

# Cross-Party Group on Wellbeing Economy

8<sup>th</sup> of December 2023, 10:30-12:00 pm, on Zoom

Minute

Present

MSPs

Emma Harper MSP, Maggie Chapman MSP, Ariane Burgess MSP

Invited guests

Neil Gray (Cabinet Secretary for Wellbeing Economy, Fair Work and Energy), Larke Adger, Duncan Thorp, Kirsty Thomson, Carole Jenkins, Karen Maclean-Yuille, Lucinda Broadbent, Martin Mateyard, Emma Sedgewick, Julie Macdonald, Jason Marin, Paul Hainey, Andy Paterson, Helen Robinson, Renae Bell, Gary Gillespie, David Holmes, David Castro, John Todd, Jayne Saywell, Darah Zahran, Margeret Brown, Mike Danson, Jennifer Forsyth, Suzanne Crimin, Elle Adams, Mags McSporrán, Margaret Douglas, Claudia Albrecht, Allan Faulds, Renata Osowaska, Bhawna Sarin, Steven Callum, John Bendo, Richard McCready, Rachel le Noan, Kiri Langmead, Anne-Marte Bergseng, Frances Guy, Sarah Deas, Chris Martin, Josie Saunders, Jennifer Forsyth, Angela Laurie, Issy Budd, Martin Higgins, Natalie Ross, Susan McKeller, Pauline Hinchion, Shumela Ahmed

Non-MSP Group Members

Dani Trudeau (Tribe Party), Fiona McNally (Cairngorms National Park Authority), Carmen Martinez (Scottish Women's Budget Group), Sarah Madden (Scottish Land & Estates), Sarah Latto (Volunteer Scotland), Gerard McCartney, Angela Laurie (GrowBiz), Tom Sneddon (Development Trust Association Scotland), Elliot Grant-Conlin (Office of Sarah Boyack MSP), Lukas Bunse (WEAll Scotland), Hedda Roberts (WEAll Scotland), Isla Byrne (WEAll Scotland), Alex Turner (WEAll Scotland), Patrick Wiggins (WEAll Scotland)

Apologies

Sophie Brett (Keep Scotland Beautiful), Martin Avila (Community Enterprise in Scotland), Rachel Searle (Foundation Scotland), Snow Tuisku Kolu, Iain Black

## 1 Welcome and CPG business

Emma Harper MSP opened the CPG meeting by welcoming guests and speakers to the event which focuses on building businesses for Wellbeing Economy.

Lukas Bunse chaired the appointment of a Deputy Convener. Emma Harper MSP proposed Maurice Golden MSP, which was seconded by Maggie Chapman MSP.

Lukas Bunse gave a summary of the responses given by meeting attendees regarding learning outcomes they sought from this event:

- What is our role in raising awareness in and around and promoting more sustainable business practices?
- What is the government's role in facilitating the redesign of our economy?
- How will businesses in a wellbeing economy impact and interact with communities?

## 2 Panel 1: The role of business in building a Wellbeing Economy

Speaker: Neil Gray, Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, Scottish Government.

Neil was elected to represent Airdrie and Shotts Constituency in the Scottish parliament in 2021 after serving as an MP representing the same area in Westminster. Before being appointed to his current role, he served as Minister for Culture, Europe and International Development and as Minister with special responsibility for Refugees from Ukraine in the Scottish Government.

### Neil Gray presentation

Neil Gray, Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, presented on the role of business in building a Wellbeing Economy.

He highlighted that in Scotland we can be proud of our long tradition of doing business in a fair and sustainable way, citing the establishment of the cooperative movement in the 19th century. Community businesses and cooperatives developed through the 1970s which paved the way for business structures which blend together social and

economic goals in pursuit of a fairer, equal society.

Neil Gray reflected on Scotland's vision for a Wellbeing Economy which is set out in the First Minister's Policy Prospectus, published in April 2023 and prioritises partnerships and a just transition to Net Zero.

Neil Gray highlighted that the Scottish Government supports economic growth that is fair and green, and has purpose to deliver good jobs, fair work, reduced poverty, increased standards of living, and boosts tax revenues to sustain high quality public services.

Neil Gray referred to the New Deal for Business which is a long term commitment to partnership, and the New Deal Group Report which includes recommendations on the role that businesses play in building a Wellbeing Economy.

Neil Gray referred to the recent meeting of the Wellbeing Economy Expert Advisory Group where [research on collective wellbeing](#), published by Carnegie UK, was discussed, and highlighted the importance of participatory decision making as enshrined in policy initiatives such as community wealth building and Building a Fair Work Nation (The Fair Work Action Plan). Neil quoted Ted Howard, co-founder of the democracy collaborative who created the community wealth building approach, who said that Scotland is fast becoming a global leader in community wealth building.

Neil Gray also highlighted Scotland's 10-year strategy for social enterprise, where Scottish Government is investing £1.5 million in start-up support for new and emerging social entrepreneurs. Overall, Scotland aims to increase the number of social enterprises, employee-owned businesses, and cooperatives by reviewing current support systems and investing in inclusive business models. In conclusion, the Cabinet Secretary highlighted the importance of businesses playing a central role in building a strong, thriving wellbeing economy.

## Audience questions

### **1. Where does employer supported volunteering fit with the role of business?**

The Cabinet Secretary expressed his interest in hearing more about the [Scottish Sports Association report](#) and supporting such initiatives.

### **2. How can social enterprises continue to be involved in longer term medium to longer term planning at an economic and wellbeing level?**

The Cabinet Secretary reiterated that this was part of his remit and that he has regular engagement with the representative organisations across the social enterprise and cooperative sector. He recommended such enterprises to feed into those associations, to continue to contribute to the New Deal for Business Group, and to write directly to him and to other ministers to voice any needs or concerns.

**3. How will the Scottish Government balance public health policy, and ensure that the approach to the Wellbeing Economy will not prioritise the needs and interests of businesses over delivering improved public and planetary health?**

The Cabinet Secretary highlighted that early consultation is key, and that a close working relationship with the business community is critical and there is a need to balance public policy objectives across policy areas such as health, economy and the environment.

**4. Why is a distinction made between social enterprise and cooperatives, when cooperatives are a type of social enterprise? And how will Scottish Government address finance structures available to encourage innovation in the social enterprise sector?**

The Cabinet Secretary conveyed the Scottish Government's intent to increase innovation support and noted that grant funding is available through various funding streams dependent on sector. He noted the limited access to institutional finance for SMEs not only in Scotland but throughout the UK. He further noted that the Scottish Government is providing support, particularly for start-ups and scale-up businesses through grant support and other funding. The Cabinet Secretary invited ideas and suggestions based on the questioner's research findings.

**5. Does the government acknowledge that growth in its current form is not necessarily desirable, and that there are certain businesses and industries that perhaps aren't compatible with a Wellbeing Economy? What can we do to disincentivise these businesses and support a transition, such as incentivising social enterprises and cooperatives?**

The Cabinet Secretary acknowledged the reality that private business is needed for the transition, both in terms of skilled workforce and investment. He explained that his job is to support those businesses to make the transition to Net Zero faster, but reiterated that a balance must be struck between achieving growth and transitioning to Net Zero.

**6. In the chat: Is there anyone providing employee support networks for**

## **social entrepreneurs?**

Angela Laurie, GrowBiz Scotland responded that GrowBiz have a fantastic peer support group for Social Enterprise. Contact GrowBiz for more information.

# 3 Panel 2: The potential of Social Enterprise and Cooperatives

## Speakers

### **Kirsty Thomson, Founder and Chief Executive Officer of The Circle.**

Kirsty is a serial social entrepreneur who has set up and now merged two social enterprises – ACK Third Sector Consultants CIC and The Circle. She has a wealth of knowledge and experience working in and with charities and social enterprises for over 20 years and has secured more than £13 million in funding. She helps them to become better businesses, to help communities thrive.

### **Larke Adger, CEO of West Granton Housing Co-operative**

Larke sets the organisational vision and is accountable for the success of the Co-op. She also oversees the long-term planning and strategic direction of the Co-op collaborating with community partners, consultants and external stakeholders. Larke is also the Company Secretary and has 22 years' service at WGHC. Larke is also a Board Director for SHARE.

### **Presentation by Kirsty Thomson**

Kirsty Thomson described that she runs a company under the legal structure of a community interest company, which has an asset lock, meaning that profits cannot be distributed and directors cannot gain any dividends from their work.

Kirsty Thomson explained that in her experience, key aspects of running a community interest company for the past 10 years are the importance of funding and income, and building a strong board of directors who have supported her with their skill sets and diversity of thought. They operate under six values including inclusion, fairness, professionalism, empowerment, and teamwork.

The Circle offers four workstream services, including workspaces for charities and social enterprises, a consultancy service, an academy for social enterprise accelerator programme, and a volunteer programme.

Kirsty Thomson shared that one of her key learnings as a founder was that a nonprofit mindset is not financially viable, and it's important to prioritise personal wellbeing to generate sustainable profit and to sustain social impact.

The Circle's strong business model helped Kirsty Thomson secure funding through Foundation Scotland, but that it has been a complicated journey because of a lack of awareness around the community interest company business model. She touched upon the challenges and opportunities faced by social enterprises, suggesting the use of business expertise to navigate legal structure challenges and emphasising the necessity of diverse income streams. Kirsty stressed the importance of a mindset shift in supporting these organisations and advocated for changing procurement practices to enhance their buying power and adapt to new business models.

Kirsty emphasised the importance of a "more than profit" approach to social enterprise, prioritising sustainable income streams and people's wellbeing. At an organisational level, she prioritises staff retention through flexible work arrangements, training, and support, and she discussed various aspects of supporting mental health and wellbeing through volunteering and community engagement. She highlighted The Circle's efforts in aiding individuals with mental health issues via volunteering and community partnerships. Kirsty has also developed a social enterprise that not only supports local suppliers and charities but has achieved high occupancy rates in its facilities. Additionally, she has founded a new organisation dedicated to fostering innovation and providing CPD qualifications for social enterprises.

Kirsty also highlighted the The Circle's [Social Impact Report](#).

### **Presentation by Larke Adger, CEO of West Granton Housing Co-operative**

Larke Adger introduced her role as the CEO of West Granton Housing Cooperative, a registered landlord and fully mutual housing cooperative. She explained that they received money from Scottish Government to build some properties but have borrowed the rest of the investment required from Building Societies and banks. This means that West Granton Housing Cooperative has a mixed model in terms of governance and regulation. Larke explained that being a community-owned and democratically-controlled cooperative brings a shared purpose in that all decisions are made in the best interests of their members and community: their mission statement is that members are paramount in everything that they do. In this way, West Granton Housing Cooperative invests in members' lives and local environment, transforming deprived areas through community control.

Larke highlighted the cooperative's commitment and requirement to transition towards Net Zero, with a focus on sustainability and community involvement. She explained that

the cooperative is exploring ways to fund this transition, with a particular emphasis on democratic control and accountability. Yet funding this remains the challenge for a housing cooperative.

Larke shared that their community is very proud of their achievements and local engagement, and highlighted a recent donation of £250,000 to local health projects and sponsorship of a local boxer (their tenant's daughter) for the 2026 Commonwealth Games. They have also granted funding to a local charity, provided minibus trips for youth, and applied for lottery funding to benefit the community.

Larke discussed the challenges faced by registered social landlord housing cooperatives in accessing funding and the need for a more supportive regulatory framework. She highlighted the dwindling number of cooperatives in existence and the potential loss of a unique model of community-led housing. She reiterated the importance of governance in housing associations, citing a lack of support for tenant-led or governance-led organisations.

### **Audience questions**

#### **1. What scope is there for cross pollination with social enterprise networks and land networks?**

Duncan (Social Enterprise Scotland) responded that there are several well established social enterprise networks in Scotland, particularly in Glasgow and Edinburgh.

#### **2. Why was a cooperative structure the preferred legal structure for West Granton?**

Larke shared that it was important that local decisions should be made by people who live in that community and will be affected by the decisions that are made, and that those decisions should be in the best interests of those people.

## **4 Identifying policy priorities and next steps**

Lukas Bunse expressed the CPG's interest in hearing from all participants and registered attendees regarding key policies that the Scottish Government can do to align businesses with a Wellbeing Economy. The CPG will then collate responses to send a follow-up letter to the Cabinet Secretary. The survey can be accessed [here](#).

The next CPG on Wellbeing Economy meeting will focus on land reform, and will be held on Wednesday, the 13<sup>th</sup> of March 2024, as a hybrid meeting in the Scottish Parliament and online.

## Appendix: Links mentioned or posted in the chat

Carnegie UK, [Life in the UK 2023 Scotland](#) report

Scottish Sports Association, [Sport: An Investment at the Heart of Wellbeing. A Manifesto for Scottish Sport.](#)

Scottish Land and Estates, [The contribution of Rural Estates to Scotland's Wellbeing Economy.](#)

Firstport, [LaunchMe](#) program

Research on the concept of [Scaling Deep](#), how entrepreneurship can revitalise local communities.