

# Minutes of the Cross Party Group on Co-operatives

7 March 2022, 2 to 3pm, Online

Minute

Present

MSPs

CPG members: Claire Baker MSP, Sue Webber MSP, Sarah Boyack MSP, Paul Sweeney MSP, Colin Smyth MSP,

Group Members

Others: James Wright (Co-operatives UK), Councillors Lesley Hinds (Edinburgh Council), Martin Meteyard, Hugh Russell (Wales Co-operative Centre), Neil Cuthbert (Public Affairs Co-operative Ltd), other stakeholders from the co-operative sector in Scotland.

## 1. Introductions and welcome

James Wright (Policy and Development Lead, Co-operatives UK) welcomed everyone to the meeting. As Paul Sweeney MSP (CPG Convenor) was delayed joining the meeting Claire Baker MSP chaired the meeting in his absence.

The minutes of the meetings held on 6 October 2021 and 24 January 2022 were approved subject to a small correction. The minutes will now go to the Standards Clerks for publication on the Scottish Parliament website. There was an action for VME Co-op to send a paper for circulation to the group and James would follow this up.

Elena Whitham MSP (SNP) has indicated she wishes to withdraw from CPG due to other commitments. MSPs would consider how best to recruit representatives from parties not currently represented in the group in order to comply with CPG rules.

James Wright outlined measures the UK co-op sector is currently undertaking to provide support for victims of the war in Ukraine. Co-operatives UK have been in contact with the co-operative movement in Ukraine and have contacted all their members encouraging them to donate to the Disasters Emergency Committee Ukraine Humanitarian Appeal.

Claire Baker MSP thanked Cooperatives UK for their contribution to the relief effort for Ukraine and advised that the CPG on Poland will be meeting in the next few days and the situation with regards to Ukrainian refugees will also be discussed at that meeting.

## **2. How Scottish Government Policy on housing co-ops is changing, Land and Buildings Transaction Tax (LBTT) consultation and Rented Sector Strategy consultation**

### Land and Buildings Transaction Tax (LBTT)

James Wright, Co-operatives UK shared a presentation to the meeting with background to the consultation and key issues for the cooperative sector arising from it (copy attached). Co-operatives UK estimate that the current system adds 8% to the total cost of land and building acquisitions which are generally added onto costs of borrowing which mean higher rents for tenants. Co-operatives UK have produced a draft response to the consultation arguing for the current surcharge to be dropped. James asked if the group would write to the Minister and support the change set out in the consultation and supported by Co-operatives UK. After discussion it was agreed that the group would do that and the secretariat would prepare a response that would be circulated amongst MSP members before submission to the government.

### A New Deal for Tenants - draft Rented Sector Strategy consultation

James Wright outlined the background to this consultation which was focused on regulation of the rental sector more generally. He asked if the group would like to respond to the consultation stressing the importance of housing cooperatives and supporting measures that would offer more choice for tenants. The group discussed the consultation including:

- Potential for increasing council tax on second homes; and
- Standards for energy efficiency and zero emissions heating in rented homes.

After discussion the group agreed to send a letter to the Housing Minister in response to the consultation which would be prepared by the secretariat and circulated to MSP members before submission to the Scottish Government.

Sarah Boyack MSP advised that members of the group may wish to attend the next meeting of the Scottish Parliament Cross Party Group on Renewable Energy and Energy Efficiency (SPREEE) taking place on Tuesday 15 March , 7.00pm – 8.30pm via zoom.

### **3. How co-operative and community-led housing is supported in Wales (Hugh Russel, Wales Co-operative Centre)**

Hugh Russell of the Wales Co-operative Centre gave a presentation to the group (copy of his slides attached). The centre has 3 years funding secured from the Welsh government. Social housing sits at the heart of the new Welsh programme for government agreed with Welsh Labour and Plaid Cymru. There will be a greater focus on community led housing as a result but the key concern for Hugh and his colleagues is the need to secure greater capital funding for more co-operative housing in Wales.

### **4. Q&A led by members of the Cross Party Group**

Group Convenor Paul Sweeney MSP thanked Hugh for his very informative presentation. In his experience access to capital is a big main issue for housing co-ops in Scotland as well as in Wales. In Glasgow there are currently 2,500 empty homes. It is estimated that bringing an empty home into an acceptable standard for use will cost on average £10,000 while building a small new home will cost £150,000. VAT is not charged on renovations and retrofits which again makes this an attractive option. The experience of discussions with the Scottish National Investment Bank (SNIB) is that this is not an area they wish to invest in.

James Wright asked how much funding from the Welsh Government had been secured for the programme? Hugh said this would be announced shortly so he did not wish to give the precise figure ahead of that announcement.

### **5. How the Cross Party Group can make its views known and influence consultation results (Paul Sweeney MSP, Convener).**

The group discussed how it could amplify its message and drive forward the co-operatives agenda in the Scottish Parliament. Representations to Ministers and promoting responses to consultations were helpful and the Convenor suggested the Citizen Participation and Public Petitions Committee might be worth considering as a means of further amplifying the profile of cooperatives at the Scottish Parliament.

Sarak Boyack MSP said that there was clear evidence of the impact cooperatives are having in housing and town centre rejuvenation and thought the group might put together a co-operative action plan drawing these threads together and potentially adding other areas like energy efficiency in homes and retrofit.

There was also support for MSPs arranging a members debate during co-operative fortnight along similar lines to Fairtrade fortnight.

After discussion it was decided that the Co-convenors would meet with the Secretariat to produce a work plan that would be circulated prior to the next meeting.

The date of the next meeting would be agreed subject to arrangements for in person meetings in the Scottish Parliament and if these would be possible in future.

## **6. Closing remarks and next steps**

Details of the next planning meeting would be circulated to members after discussions with the Co-convenors and Secretariat.