

Social Care Co-operatives

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European experience

- More than 140 million people are members of co-ops of all kinds in Europe. Some 10 per cent of France's employees work in the co-operative sector - consumer as well as worker co-ops
- The continent in general is having a worker co-op boom. There are now 83,000 such enterprises in 42 countries, employing 1.3 million people, well over double the number in 1982.
- In **Emilia Romagna** in northern Italy, networking by more than 8,000 co-operatives has produced a regional economy that is the 10th richest in Europe. Emilia Romagna has the lowest unemployment rate in Italy and the highest GDP per capita. Just under half of the region's inhabitants are members of at least one co-operative.

European Research

- First organised in the early 1970s, social care co-ops were formed by care-givers and families to provide services to the disabled that were not available from the state.
- Over 7,000 co-operatives provide social care, health and employment services in Italy – arguably the most extensive and successful programme of mutualisation anywhere in the world.
- The co-ops have grown from 650 in number in 1985 and now employ over 244,000 staff and close to 35,000 volunteers.
- Today, their turnover is over €1.3 billion, amounting to 13% of Italian expenditure for social services. In Bologna, over 85% of the city's social services are provided through social care co-ops.

European experience

- The success of social co-operatives in Italy has come from creating a clear model, relatively straightforward to implement in the context of procurement, with reduced rates of taxation
- In a recent study of elderly care in Emilia Romagna, it was shown that social co-ops provided a superior service at 50% of the cost of state programmes. This can be traced to a number of factors, including more flexible working conditions, lower labour costs and greater commitment among workers resulting in higher productivity.
- In Sweden, 1,200 childcare co-operatives provide pre-school care for around 30,000 children. The co-ops, a mix of parent co-operatives and worker co-operatives, operate alongside local authorities, which still provide 80% of day care for children in Sweden.

UK Research

Personalisation of health and social care – a co-operative solution published by Co-ops UK – based on 2010 Research by Manchester Metropolitan University ¹

- Growing political interest in how co-operatives and mutuals can deliver services currently within the remit of public sector provision.
- Personalisation is an international phenomenon based on the principles of self-help, empowerment and choice with broad political consensus in England.
- Co-operative and mutual business models appear closely aligned with the personalisation agenda.
- New social care and health co-operatives are an emerging area in a changing environment.

1. <http://www.uk.coop/resources/documents/personalisation-social-care-and-health-co-operative-solution>

UK Research

- 2010 Green Paper *Modernising Commissioning*² aimed to support the role of co-operatives and mutuals in providing public services.
- May 2012 – Scope in Wales publish *Individualism vs Collectivism in Care - Promotes Co-ops and Mutuals as a desired model*
- July 2014 – CUK – *Social Co-ops, a Democratic Co-production Agenda*. Detailed report on social co-ops, including examples from Italy, Quebec and Japan

¹ *Modernising Commissioning – Increasing the role of charities, social enterprises, mutuals and cooperatives in public sector delivery*, Cabinet Office 2010

Time to get Serious – Co-operatives UK ¹

- There are around 550 co-operative schools in Spain. Their success reflects links with a wider, successful co-operative business sector but also benefits from long-term thinking from the state.
- New co-operative schools are emerging, where the land is transferred as an asset, the co-operative finances the construction of the school and can then be awarded contracts for up to forty years.
- On the other hand, a change in state policy has helped to unravel a programme of residential care co-operatives formed by care staff in Valencia. Short contracts with a requirement to combine service delivery with the construction of new care homes worked to the disadvantage of these co-operatives as, relatively undercapitalised, they were not able to respond to the new service requirements.

1. *Time to get Serious* – Johnathon Bland for Co-operatives UK <http://www.uk.coop/serious>

Time to get Serious – Co-operatives UK

- The key ingredients to success include:
 - specialist business support;
 - clear co-operative and mutual models;
 - participative governance of the new mutuals;
 - organisational forms that can be recognised by procurers;
 - long-term commissioning;
 - solutions for taxation constraints when moving from state to becoming a non-state mutual;
 - links to the wider co-operative and mutual business sector;
 - an openness to user involvement as well as employee ownership.

Time to get Serious – Co-operatives UK

- Co-operative providers can develop service innovations in personalisation grounded in local knowledge and the needs of individuals. The market for personalised services is underdeveloped and large scale providers that rely on economies of scale may be well placed to seize opportunities.
- Co-operatives are not well understood by gatekeepers to social care and health services.
- Longstanding commissioning processes (eg preferred provider lists) are a significant barrier for new co-operatives entering the market under personalisation.
- Strong anecdotal evidence suggests that co-operatives provide benefits over and above delivering a service, for example, social capital. However more evidence is needed of the economic, social and environmental rewards.
- They do not have the tax advantages of a charity
- Commissioners still do not understand the model properly

Progress - Wales

- Co-operative Commission proposed at a C14 event run by CMW in June 2012
- Co-operative Commission proposed to Minister by WCC in July 2012
- Welsh Government's Co-operative Commission announced in Sept 2012
- Wales Social Co-op Development Forum formed by care charities and co-op activists in Feb 2013. Supported by Coops & Mutuels Wales, Co-op Group, Wales Co-op Centre, Fostercare Co-op

Progress - Wales

- Wales Government Co-operative Commission sits – May to September 2013 – supported by a technical group including WCC, CMW, Co-op Party
- Wales Social Co-op Development Forum – submitted evidence to Commission
- Health and Social Care Bill – October 2013 - influenced by Commission – contains requirement to promote the co-operative model of care
- Becomes Health & Social Care Act in July 2014
- Government support to WCC, Cymorth Cymru and Social Firms Wales to run awareness campaign and support pilot schemes
- Events run directed at local government Social Services departments

Progress Wales – 6 Pilots

- A social co-op in Anglesey providing community services and employment opportunities, plus training
- An empty primary school in Aberdyfi that will be used for respite and day care
- “Down to Earth” project in Swansea which will help people take part in outdoor activities
- A project in the Vale of Glamorgan to ensure flexible support for older people
- The Solva Care Project in Pembrokeshire, aiming to improve health and wellbeing of residents
- The Mary Dei Trust in Denbighshire, which will develop and build retail strands to give support to carers

Example – Mid Wales

- Activists from Social Co-op Forum meet in autumn 2013 to establish a Social Co-op Consortium in Powys, bringing together most existing care charities in the county
- Support from charities in the area including Cartrefi Cymru, Perthyn and Foster Care Co-op. Financial support from Hub, Cartrefi Cymru and Group Membership
- Mid Wales Social Co-op Consortium up and running in July 2014 and looking for contracts
- Hoping to become a Welsh Government supported pilot

Any Questions?

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