can be from the bottom up as well as the top down.

## **Morag Pendry**

Education development manager at Co-operative Education Trust Scotland

# Cracking the Childcare Nut

Cllr Paul Godzik



Ask families what child care service they value most and I guarantee that one of the top responses will be after school clubs.

They are absolutely essential for many parents and carers as they play an increasingly pivotal role in delivering flexible wrap-round childcare that working families depend on.

It's clear we have a vibrant out of school care sector in Edinburgh but I do know that many after-school clubs struggle with a variety of issues: meeting demand, regulation, staff training and accommodation.

That's why as Edinburgh's Convenor of Education, Children & Families I was delighted the City of Edinburgh Council and the Lothian Association of Youth Clubs (LAYC) recently announced the launch of our After School Club Co-operative Charter.

The driver for the Charter came from a number of conversations with after school clubs, parents and workers who were involved in the sector who felt there was a need for greater support.

The Charter provides an ideal opportunity for the Council to work with these groups to take forward and improve on the valuable work they do. And it does so by engaging clubs on the basis of developing and signing up to co-operative principles, promoting co-operation across the sector, and harnessing the energy of these community based organisations.

It will ensure that these parent-led organisations work closer together, share best practice and help create a strong support network for the clubs.

One of the key Capital Coalition objectives is to create a co-operative capital and to work in partnership with local people. This means engaging communities and inviting them to be more involved in planning, managing and delivering services. So after-school clubs and the out of school care sector seemed like a great opportunity to do something different. Building on existing provision, but introducing the principles of co-operation underpinning it.

The Charter is another step forward in our desire to see flexible, affordable childcare provided for all parents in every part of the city and a key part of our wider approach to improving children's services.

The lack of affordable childcare is a huge challenge in Edinburgh and across the country, and delivering affordable, flexible and quality childcare is a hugely difficult nut to crack. But it's one where I believe greater co-operation and mutual solutions must have a role. I was involved in the creation of the Morningside Children's Nursery, as it moved from an NHS-backed staff nursery to a staff co-op. I'm proud that my son is now able to attend, and delighted that the staff there believe that their change to a co-op is "the best thing they ever did." And so in moving forward in developing an affordable childcare strategy for the city I'm clear that co-operative and mutual solutions need to be examined further, because as a Council we are committed to ensuring parents can afford the quality childcare provision their children deserve.

There has been some fantastic work taken forward on early years in Edinburgh with a real commitment across local and central government to provide greater flexibility for parents. However more can be done by developing increased breakfast club provision and exploring greater use of schools, nurseries and other Council-owned buildings. Add in the After School Club Charter and we are heading in the right direction for providing the kind of flexible, quality child care provision that families in Edinburgh need, and I want to do so by putting co-operation at the heart of our plans for the future.

**Cllr Paul Godzik**

Convenor of Education, Children & Families at Edinburgh City Council

# Credit where Credit's Due

Cathy Jamieson MP



While credit unions might not yet be a fixture on every UK high street, their growth has ensured that people across the country can save in and borrow from organisations that are genuinely rooted in communities.

Credit unions now range from the small local organisations run by volunteers, offering loans at affordable rates while also encouraging saving, to the largest credit unions offering a full range of financial products, including mortgages.

With continued concerns being raised about the lack of financial support and lending from the big banks, many are now questioning how different approaches might be taken to get all important lending to the small businesses that are the lifeblood of our communities.

There are of course a number of ways in which this could be done within traditional banking models. Having visited Germany and seen how the Sparkhasse works in practice, it is worth looking at how a regional approach for delivering support could be taken as part of a British Investment Bank, while still pooling resources across the UK, to ensure that the most disadvantaged areas are not left behind.

But like the growth of credit unions, which was driven by the needs of communities as well as the desire to operate within the co-operative model, we are increasingly seeing growth of new ways of finance being channelled to micro businesses as well as the SME sector.

Peer-to-peer lending and crowd funding platforms offer opportunities not previously available to the SME sector, and are attracting increasing interest from investors.

As well as lending to individuals who are struggling to get finance from the high street banks, and helping them avoid the problems associated with payday lenders, Community Development Finance Institutions (CDFIs) also lend money to businesses.

CDFIs are essentially social enterprises which invest in communities, providing affordable finance that would otherwise not be available. By making loans, they are able to recycle this finance again and again into neighbourhoods where it is most needed.

There are currently around 60 active CDFIs operating across the UK, helping businesses start up, grow, and create jobs. One important aspect of the work which CDFIs do is to provide advice and support where it's needed. Getting to know the people involved, building relationships and providing appropriate support is invaluable for micro businesses and SMEs whose main focus is on the products they make or services they provide.

Figures collected by Community Development Finance Association (CDFA) show that in the first quarter of 2014, CDFIs lent £23.5 million to businesses, individuals, homeowners and social ventures throughout the UK, and had £249 million worth of loans outstanding. This has created and safeguarded over 3,600 jobs, enabled 143 people to remain in their homes and saved consumers nearly £1m in high cost loan repayments.

One example highlighted by the CDFA is Highland Home Carers (HHC), which has developed from its original set up as a private business to become an employee-owned company. As the CDFA explains, the new employee owned company did not have assets, and was therefore able to secure bank finance. A crucial factor in securing the deal was the way in which Big Issue Invest (BII), a CDFI that specialises in financing social enterprises, was able to assist.

Big Issue Invest (BII) partnered with fellow CDFI Community and Co-Operative Finance to lend £300,000 to HHC to buy out their previous investor. The lower interest rate and better terms have enabled the company to expand, take on new contracts and move forward.

BII's social enterprise investment fund (SEIF) is a £10m fund which provides growth capital for social enterprises, with funds raised from private investors – including corporates, foundations and individuals – who are seeking both a financial and social return over a ten year period.

And in a new development, Big Issue Invest Scotland (BIIS) has commenced a joint venture between Big Issue Invest and DSL Business Finance, with the goal of providing social investment and loan finance to social enterprises, social ventures and third sector organisations in Scotland.

The principles behind the move are familiar to co-operators – the aim is to help people to help themselves by investing in social enterprises that have business-like responses to social problems. At the heart of the initiative is a mission to tackle poverty and inequality through self-help and by backing sustainable social ventures.

There is also a recognition that relatively small amounts of funding can make a big difference to micro-businesses, as lower value lending of between £3000 and £10000 will be available.

As co-operators we know that working together, pooling resources and sharing the benefits is a logical and sustainable business model which works for social good.

Just as the credit union movement has developed and adapted to the needs of communities today, CDFIs are developing to meet a wider range of needs. The sector is evolving to offer more support to SMEs, as well as start-ups, sole traders and microbusinesses.

It has the potential to do more, and would be helped by the extension of bank lending data across all lending institutions. With the banks now being more risk averse, CDFIs offer a way for the banks to channel much needed funding to the small business sector, including social enterprises, in areas that most need re-generation.

This needs the kind of political support that the Co-operative Party is ideally placed to pursue as we continue to work in the best interests of our local communities.

**Cathy Jamieson MP**

Shadow Economic Secretary

# Working together for a better Britain

Kezia Dugdale MSP  
Stella Creasy MP



We may have been born on different sides of the River Tweed, but we both know the best chances for our futures lie in Britain. This is not about historical loyalty or political calculations on either side of the Border. It is a recognition that more opportunities for our families will come not from countries separately struggling, but by communities confidently working together.

We learned this not least from our joint efforts to take on the problems caused by payday lending through the Debtbusters and Sharkstoppers campaign. We saw first-hand the difference it made to winning the argument for a cap on the cost of credit for our voices to combine.

Money lent at toxically high levels of interest has caused debt problems for millions, but the way in which this industry worked varied from city to city. London, where the cost of living has always been high and credit union membership low, required a distinctive response compared to towns where these firms are yet to pockmark high streets.

In Glasgow, these companies were tackled by a council plan to curb advertising, and to cut rates to help credit unions compete on the high street.

What defined each response was not just its community of place, but its shared interest – anger at a broken consumer credit market that encouraged profit to be made from poverty. Our calls for legislation were amplified, not diminished, by this activism. From one end of the country to the other, people joined a cause, not a party.

This partnership was forged through shared values and a determination that change was possible. Yet this is not a story commonly associated with working in politics – or with politicians. Indeed, far from being seen as part of the answer, too often we are pitched as the problem. We know how hard it is to make the case for involvement – and that our job title is probably the biggest hurdle of all to building trust.

Across Britain, those of us who take on roles of representation are considered not as community leaders and advocates, but bureaucrats whose role is reduced to saying no more often than yes. Our political system classifies the public as voters or “strangers”, and actively works against harnessing their voices. We see our colleagues – good people with a passion for those they serve – weighted down by structures which reinforce this status quo. In a world where the issues we face become ever more complex, the most outdated idea of all is that 650 people in Westminster or 129 MSPs in Edinburgh alone can identify the solutions.

To take on the challenges of our generation will require activity from the grassroots to an international level – and forums for co-operation at every step. That's why as progressives we know the notion politics is beyond repair is the most damaging of all myths. This can only strengthen those who argue the market should be the default decision-maker. We also see another danger – the view that whatever the issues we face, the answer is to face them separately. The siren calls of nationalists for isolation make the same mistake as Conservatism. They portray teamwork as a problem to be managed rather than a resource to be cherished.

But the binary and tribal debate surrounding independence rings hollow not least because each side believes power is best placed in the hands of its preferred Parliament, and not with its people. Whilst the residents on the ninth floor of the Dumbiedykes housing estate have the Scottish Parliament and Holyrood Palace for a back green, the lives of its occupants could not be more polarised. So, too, in Walthamstow, where families have roots throughout the world the traditions of Parliament are found wanting. Their common concerns have nothing to do with nationality but everything to do with being at the mercy of forces we seek to tackle. What divides two women at different ends of the country when they pause before putting the heating on? What's the difference between two men in different dole queues?

We need a new politics that can help us co-operate not just through formal mechanisms of parliamentary process, but at every level in rebuilding a country fit for the future. As such, the referendum is a missed opportunity. With thousands voting for the first time or even the first time in decades, it could have been a real chance to evolve our politics and how politics is conducted in this country.

We know that all the problems the communities we serve face do not go away when we face them individually. They simply become harder. Watching the Sharkstoppers and Debtbuster movement grow is one of our proudest political achievements. Acting alone as an MP and an MSP we saw limited progress in the fight against payday lenders. We won by tapping into power of communities across the United Kingdom standing side by side together to unite against payday lenders.

This principle of strength through common cause drives us on. As an Englishwoman and a Scotswoman, we both feel there is nowhere better than our home nations, but we also feel the benefit of being part of something bigger. We have no doubt there are difficult choices ahead, and that change in our politics as well as our policies is required.

Yet we also know England and Scotland need to renew the way we work together because we need each other. It makes us stronger, not weaker, to be partners. It is indeed the best of both worlds.

## **Kez Dugdale MSP**

Labour's Spokesperson for Education

## **Stella Creasy MP** Shadow Business Minister

# politics for people

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