

**Response by the Social Enterprise Coalition to HM Treasury
Building Societies (Funding) and Mutuals Societies (Transfers)
Act 2007 – a consultation**

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The Social Enterprise Coalition's response to HM Treasury Building Societies (Funding) and Mutuals Societies (Transfers) Act 2007 – a consultation

1. The Social Enterprise Coalition (the 'Coalition') welcomes the opportunity to respond to HM Treasury Building Societies (Funding) and Mutuals Societies (Transfers) Act 2007 – a consultation
2. The Coalition was established in 2002 as the national voice of social enterprise. Social enterprises are businesses with primarily social or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. The Coalition represents a wide range of social enterprises, umbrella bodies and networks, with a combined membership reaching over 10,500 social enterprises. These include cooperatives and mutuals, housing associations, leisure and football supporter's trusts, community enterprises, development trusts and Social Firms. Social enterprises in the UK generate more than £27billion in turnover, and contribute more than £8 billion to GDP per year. In preparing this response the Coalition consulted widely with its members.
3. The Coalition believes that to be able operate freely and most efficiently mutual and friendly societies need a flexible legislative framework and a proportionate regulatory regime. At present there is a significant level of regulation that monitors and protects the members of mutuals.
4. The Coalition supports the development of light touch regulation that provides building societies and mutuals with a competitive role in the market and access to flexible funders with the adherent protections for members. Therefore we are supportive of the move to develop greater access to the wholesale market.
5. The Coalition support the views of Mutuo on the detail of these proposals. The conditions placed on mutuals must ensure that there is no dissuasion from becoming members of the mutuals through the possible loss of membership share investments at dissolution, or through their lack of competitiveness in the market through excessive regulation.
6. The Coalition agrees with the principle of easing the ability to transfer the business of a mutual to the subsidiary of another mutual. This will allow mutuals to prioritise the principles of democratic decision making and member priority as a fundamental part of transferring a mutual's business.

Policy Team

Social Enterprise Coalition

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