

Co-operation and Mutuality Scotland

Response to Local Healthcare Bill Consultation Document

1. Introduction

1.1 Co-operation and Mutuality Scotland (CMS) is a membership organisation with a clear and focused purpose and vision. Our purpose is to develop and extend co-operation and mutuality in Scotland's communities. Our vision is to be a strategic voice for co-operation and mutuality; to be a partner, with government and others, in the development and support of new and existing co-operatives and mutual enterprises, and to be an effective forum for co-operative and mutual enterprise.

1.2 CMS is the main umbrella organisation for the co-operative and mutual sector in Scotland; it was launched in June 2003. CMS covers the full range of co-operative and mutual enterprises – namely worker co-ops, employee-owned businesses, housing co-ops, credit unions, other financial services, agriculture, fishing community businesses and consumer co-ops.

1.3 The co-operative and mutual sector has been in existence for nearly 200 years. It employs ten of thousands of people and contributes millions to the UK economy every year.

2. Context

2.1 The Scottish Government is consulting on the future governance of the NHS in Scotland. We believe that co-operative and mutual models have much to offer in this debate.

2.2 In the first paragraph of the consultation document the Scottish Government says that 'The Scottish Government wants to encourage greater public and patient involvement in the planning and delivery of local NHS services in Scotland.' Clearly, the best means of implementing these desires is through mutual models of governance.

2.3 The Cabinet Secretary for Health and Wellbeing, Nicola Sturgeon MSP, has stated that the Scottish Government has 'set out a clear vision of a mutual NHS where ownership and accountability is shared with the public and with NHS staff.' We welcome this commitment to mutualism but would question whether the Scottish Government has really set out a 'clear vision of a mutual NHS.'

3. The NHS today

3.1 The NHS today is the product of a legacy which stretches back to its inception in 1948. The NHS in many respects looks like a mutual organisation. The NHS is financed by everyone in the country getting together and insuring themselves and each other against the risk of ill-health. However, the governance structures of the NHS are not mutual. Whilst the finance for the NHS is in many respects a mutual model the governance is a hierarchical model. People know that they pay for the NHS but service delivery rarely feels as if it is owned by the people. Examples of this can be seen in many parts of Scotland where NHS boards and/or clinicians make decisions which do not meet the needs of local people and often these boards or clinicians appear not to feel an obligation to explain themselves fully to local people.

3.2 In many cases local NHS boards have made efforts to consult with local people about their plans for the NHS in their area. Consultation without rights is just a favour – which can be withdrawn or ignored as easily as it can be given. The public should feel they have a right to

be heard – in the context of the NHS we believe only a mutual model can guarantee this right.

4. The case for mutualisation

4.1 Firstly, it is important to point out that many aspects of the NHS are delivered by mutual organisations. These organisations are usually producer based co-ops or employee-owned businesses. CMS believes that the Scottish Government should be doing all it can to help and promote such organisations through Co-operative Development Scotland and other means. However, the scope of the current consultation is in regard to giving the consumer a greater say in the governance of the NHS in Scotland.

4.2 Giving greater rights in consultations would not make enough difference to the way the NHS is run at the moment. Consumers must be included in the ownership and running of the services; only then can we describe the NHS as mutual in Scotland.

5. Towards a mutual NHS in Scotland

5.1 As we have outlined, CMS believes that a co-operative or mutual model could be used for the governance of the NHS in Scotland. A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. CMS believes that if these values were brought to governance of the NHS then the NHS in Scotland would be a better managed organisation.

5.2 Co-operatives put their values into practice through seven principles which act as guidance for co-operatives. These are all applicable to the NHS in Scotland although some would require further work.

- 5.3 First Principle: Voluntary and open membership. Co-operatives are voluntary organisations whose membership is open to anyone prepared to accept the responsibilities of membership. The NHS must remain a universal service and therefore everyone in Scotland would be a member of a local NHS mutual organisation. Paying taxes towards the NHS could be seen as an acceptance of membership.
- 5.4 Second Principle: Democratic Member Control. Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. People serving on the board of an NHS mutual organisation would be accountable to the membership, in effect the public, for their actions. All members of the NHS mutual organisation would have equal voting rights in electing a board.
- 5.5 Third Principle: Member Economic Participation. Members contribute equitably to, and democratically control, the capital of their co-operative. Members of an NHS mutual would contribute equitably to the NHS mutual through taxation. All the resources of the NHS mutual should be put to the benefit of the NHS mutual and to promote better health services. A legal lock on the assets of the NHS mutual is required to ensure that surpluses are invested in the organisation, and to protect against the sort of demutualisation witnessed in the building society sector and to safeguard any future threat of privatisation.
- 5.6 Fourth Principle: Autonomy and Independence. Co-operatives are autonomous, self-help organisations controlled by their members. An NHS mutual would be able to enter into agreements with other organisations and even with central or local government but would do so only with the democratic consent of its members.
- 5.7 Fifth Principle: Education, Training and Information. Co-operatives provide education and training for their members and staff so that they

can contribute effectively to the development of their co-operative. One of the major concerns about the lack of accountability of the NHS in Scotland today is the failure at times to share information and to be open and transparent with the public. The commitment to sharing information would be a major advantage in a co-operative model of healthcare.

5.8 Sixth Principle: Co-operation among Co-operatives. Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national and international structures. NHS mutuals should have the ability to work together where it is deemed necessary and advantageous – for example in sharing resources.

5.9 Seventh Principle: Concern for Community. Co-operatives work for the sustainable development of their communities through policies approved by their members. Currently, it can appear that some decisions about the future of NHS services in Scotland are taken with little or no reference to the local community. A mutual NHS in Scotland would have the interests of local communities at heart and would be more responsive to the needs and wishes of local people.

6. Conclusion

6.1 Like the Scottish Government, CMS wants to encourage greater public and patient involvement in the planning and delivery of NHS services in Scotland. As can be seen from this submission, a mutual model would be the most effective means of delivering these worthy objectives. If the Scottish Government is talking the language of mutualism then it must examine these proposals closely and work towards a truly mutual structure for local NHS bodies in Scotland.