



A co-operative agenda for **Scotland 2011**



the scottish co-operative party

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Introduction

Scotland faces a number of serious challenges.

The credit crunch and its aftermath have had a disastrous impact on our economy, our communities and our public services.

People are justifiably angry and disillusioned with business, particularly the banks.

They have seen how bankers took unbelievable risks with people's money because they were not serving their interests. They were serving the interests of their external shareholders to maximise the return on their investment rather than putting people first.

Meanwhile, our mutual sector including the Co-operative Bank and the Airdrie Savings Bank not only survived the credit crunch, they have experienced substantial increases in deposits because they use business models that put people before profit.

For the Co-operative Movement this is the crucial difference – an economy in which people are in control of businesses; representing their interests and calling managements to account.

Our democratic structures make us different from other forms of business. By extending decision-making to the many rather than the few we can replace their sense of alienation and anger with a sense of democracy, participation and fairness. Co-operatives are ideal structures to make this happen.

In Scotland, with Labour in Government, the Scottish Co-operative Party wants to see the growth of these businesses.

But it is not just in our economy that co-operatives can make a difference. Scottish Labour should develop public services in which clients can have confidence and of which workers can be proud.

To involve people and give them – workers and consumers – a direct say in the running of the services they deliver or use.

Around the world people are turning more and more toward co-operative solutions. It is now time for Scotland to join the rest of the world and put co-operatives at the heart of a new economy and a fairer society.

The challenges we face can only be met by Scottish Labour working in government with its sister organisation the Scottish Co-operative Party, sharing our values and putting the co-operative ideal into practice.

Finance and the Economy

The Scottish Co-operative Party is proud to promote the co-operative business model which we believe to be entirely superior in almost every respect to equity-based private business models and which would provide the state with a delivery model that is better than the private sector and more attractive in some respects than many state-led institutions.

Any discussion about the co-operative business model has to be placed in the context of the extraordinary circumstances in the world economy. The failure of financial markets across the globe, requiring unprecedented intervention by government, calls into question the nature of the business models being used and suggests that models which provide stability, accountability and sound business practices are required.

The relative stability of co-operative banks, mutuals and businesses worldwide during the current economic crisis is ample testament to the strength of that argument. In Scotland, both the Co-operative Group and Scotmid Co-operative Society have increased their profitability.

An economic agenda based on the premise that some of Scotland's people are drivers of the economy, while others are passengers, is weak in its rationale and damaging in its outcomes. Co-operative and mutual models have a long tradition of providing the key ingredients for business success including good governance and democratic accountability and are more successful in the long term. Government should take advantage of their new found power over the financial sector to insist on business models which give people real control over the management of the economy.

Scottish Labour should support the campaign led by the Co-operative Party to re-mutualise Northern Rock.

Co-operative Development Scotland

Scottish Labour in government worked with the Co-operative Movement to create Co-operative Development Scotland (CDS) which is a subsidiary of Scottish Enterprise and Highlands and Islands Enterprise. CDS provides expertise, advice and information to co-operatives and potential co-operatives. Under the SNP, CDS has been retained but not developed, or even understood.

CDS is prevented from supporting co-operative business in a whole range of sectors including credit unions, housing and sport. Scotland's business support networks do not have a strong reputation in promoting co-operatives and could refer more business start up enquiries to CDS. In countries where co-operative development is more successful than in Scotland – such as Italy – co-operative development is controlled by the Co-operative Movement and is independent of government.

Scottish Labour should commit to a review of CDS which would consider whether CDS should be an agency in its own right separate from Scottish Enterprise and Highlands and Islands Enterprise and how all co-operatives and potential co-operatives might receive support from CDS.

Co-operative businesses require patient capital lending rather than venture capital lending which looks for quick returns.

Scottish Labour should also consider how the Scottish Investment Bank might support the work of CDS including start-up businesses.

Employee Ownership

The employee ownership model offers a particularly good alternative to workers who face their workplaces being sold to developers as property investment opportunities when family businesses go up for sale, or else being subsumed by multinational businesses with no interest in the skills and distinctive strengths of the workers. The employee ownership sector has the potential to enhance the rate of sustainable business start-up in the Scottish economy. Employee ownership should continue to be promoted by CDS.

Scottish Labour should require Scottish Enterprise and Co-operative Development Scotland to develop a strategy to advise and support employee ownership options in business succession and other business transition situations.

Scottish Labour should ensure workers are aware of the advantages of employee ownership, do not feel it would be unduly risky in comparison with redundancy and should incentivise employers to sell to employee ownership plans rather than to property developers or asset strippers. The Scottish Investment Bank should support employee ownership.

Case Study – Clansman Dynamics

A very good example of employee-ownership, and the advantages of using the model when it comes to business succession, is Clansman Dynamics in East Kilbride. Over recent years, under the guidance of the company's original founders, and through the efforts of the employees, Clansman Dynamics has become a world leader in the design, manufacture and sale of industrial manipulators and robots for use in foundry, forge and waste processing.

Clansman started in 1994 and there have been changes in share ownership over the years such that Dick Philbrick owned almost all the shares. However Dick had long held a desire to reward those who had helped to develop the company by selling it to the employees. With the help of employee buyout specialists BAXI, ICOF and CDS, Dick's vision became a reality on Friday 18th December 2009 as Clansman Dynamics became an employee owned business. The change to an employee owned business represented a significant opportunity for the new owners to secure manufacturing and employment in Scotland, but more importantly secure the ongoing services of the people that have contributed so much to the success of Clansman.

The Company was impressed by previous examples of an Employee Buy Out (EBO) which prove that companies that have transferred ownership to the employees under similar schemes, have then gone on to out-perform others in their market sector. In light of recent order success, plans are in place to recruit more technical staff, and an ongoing upgrade of the manufacturing facility, is being completed. New products and an extension to an existing product range are currently on the drawing board. Clansman has so far done very well during the financial crisis and has a very strong financial position, a confirmed order book, and having retained the services of key staff, Clansman Dynamics is well placed to continue its steady growth and development.

Climate Change, the Green Economy and Energy

Co-operatives are a business model which communities can use to work together. In the context of the “Green Economy” they provide communities with the mechanism to participate in the renewable generation of energy; to purchase energy collectively and more efficiently; to allow communities to make more efficient use of waste as a source of energy; and to address the issue of fuel poverty. Co-operative models promoted by Energy4All Scotland, such as in Boyndie in Aberdeenshire and on the Isle of Skye, demonstrate how co-ops can be used to give communities control over renewable energy projects.

Where communities have ownership over renewable energy projects, the long term benefits are greater than those derived from one-off inducements. Community and co-operative ownership of renewable energy projects has already delivered substantial community benefits, both in terms of investment and giving people a sense of real engagement, in contributing to cutting carbon emissions and dealing with climate change.

Scottish Labour should support legislation to allow communities the right to own all or part of renewable energy projects which would encourage co-operative ownership and governance of renewable energy projects.

Co-operatives can be used as a model for wider community objectives. Edinburgh Community Energy Co-operative has the objectives of ensuring sustainable communities and sustainable businesses over the coming decades.

Case Study – Edinburgh Community Energy Co-operative Ltd

Edinburgh Community Energy Co-operative was formed at the end of 2007 with the support of Co-operative Development Scotland. A non-profit, member owned organisation, it was set up to give Edinburgh residents a vehicle to promote and develop renewable and low-carbon energy in the city.

Edinburgh Community Energy Co-operative Ltd encourages people from all walks of life to be part of the ‘renewable revolution’, to get involved in the race against the inevitable reality of climate change and help prevent the consequences of flooding and drought among other emerging penalties that derive from rising sea levels and increased global temperatures.

Co-operative members recognise that climate change is real, is a global phenomenon that needs to be addressed immediately and requires an internationally co-ordinated solution. They know that to help offset the effects of climate change, we need to reduce the level of greenhouse gases being emitted and the only plausible way that this can be achieved is by generating energy from sources that emit very low or even zero levels of greenhouse gases, such as renewable energy.

The co-operative has a varied mix of members and is looking for more members to join. As one member said: “We need to develop sustainable businesses, sustainable communities, and a sustainable Scotland. Co-operatives are the way to ensure that more people can have more say in that development and that more people can share in the benefits that flow from that sustainable development. Co-operatives have been on the go in Scotland since 1761 and still retain their relevance today”.

It is important to recognise the significance of the national grid in the delivery of electricity. It is wrong that communities which are set to produce the bulk of the country's energy should pay more for their energy than those who live closer to market. Where community based co-operatives have purchased one or more turbines on a wind farm, the community should benefit from reduced price electricity, and from selling to the national grid.

Through technology, the savings made by co-operative energy schemes could be used to alleviate fuel poverty by selling energy at subsidised prices to the residents who form the energy co-operative. The recent development of a renewable energy grid in social housing in Manchester is expected to supply 125,000 homes, generate £20 million per year for the community from surplus power and alleviate fuel poverty.

Co-operative models could be used to encourage the collective use of photovoltaic solar panels particularly on commonly owned properties and co-operative models could enable communities to make better use of resources including turning waste into heat energy through processes such as anaerobic digestion.

All new-build housing should facilitate combined heat and power and maximum energy efficiency so that an increasing number of Scottish homes can enjoy the benefits such as the scheme in Aberdeen.

Scottish Labour should introduce legislation which would ensure all new homes are fitted with micro-generation technology such as wind turbines and photovoltaic panels; that all new homes are fitted with appropriate technology to ensure the most efficient, collective use of energy; and which continues to adjust planning regulations to favour micro-generation.

Case Study – The Horizon Energy Co-operative

Social housing in Greater Manchester is to become part of a renewable energy grid that could generate £20 million a year from surplus power. In one of the largest renewable energy projects in the UK, the Horizon Energy Co-operative is drawing up plans for a grid servicing around 125,000 houses. Homes will be fitted with micro-generation technology such as wind turbines and photovoltaic panels, which will then feed heat and power into the grid. All homes will be fitted with internet connections and smart meters.

This is an opportunity to tackle soaring fuel poverty. Surplus energy will be sold on to the National Grid, and the revenue generated will be used to offset the effects of fuel poverty, by selling energy at a subsidised, low price to residents most at risk.

Energy services company EIC partnership is the founding partner for the scheme, along with arm's-length management organisation Stockport Homes. The first phase of the scheme is a three-year pilot with 2,000 homes, and will also involve Guinness Partnership, Trafford Housing Trust and Six Town Housing. If the project is successful, the co-operative would expand to include all ALMOs in the Greater Manchester area.

In many rural areas, communities such as Canonbie have been able to buy gas, oil, and electricity at a discount by buying it in bulk. Energy purchasing co-operatives are a viable option for all kinds of communities.

The core business of the Mondragon Co-operative in Spain – the best example of worker co-operation in the world – is manufacturing.

Scottish Labour should include investment in renewable energy manufacturing in its manufacturing strategy for Scotland. This should include manufacturing for micro-technology.

Scottish Labour should ensure that the Scottish Investment Bank provides financial incentives, including seed corn funding, to encourage communities to develop renewable energy generation co-operatives, including off grid and local co-operative grids, and combined heat and power and energy efficiency schemes and provides financial support to residents in older properties to support the introduction of micro-generation schemes.

Housing

The recent economic crisis, with its ongoing and long term implications for new affordable housing whether rented or privately owned, has made co-operative and mutual models for housing more desirable and practical than ever before. In the rented and social housing sector, we applaud the success of West Whitlawburn in South Lanarkshire, Rosehill in Glasgow and Tenants First in Aberdeen which provide a high quality services to communities as well as excellent homes.

By empowering tenants through community ownership, housing co-operatives result in vibrant, robust and sustainable communities, in which people have greater opportunities for their own development along with the sense of achievement derived from responsibility and democratic accountability. Co-ops offer a strategic framework to address local issues and to help communities grow.

Scottish Labour should strongly encourage local authorities to transfer ownership of existing housing stock to their tenants in units small enough to enable housing co-ops to take control.

In its review of Co-operative Development Scotland, Scottish Labour should consider whether CDS should be encouraged to support and develop community co-operatives, including housing co-operatives, or whether another agency is required to develop community co-operatives.

There should be no bias by government towards small scale registered social landlords (RSLs) like housing co-operatives when it comes to housing association grant funding as this does not take into consideration the local knowledge and expertise of communities to determine their housing needs, stock type, number of units and design. The fixation on economies of scale has creates an environment in which small RSLs are seen as being expensive. However, the value for money that community based RSLs provide in tenancy services, homeless tenancy support, cross-agency working, anti-social behavior prevention and sustainable communities are evident. Community RSLs should be encouraged and developed as a vehicle for creating stronger, communities led by local people.

Scottish Labour should ensure all RSL tenants in Scotland have a statutory right to become a member of their RSL and are offered membership at sign up of tenancy and promote a phased approach to support new community based housing organisations for management reduction, volunteer development and tenant involvement for stock transfer where appropriate.

Scottish Labour should advocate the co-operative model for community regeneration, support tenants with appropriate training and provide resources for their development to skill up communities to take ownership of their area.

Case Study – West Whitlawburn Housing Co-operative

Back in the late 1980s West Whitlawburn was a grim, grey place. The area was experiencing all the classic signs and symptoms of a local authority estate which was becoming more and more rundown, dilapidated and unattractive. Poor quality housing, poor repairs and maintenance, no money for improvements, high crime rate, problems with drug solvent abuse, high turnover, and very low demand for the area were all characteristics prevalent in the area.

In 1989 the tenants decided to change this; no longer could they put up with such intolerable housing conditions. The tenants took control and formed West Whitlawburn Housing Co-operative; it was a brave and courageous decision.

With the help of professional staff and over £12 million in grants, the turnaround has been nothing short of miraculous. It has been a long, hard and sometimes frustrating road, but with a lot of hard work by voluntary tenant committee members and committed professional staff and the support of the tenants the success has to be seen to be believed.

West Whitlawburn does more than just provide, manage and maintain quality affordable housing. In 1996 the housing co-operative established a thriving community centre, the Bonus Ball. The centre runs a variety of social, recreational and educational activities and events, and is in the hub of the community. The centre also employs a number of local people bringing much needed employment to the area.

There is an opportunity for co-operative development in the area of land ownership through the Community Land Trust model – in urban as well as rural areas – creating affordable low cost home ownership. Co-operative and mutual models provide the best opportunity for democratic accountability.

The Co-operative Party supports the New Foundations model which can make a significant contribution to the supply of homes. It separates the cost of the land from the purchase price, by taking it out of the market place through a Community Land Trust. It ensures affordability through flexible monthly payments that are based on an affordable percentage of income. Any public subsidy is locked in a preserved for future generations, due to the structure of equity arrangements.

Scottish Labour should support the introduction of the New Foundations Community Land Trust, should establish a Loan Guarantee Fund which could be managed by the Scottish Investment Bank and investigate the role of charitable status with regard to housing and community land trusts.

Transport

Community ownership of the railways should be supported. The trade union proposal to consider setting up not-for-profit operators is to be commended. The best method of achieving the objectives of railways working on behalf of the communities they serve is to support a mutual business model.

Widespread car ownership and use in the UK is a major cause of the emission of carbon and greenhouse gases. An effective, modern public transport system is essential to reduce car usage and co-operative ownership and governance of bus and rail networks is the best way of making public transport responsive to the needs of those who travel on them, whether for work or leisure. Rural community transport projects, such as the one in Douglas in South Lanarkshire, are to be commended.

Scottish Labour should ensure that co-operatives are used as a model for a variety of transport initiatives including car clubs and rural community transport projects.

Rural Scotland

The challenges which are most acute in rural communities are ripe for co-operative solutions. Rural communities are as diverse as urban ones – it's not just about farming and crofting although many of the challenges faced by rural communities are specific to rural communities. This is particularly true of rural poverty which is exacerbated by the degree of isolation faced in the rural setting.

Rural communities will only prosper if the Scottish Government supports the creation of new, viable jobs for young people, invests massively in rural communities and improves public and freight transport. Co-operatives have a key role to play in ensuring communities are sustainable.

Employment opportunities are limited by housing shortages. The population of the Highlands and Islands has barely altered since the 1950s, but the numbers living in and around Inverness have increased tenfold. Housing co-operatives should be developed in rural parts of Scotland to build new housing and take over under-used stock from local authorities, farmers and the MOD.

Co-operatives can enable workers in remote areas to develop skills and work co-operatively from homes and businesses. Broadband access is still problematic in many rural areas and support is required to make broadband available to all.

Scottish Labour should increase its commitment to develop renewable energy technologies which can be harnessed to provide jobs in design, technology, engineering and construction in rural areas.

Ex-mining communities would benefit from policies which keep resources and people in communities. Co-operatives could provide the model for working together in areas such as provision of tradespeople and in the care sector.

Scottish Labour should encourage local government to take a lead on promoting co-operative solutions in ex-mining communities.

In farming and agriculture, co-operatives deliver more efficient businesses for farmers, and generate long term sustainable jobs for workers. Existing examples of agricultural co-operation range from marketing – in livestock, dairy, and agrarian and timber production – to sharing machinery and workers; from soft fruit processing to yogurt making. Co-operation allows for lower costs and higher value. There is scope to develop these co-operatives further including in areas such as on-line marketing and training.

Many agencies such as the Forestry Commission could be made more aware of the potential of co-operative solutions and encouraged to offer incentives such as discounted sale of land to encourage such solutions.

In many areas of Scotland, farmers preserve important archaeological sites; stone circles and standing stones; iron, bronze, and Roman occupation period forts; and settlements and artifacts from all periods. Land managers and communities could generate jobs, and increase visitor numbers by applying as co-operatives under the revised Common Agriculture Policy for provision of public goods funding in order to improve access and better maintain these

historic sites. The management and maintenance of common areas and open spaces often gives rise to concern. These areas could be co-operatively owned by those whose environment they form.

In recent years, there has been a proliferation of arms-length departments of the Scottish Government, or quangos, with responsibility for much of the built and landscape environment, and for ensuring that our rivers, reservoirs, and coastlines are clean. The democratic accountability of organisations such as Scottish Natural Heritage, Historic Scotland, and Scottish Water has been compromised. Co-operative or mutual models should be developed to return them to true and accountable public ownership.

The mutual ownership of rivers would give those who use them – for recreation, sport, or energy generation - more control. Mutual ownership could be extended to ownership and control of facilities such as village halls and transport.

Local Government

Many in the Labour Movement are calling for the democratisation of public services. There are only two fully democratic models which can be used to provide public services. One is the state: the other is the co-operative model. Partnerships present the ideal solution and if public services are to be delivered democratically, then the only democratic partner for democratic government is a co-operative partner.

Lambeth Council in London responded to Tory-controlled Barnet Council's self description of itself as an Easyjet council by declaring itself a Co-operative Council. The strategy includes tenant-managed estates using a co-operative model; housing co-operatives; personalisation of care budgets; asset transfer; and environmental programmes that give tools to local communities to transform blighted public spaces and promote sustainable living.

Externalisation is a major feature of local government in Scotland. Public services should be delivered according to need and any profit should be paid back into the community. Many community organisations would be more representative of, and accountable to, the communities they serve, more effective in delivering their services, and better able to withstand fluctuations in their budgets caused by government policy, if they became co-operatives or mutuals.

Co-operation provides local government with the opportunity to develop new and imaginative ways of doing businesses. Co-operative structures and ethos can assist local authorities to resolve some of the conflicts created by elected members serving on external bodies. Mutualisation of community facilities provides opportunities for the development of co-operative enterprises.

Co-operatives can also provide a solution to concerns around the responsiveness of external bodies to communities, address issues of governance and empower both local government workforces and the communities local government serves. Scotland's local authorities should work in partnership with co-operative enterprises to improve services, develop anti-poverty strategies and provide environmental justice for communities. An employee-owned business such as Highland Home Carers is an example of a service delivered on the council's behalf by workers.

Secondary co-operatives provide an ideal solution to the challenges presented by the shared services agenda. An industrial and provident society model could be used to create separate legal entities which would be responsible for linking up shared responsibilities and be democratically accountable to the communities they serve.

The co-operative model would provide an ideal structure for town centre partnerships providing business models which could be used to develop town centres in a way that communities would want.

Scottish Labour should take the initiative in Scotland to create a network of Co-operative Councils.

Scottish Labour should require local authorities to completely review departmental structures to allow co-operative enterprise to flourish; develop their own co-operative development networks; and encourage local government officers to specialise in co-operatives.

Scottish Labour should require Co-operative Development Scotland to provide a template for Scottish local government.

Case Study – Lambeth Council: The Co-operative Council

Lambeth Council has decided to adopt a fundamental change to the way public services are delivered. In Lambeth, the Council is considering the opportunities to deliver traditional council services through co-operatives or mutuals through businesses owned or part owned and controlled by local people or by the people who work for the council.

In Lambeth, as elsewhere, there are many examples of community groups and citizens working with us to run children's centres, sports clubs, housing estates and environmental projects. The fact is, without people's help, the council could not be as effective. In recent years, this approach has been extended to personal care.

In early 2010, Councillor Steve Reed, the Leader of Lambeth Council, outlined a new vision for the organisation in a document called "The Co-operative Council: A new settlement between citizens and public services, a new approach to public service delivery".

He said: "Local government faces huge challenges in the next decade caused by the international recession and councils across the country are investigating ways they can meet these financial challenges, while still delivering the good-quality services citizens and businesses expect".

The Voluntary Sector

Services in areas such as domestic abuse, rape, disability and welfare advice are largely provided by the Third Sector. Many organisations providing these services began as voluntary organisations, with volunteers who were locally-based giving their time and skill for no money.

Now, Third Sector organisations have turnovers running to millions, highly professional, trained staff, headquarters policy staff, and regular contact with senior officials and elected members. However, their governance structures as companies limited by guarantee, or in some cases, charitable trusts, make it difficult for them to have boards which represent the people they serve.

Scottish Labour should ensure that co-operative business structures are used to make these organisations more representative of, and accountable to, the communities they serve, more effective in delivering their services and better able to withstand fluctuations in their budgets caused by government policy.

Tackling Poverty

The Co-operative Movement does not suggest that it can eradicate poverty and bring about social justice overnight but it does have several practical solutions to coping with, and reducing, existing inequalities, and towards building a society in which they would not exist in the future. At the heart of social justice is equality, which is a fundamental co-operative value and at the heart of Scotland's current inequalities – in health, education, housing and life expectancy – is poverty.

Much of this Manifesto addresses issues and provides solutions which can be applied to tackling poverty as well as having wider applications. In this section we will not re-peat these examples of co-operation at work but will concentrate, in the main, on the advantages of credit unions which are arguably the single most powerful force for social justice which exists today and have the potential, beyond allowing people to save and borrow, to achieve wider social and political objectives.

The success of credit unions needs to be built on, by increasing their scope and removing the barriers to their success – such as their vulnerability to Trust Deed schemes and bankruptcy – and encouraging other institutions to build positive links with them. Credit unions continue to offer communities a business model which allows communities, individuals and families the potential to contribute to economic growth.

Credit unions should be encouraged to take over the running of post offices and related community services. Credit unions are not just instruments of intervention in poverty; they also serve mainstream society, particularly public sector workers. This link between serving relatively affluent groups of people and more deprived communities is a great strength of the credit union movement.

The providers of gas and electricity should also be encouraged to accept membership of a credit union as evidence of financial reliability enabling customers to pay for their services retrospectively instead of paying premium prices in advance. Food co-operatives should be promoted in deprived communities in both urban and rural settings.

In many, mainly prosperous, rural areas, communities buy gas, oil, and electricity at a discount by buying it in bulk. Energy purchasing co-operatives are a viable option for all kinds of communities. A model for initiating and sustaining this kind of purchasing co-operative should be widely disseminated and support offered to communities to make it happen.

In its review of Co-operative Development Scotland, Scottish Labour should consider whether CDS should be encouraged to support and develop credit unions.

Case Study – Drumchapel Community Credit Union

Drumchapel Community Credit Union was founded in February 1970 and was the first credit union in Scotland. It has an established “common bond” from which its membership is drawn. Drumchapel Community Credit Unions common bond is defined as the G15 postcode area and, therefore open to anyone living in that locality.

These members save together, and, from the pool of money collected, re-lend that money back to the membership at a low rate of interest (APR 12.68%). In many areas credit unions give their members access to credit that they would not be able to obtain from most other financial institutions or for which a high price would have to be paid.

The credit union was started in Drumchapel by the late Bert Mullen in 1970 and its first loan was to pay for a pair of glasses. Today the credit union has over £1 million in savings and offers its membership low cost loans, a bill paying service, debt repayment service and a range of insurance packages.

Drumchapel Community Credit Union has been at the very forefront of the regeneration of Drumchapel. From humble beginnings, it now boasts 2,500 senior and 500 junior members. Its management board is composed of volunteers from the Drumchapel area, allowing local people to remain in control of their money.

Improving our Health Services

When the National Health Service came into being, it delivered universal health care, free at the point of need, as a right, not a privilege. A massive hospital building programme and the emergence of thousands of family doctors ensured that very quickly every community felt a sense of ownership of their local facilities and the staff who worked in them. The old cottage and memorial hospitals were assimilated into the new NHS, and received such improved levels of funding that, in Scotland at least, many no longer bothered with private beds.

People embraced the NHS, and it looked after them. The connection was no longer merely practical; it was emotional. Hospital “Friends” organisations sprang up everywhere, raised funds for equipment and refurbishments, organised shops and tea rooms. However, whenever there is a proposal to build a wonderful new general hospital with full accident and emergency facilities and suites of high tech operating theatres, the friends often lead whole communities, demanding that a cramped, bursting at the seams hospital, a hotch potch of buildings from the 1860s to the 1970s, be saved. Despite public consultations, they feel their sense of ownership has been misplaced. Without democratic governance and the right of people to participate in decision making, the concept of public ownership is meaningless.

Co-operators view healthcare in the same way they view every issue that confronts people, their families and communities – they believe that power should lie with the people. Communities should take responsibility for health provision and co-operative and mutual models of healthcare provide the best opportunity to do so.

There are areas of discontent to which co-operatives could help provide a solution. These issues are the need for greater integration; the need to connect services better to people; dissatisfaction with some aspects of primary care; the need to make hospitals more accountable to communities; and concerns over services, such as mental health, which remain marginal and are not well supported.

Co-operative models would produce greater integration. A key challenge for the provision of health services is to connect them with people – the users, employees, patients and the wider community. It is essential to engender a type of ownership that enables stakeholders to feel that these services are run on their behalf and not for someone else’s vested interests. Only when people are actively engaged will Scotland be able to develop a 21st century universal health service, free at the point of need, which is as effective and well supported as was the NHS in the 20th century.

A co-operative model could be used to create separate legal entities which would be responsible for linking up the shared responsibilities of the Health Service and local government and be democratically accountable to the communities they serve.

Scottish Labour should consider democratic, accountable, co-operative governance structures for Scotland’s health service.

Social Care

One of the most far reaching achievements of the previous Labour-led Scottish Executive was providing free personal care for elderly and disabled people in their own homes. It has given many vulnerable people the option of remaining in their own familiar surroundings, with access to friends and relatives, and confidence that they will be supported to retain as much of their independence as possible.

At a time when more and more people are entitled to free personal care, and when the policies of the SNP government have restricted the ability of local authorities to fund it, the quality, benefits, and availability of that care are already under threat. The most effective, high quality, client centred free personal care is provided when those receiving the care have a say in its delivery.

Scottish Labour should commit to models of personal care for elderly and disabled people which, like the NHS, is free at the point of use but which give the recipients maximum say in how, when, and by whom the service is delivered.

Scottish Labour should initiate a working group involving organisations such as the Scottish Pensioners Forum, Age Scotland, Local Authorities, Unison and Co-operative Development Scotland to look at best practice in providing cluster-based person centred care and to develop a strategy for the future of free personal care in Scotland.

Case Study – Highland Home Carers

Highland Home Carers was set up in 1994 and since then has helped hundreds of people continue to live in their own homes. The company has grown based on the principle of providing clients with the best service by having well trained, flexible and reliable staff.

Recognizing how important care workers are to success in delivering care, the staff became even more central to the company in July 2004 when Highland Home Carers became employee owned. In order to sell the company to the staff, the business received the backing of the Baxi Partnership Ltd.

Many clients around the Highlands now know that they are being cared for by committed, motivated and well trained staff. As a recent statement made clear: "Because of the benefits of being an employee owned company, we're sure those in the care sector would rather be working with Highland Home Carers than any other care provider".

The Best Curriculum and Teaching

There is still an enormous ignorance of the co-operative business model in Scotland despite the work being done by Co-operative Education Trust Scotland. Co-operative education is about more than Fairtrade tuck shops which, in turn, are about more than teaching children about international development. The co-operative enterprise aspect needs to be understood. The next generation needs to understand the co-operative model through the mainstream curriculum.

Scottish Labour should ensure co-operation is included in initial teacher education and in teachers' continuous professional development.

Credit unions should be supported in their desire to compete with the banks to provide financial education in schools. Unlike banks, credit union activity is based on sound business practices.

Delivery of Education

Scottish Labour should consider how to develop the curriculum so that it is owned and managed by the communities it serves.

In the longer term it is not just the curriculum which should become co-operative but also the structure of schools. Many school buildings no longer belong to local authorities but are owned by private businesses. Consideration should be given as to how these buildings could be transferred to mutual and community ownership.

While Scottish education sits quite firmly within local government and there would appear to be a political consensus that it should remain so, there is no absolute reason why this should be the case. There is concern that Scottish education is not serving all our children well. There is evidence to suggest that co-operative trust schools in England have allowed schools to perform better.

Although there is a case for an education service which is not delivered by local government, it is important to note that, for all its possible perceived faults, local government does make education democratic at least at the political level. If local government were no longer to hold responsibility for delivery of education then some other form of local democracy would be required.

The co-operative model enables communities to maintain control over local services and facilities. Many schools are very hierarchical in their management structures and would benefit from a more co-operative and democratic structure.

Case Study – Reddish Vale Technology College

Reddish Vale Technology College was the first school in England to become a co-operative trust, with the Reddish Vale Co-operative Trust established in March 2008. Reddish Vale is a large secondary school, with nearly 1,400 learners. OFSTED describes it as serving an area of relative disadvantage and the percentage of pupils eligible for free school meals and those with learning difficulties and disabilities is higher than the national average.

The Reddish Vale consultation document emphasised its tradition of embracing innovation and change, stating: "In 1995 we were one of the first schools to become a specialist school. We now want to become one of the first to become part of a co-operative trust." It added: "The co-operative trust will give us a stable platform on which to build partnerships and continue to develop to meet the changing needs of our local communities."

Working with their partners, they are keen to pursue new capital funding and seek ways to engage young people. The 'My Place' programme has offered young people hands-on opportunities to develop and manage a youth co-operative. They have come together through membership of the trust to bid to deliver sport, leisure, information advice and guidance and a safe place to be in the heart of their community.

Sport in Scotland

Supporters Direct has generated widespread enthusiasm for co-operative ownership models in sport. Most senior football clubs in Scotland do not make money for their owners but still operate for-profit business structures which are unsuitable for their purposes. Fans are increasingly turning to the concept of supporter ownership using the co-operative model.

There are many opportunities for co-operative development in sport, such as catering and events which could provide community benefit. The main football stadium in Genoa, which is home to both Genoa FC and Sampdoria FC, is managed by a workers' co-operative on behalf of the local authority.

Sporting organisations should be encouraged to pool resources and expertise and take on the ownership and development of their facilities. They could develop businesses which would both service their members and be a resource for the wider community.

Local Authorities should be encouraged to transfer sporting facilities to local sports and community organisations to allow them to own and manage them co-operatively.

Support should be given to the development of co-operative structures for junior and amateur football and other sports other than football. There are resource implications of such a development which can be justified in terms of return to communities.

In its review of Co-operative Development Scotland, Scottish Labour should consider widening the scope of CDS to include support for co-operative development in sport.

Scottish Labour should support moves to require football club owners to offer supporters' trusts the right to buy a stake in football clubs when clubs are up for sale.

Case Study – Clyde Supporters' Trust

Since it was formed, the Clyde Supporters' Trust has raised over £300k for Clyde Football Club – a remarkable achievement and a credit to the Clyde support for the generosity and commitment towards The Bully Wee.

The Supporters Trust is a membership organisation and is registered under the Industrial and Provident Societies Acts 1965-78. A Board is elected at the Annual General Meeting each year to manage the day to day activities of the Trust and represent the interest of the members.

In March 2004, the Trust became painfully aware of Clyde FC being in severe financial trouble. Immediate action was launched by the Trust, in conjunction with other like minded people, to both save the club and keep it in supporters' hands.

The resultant "Back the Bully Wee" campaign enjoyed a superb reaction from fans both at home and abroad in terms of extremely generous personal donations and also hard work on various fundraising activities. The influential professional input on the business front from several individuals during the period cannot be over-looked either. By May, a marvellous total sum of £150,000 had been raised which enabled the club to continue trading, albeit with manageable financial constraints, under a new ownership company that the Trust secured a 50% stake in. It was a decisive chapter in the club's history and also a landmark for the Supporters' Trust movement in Scottish football.

Nurturing Scotland's Cultural Talent

The cultural sector is one of the largest industries in Scotland today. More people are employed in galleries, museums, performing arts venues, libraries and historic properties than were employed in mining or ship building at their peak. More people visit arts venues every week than attend football matches, and more people are members of friends groups for cultural organisations than are members of sports supporters clubs.

Ownership of cultural organisations falls broadly into three categories – local authorities; quangos and independent trusts. Many local authorities are looking at new ways to manage their leisure services. The most effective and democratically accountable way to do so is to establish Leisure Services as co-operatives.

No Scottish Arts organisation, or gallery, or museum, or historic monument – whatever the ownership – is established for long before it sets up its “Friends” who raise funds but have no say in the governance of the organisation they support and may have no representation on its board. This lack of effective representation often leads to difficulties. Co-operative structures should be encouraged.

Secondary co-operatives should be developed by the cultural organisations in the areas of marketing and publicity, including distribution; transportation – of performers, sets and equipment, exhibition material; education; fund-raising, insurance and investment.

Scottish Labour should ensure there is a fiscal level playing field for organisations in the Arts whether companies limited by guarantee, social enterprises or co-operatives. The same tax and charitable advantages should apply to co-operatives as to other organisations with social and educational goals.

The Co-operative Party

The Co-operative Party is part of the global co-operative movement. Over 800 million people are members of co-operatives worldwide, and the UN estimates that the livelihood of three billion people is made more secure by co-operatives.

We work with Labour Party in the UK to influence its policies towards more co-operative solutions. There are 28 Labour and Co-operative members in the House of Commons, 16 in the House of Lords, 8 MSPs, 4 AMs and hundreds of local councillors.

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