

**worker co-operative event
Glasgow 14 March 2008
Report**

Co-operation and Mutuality Scotland (CMS) organised a well-attended event focussing on worker co-operatives. The event which was attended by around 40 people was held in Glasgow on 14th March 2008. A wide range of topics were covered. The day was chaired by Stephen Kelly of Highland Wholefoods who is also the chair of CMS.



Ian Hughes
Co-operative Development

Ian Hughes of Co-operative Development Scotland (CDS) was the first speaker. He spoke about the work which CDS has done and about what CDS can offer to co-ops. He highlighted that they had a three-pronged approach, firstly more co-op start-ups, secondly increased productivity in the co-op sector and thirdly a greater profile for the co-op brand.

He pointed that CDS has been involved in 22 start-ups and that it is currently dealing with 100 lives enquiries. Ian pointed out that the co-op sector needs to demonstrate that it is a success in order to create a positive and supportive media environment. This would be used to promote the co-operative brand.

The next speaker was Stephen Philips of the legal firm Burness. Stephen discussed the model legal documentation which he has developed. He pointed out that it was important to remember that not all lawyers knew about the co-op model. He also pointed out that the legislation which affects co-ops most – the Industrial and Provident Society Act is up for review and that changes would be made in the future.



Stephen Philips

In the second part of the session on legal structures Ewan Hall from Wright Johnston MacKenzie spoke on Employee incentives. He pointed out that employees are critical in any organisation. They are the engine, face and often the single largest expense for a business. In the case of an employee owned business, they are also the owners and ultimate beneficiaries of the business. In such an organisation it is in everyone's interest to ensure that the employees are talented, motivated and committed. A key element to achieving this is to have effective, fair and tax efficient incentives in place. Ewan's work on this is expanded on in a pamphlet recently published by Co-operative Development Scotland entitled *Securing Employee Happiness*. This is available on the C:DS website at www.cdscotland.co.uk.

After lunch and the opportunity to visit a very interesting exhibition area which demonstrated the breadth and depth of the co-op and mutual sector in Scotland Alain Demontoux then spoke about Co-operative and Community Finance. He spoke about their role in financing and supporting the co-op sector. He pointed out that Co-operative and Community Finance had created or sustained 11,000 jobs. Half of their loans are to new start businesses and in 2007 75% of their loans were to Worker Co-ops. When lending Co-operative and Community Finance look for a co-operative or mutual structure, co-operative and commercial viability, look at the social and/or environmental contribution and the ability to repay the loan.



Alain Demontoux.

Vivian Woodell then spoke about the Phone Co-op. The Phone Co-op is a telecommunications and internet service provider, it is entirely owned and controlled by its customers as a co-operative. The Phone Co-op currently has 15,000 customers and has been profitable in almost every year since it started trading. The Phone Co-op operates on behalf of its customers to maximise buying power and aims to operate in an ethical way and to promote co-operative values. The Phone Co-op also supports the development of other co-ops via a loan fund. Vivian encouraged other co-ops and individuals who were not already customers of the Phone Co-op to become customers of the Phone Co-op.



Vivian Woodell



CMS Chair Stephen Kelly

Stephen Kelly, the chair of Co-operation and Mutuality Scotland then chaired an open discussion on the future of the Worker Co-operative movement in Scotland. One of the main items to come forward was the opportunity for co-operatives to trade with each other. There was a feeling that there should be a focus on business to business working, as one delegate called it C [Co-operative] to shining C [sea] business. It was felt that both Co-operation and Mutuality Scotland and Co-operative Development Scotland could facilitate such business.

There was also an expression of interest in the dictionary and directory of co-operative organisations in Scotland. There was also a clear belief that further meetings of worker co-ops would be beneficial to the future of the sector.

To find out more about Co-operation and Mutuality Scotland

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