

Co-operation and Mutuality Scotland
Response to Consultation on the Distribution of Funds from
Dormant Bank and Building Society Accounts

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.

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.

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.

CMS welcomes the proposals contained in the Dormant Bank and Building Society Accounts Bill. CMS welcomes the opportunity to comment upon the proposals and to comment on how the scheme will work in practice.

In responding CMS would wish to highlight the benefits which could be gained from co-operative and mutual solutions. We recognise that this funding can be used to provide opportunities for young people, improving financial inclusion and supporting institutions involved in social lending. CMS recognises that these priorities would represent an useful way of spending the funding that will be available.

CMS believes that funds used to regenerate communities are better managed by the people who they are aimed to benefit. Co-operative and mutual solutions would give people genuine ownership of the funds being used to benefit them.

CMS believes that by distributing the money available through the Dormant Bank and Building Society Account Bill to co-operative and mutual organisations then there will be added value. Co-operative and mutual organisations by their very nature empower communities and show concern for communities.

The co-operative principles are guidelines by which co-operatives put their values into practice. Co-operatives have a voluntary and open membership; they are open to everyone who is able to use their services and willing to accept the responsibilities of membership, without gender, social, political or religious discrimination.

Co-operatives have democratic member control; co-operatives are controlled by their members and therefore work in the interests of their members. This makes a co-operative model particularly attractive as a vehicle to channel funding to regenerate communities. A co-operative model would give communities control of the assets which they received.

Co-operatives are autonomous and independent; they are self-help organisations which are controlled by their members. If they enter into agreements with other organisations they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy. This model would further empower communities.

Co-operatives provide education and training for their members, managers and employees so they can contribute effectively to the development of their co-operatives. They also inform the general public about the nature and benefits of co-operation and in this context would be able to inform the general public about the aims and objectives being worked towards by

spending funds received through the Dormant Bank and Building Society Accounts Bill.

Co-operatives serve their members and their community most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

Co-operatives show a concern for their community, they work for the sustainable development of their communities through policies approved by their members. This demonstrates that the co-operative model is particularly well suited to the aims of the Dormant Bank and Building Society Accounts Bill.

In conclusion, clearly there are a number of funding models and vehicles available which would deliver on the objectives set out by both the Scottish Government and the UK Government. CMS believes that co-operative and mutual models should be included in this scheme. Co-operative and mutual models empower communities and allow them to deliver on their own priorities. In this way the delivery model also meets the objectives of the fund by promoting community involvement and empowerment and putting local people in charge of the way in which their local area is developed.