



National Assembly for Wales
Health and Social Care Committee

Social Services and Well-Being (Wales) Bill
Call for written evidence to assist in the scrutiny of the Bill

Response from the Wales Co-operative Centre
15th March 2013

About the Wales Co-operative Centre

The Wales Co-operative Centre shares the Welsh Government's commitment to social justice and equality of opportunity. We are a core partner of Government delivering strategic programmes to confront persistent social inequalities as experienced by individuals and communities across Wales. We do this through:

- Support for social enterprise and co-operative business development and growth;
- Encouraging people to use digital technologies, and;
- Facilitating access to joined-up financial advice and support services, including those offered by credit unions and the wider social enterprise sector.

The Wales Co-operative Centre's Impact Report 2011-2012 demonstrates how we are improving communities, creating jobs, tackling exclusion and changing lives. During this period:

- 60 co-operatives and social enterprises received business support services helping to create 74 jobs
- We provided 69 training courses to help 864 people to improve their skills
- As the lead delivery partner of Communities 2.0, the Welsh Government's digital inclusion project, 84 community organisations and voluntary groups received support around digital technologies, as did 50 small enterprises
- Communities 2.0 helped 7,506 people to 'get online' and enrich their lives through digital technology also helping 70 people into employment
- We worked with local authorities and private landlords to tackle homelessness through financial inclusion
- We developed the 'Tackling Financial Inclusion through Digital Inclusion' project bringing to intertwined agendas closer together.

Consultation Questions

General

1. Is there a need for a Bill to provide for a single Act for Wales that brings together local authorities' and partners' duties and functions in relation to improving the well-being of people who need care and support and carers who need support? Please explain your answer.

The Wales Co-operative Centre believes that there is a need for the Social Services and Well-being (Wales) Bill. If there is to be a transformational step-change in social services the Bill presents an opportunity to do this in a co-ordinated way. It brings together local authorities and partners' duties and functions to achieve the policy directives set out by Welsh Government in its white paper, "Sustainable Social Services for Wales: A Framework for Action" (February 2011).

General principles that resonate with the Wales Co-operative Centre as an agency focused on social justice are:

- A strong voice for the citizen
- Real citizen control from the design to the management and delivery of the services
- Responsive high quality services
- A market driven by preventative services that respond to a citizen's 'need' as well as a citizen's 'want'
- Care and well-being services delivered by providers that share the same ethos as public service providers
- An offer to co-operatives and social enterprise, along with other service providers, to take a seat at the table with local authority partners
- Demands for service integration between local authorities, health boards and other partners.

2. Do you think the Bill, as drafted, delivers the stated objectives as set out in Chapter 3 of the Explanatory Memorandum? Please explain your answer.

Part 2 - General Functions, section 7 Promoting social enterprises, co-operatives, user led services and the third sector

We are concerned that Part 2, General Functions, section 7 of the Bill, "Promoting social enterprises, co-operatives, user led services and the third sector" will not deliver the Government's stated objectives.

The proposed 'duty to promote' co-operatives and social enterprises is unlikely to lead the transformational change that Welsh Government is seeking.

We believe there is a compelling case for a greater role for co-operatives and social enterprises because of the added value of the approach to social services. This added value includes:

- high quality services that are value-based
- Services that are responsive as they are citizen directed giving a much stronger voice and greater control to service users and carers. This is achieved through membership structures, democratic control and ownership
- a workforce that is empowered as a critical stakeholder, for example in a multi-stakeholder co-operative through democratic control alongside service users.

Co-operatives and social enterprises are anchored in their communities. Any investment by the public sector in co-operative and social enterprises will stay in the community and will be recycled for wider economic and social benefits.

As a result the Wales Co-operative Centre proposes that the Bill is amended to insist that local authorities ensure there is provision of services by social enterprises and co-operatives. We suggest the following amendment to the Bill to ensure Welsh Government delivers its stated policy objectives:

Existing text on the face of the Bill (Part 2, section 7)

Promoting social enterprises, co-operatives, user led services and the third sector
 (1) A local authority must promote—
 (a) the development in its area of social enterprises to provide care and support and preventative services;
 (b) the development in its area of co-operative organisations or arrangements to provide care and support and preventative services;
 (c) the provision of care and support and preventative services in its area in ways that involve service users in the design and running of services;
 (d) the availability in its area of care and support and preventative services from third sector organisations.

Our proposed amended text for the face of the Bill (insertions in **bold**)

Promoting social enterprises, co-operatives, user led services and the third sector
 (1) A local authority must promote—
 (a) the development in its area of social enterprises to provide care and support and preventative services;
 (b) the development in its area of co-operative organisations or arrangements to provide care and support and preventative services;
 (c) the provision of care and support and preventative services in its area in ways that involve service users in the design and running of services;
 (d) the availability in its area of care and support and preventative services from third sector organisations.

(2) A local authority must secure the provision of care and support and preventative services in its area by social enterprises or co-operative organisations or arrangements.

In addition to the aforementioned change to the Bill, the Wales Co-operative Centre believes there is a need to provide further clarity about what is meant by ‘promote the development.’

The Bill states that:

(1) A local authority must promote—

(a) the development in its area of social enterprises to provide care and support and preventative services;

(b) the development in its area of co-operative organisations or arrangements to provide care and support and preventative services;

In the body of Explanatory Memorandum point 22, a short description of promotion is given as:

“this could include the local authority assisting in the setting up of a new business which can be categorised as a social enterprise or supporting service users setting up a co-operative arrangement

The Explanatory Memorandum in Annex 1 – Explanatory Notes states:

“this provides that local authorities must promote social enterprises, cooperatives, user led services and the third sector in relation to their development and their involvement in the provision of care and support services”

We believe this explanation is open to interpretation. Action taken under the new duty could be as nominal as the availability of a promotional flyer through to sign posting to a business support agency. The Bill does provide opportunities for a transformational change in the nature of social service and social care, but it will be missed if this particular duty on the Bill is not strengthened. We believe that the duty to promote must be explained as including access to specialist business support, access to finance and social investment, appropriate procurement processes and inclusion in supply chains

Part 4 - Meeting Needs, Direct Payments

The Wales Co-operative Centre supports the intention that the use of direct payments is extended. Expansion of direct payments offers greater choice, control and independence in social services, but the current system offers limited support for effective use. This can be addressed through co-operative approaches.

In due course the Wales Co-operative Centre will publish research that provides evidence of a powerful affinity between co-operative principles, direct payments and disabled people’s organisations. Featured case studies will provide practical examples of how this is being done and how it can be extended to other groups.

Collective management approaches in co-operative direct payment schemes can break down barriers for citizens wanting to use direct payments. We would like to see a commitment on the face of the Bill for a co-operative approach to the development of direct payments.

Part 9, Chapter 2 - Co-operation and Partnership

The Centre is concerned that Part 9, Chapter 2 appears to prioritise partnership between statutory bodies and does not appear to extend to partnership with other partners such

as co-operative and social enterprise businesses delivering social care and well-being services.

The public and social enterprise sectors share many values. There is substantial experience in the co-operative and social enterprise sector of designing and delivering services in partnership with other organisations such as housing, health, education and local authorities. Partnership arrangements should ensure this experience is included in any new arrangements.

In the body of Explanatory Memorandum point 82 under “Co-operation” it states, “the partners that must co-operate with the local authority are listed on the face of the Bill”. The partners listed are only local authorities and health boards.

We believe the list of partners needs to be expanded. The list must include non-statutory partners including co-operatives and social enterprises.

3. The Bill aims to enable local authorities, together with partners, to meet the challenges that face social services and to begin the process of change through a shared responsibility to promote the well-being of people. Do you feel that the Bill will enable the delivery of social services that are sustainable? Please explain your answer.

The Centre believes that local authorities should work to ensure there is provision by co-operatives and social enterprises as one of the best ways of enabling the delivery of social services that are sustainable.

As businesses rather than charities, co-operatives and social enterprises are less dependent on grants and run on a commercial basis. They have greater flexibility to trade than charitable organisations.

Co-operatives and social enterprises are anchored in their communities (membership, ownership and governance arrangements) and will remain committed to that community.

As businesses with a social purpose, surpluses can be reinvested in service development and staff training.

Staff often have an ownership stake, as with Care and Share Associates (CASA), an employee owned domiciliary care business in the north of England. As a result staff turnover can be lower than the private sector, cutting costs and providing continuity of care for clients.

4. How will the Bill change existing social services provision and what impact will such changes have, if any?

The Bill if successfully implemented could create new, and strengthen existing, co-operatives and social enterprises. This type of business delivers the tangible economic and social benefits and added value to meet Welsh Government policy objectives.

Co-operatives and social enterprises:

- Are united by commitment to bring people together to achieve positive social change
- Make a contribution to social and economic inclusion and equality of opportunity
- Allow citizens to take a greater role in delivering services
- Build trust that leads to effective engagement
- Provide opportunities for 'efficiencies' not necessarily cost savings but unique ways of financing assets and resources
- Have flexible capacity with paid staff and volunteers working across functions often in multiple roles
- Work across local authority boundaries often integrating services of different care providers
- Help diversify a local market of social service providers
- Are anchored in the local economy creating employment and re-investment in the local area.

We present three short case studies to illustrate the potential positive impacts the Bill can have focusing on co-operatives and social enterprises as new models of service.

Wellbeing Regeneration

In Wales, Wellbeing Regeneration provides low level health and social care interventions. Its first service, affordable foot care, operates on the insight that reduced mobility and lack of exercise have far-reaching effects on well-being. It offers a range of services based on social engagement and activity to re-enable people to participate in society.

The social enterprise grows its services by continually consulting and listening to its customers and responding accordingly. It is an organic process that aims to understand the need of individual and importantly their 'want' for social services. This is testament to the added value that social enterprise brings to service delivery giving a voice to the customer as critical stakeholder in the business.

The Foster Care Co-operative

In England and Wales, the Foster Care Co-operative membership is its staff as well as its foster carers. They are consulted every six weeks leading to a direct impact on the success and longevity of the child care placements.

Navigo

Navigo offers mental health and associated services to its local community, in north-east Lincolnshire. The business is accountable to both staff and clients who share equal rights as voting members.

5. What are the potential barriers to implementing the provisions of the Bill (if any) and does the Bill take account of them?

Evidence in our response on the general principles of the Bill has highlighted the potential barriers. If barriers are not lifted the vision for transformational social service reform will not be achieved. We offer the following solutions.

We believe the duties on local authorities in relation co-operatives and social enterprises are weak and need to be strengthened (see question 2). The current emphasis on “promote” is of serious concern and a substantial barrier if the social enterprise sector is to thrive. The lack of clarity or emphasis on the meaning of ‘promote’ and ‘development’ leaves the duty wide open to interpretation. This is compounded by the lack of budget development costs assigned to this new duty in the Impact Assessment.

We have argued for stronger definitions (see question 6) on the face of the Bill and in the explanatory memorandum. This will protect the sector from rogue operators while ensuring that the wider economic and social benefits are accrued through co-operatives and social enterprises delivery models.

6. In your view does the Bill contain a reasonable balance between the powers on the face of the Bill and the powers conferred by Regulations? Please explain your answer.

We would like to see stronger definitions on the face of the Bill or at least a firm commitment to clearer definitions through regulations.

Social enterprise

The definition of social enterprise could be made stronger through the inclusion of a criterion of social ownership. The tightening of the definition of social ownership will ensure people who benefit from the business have greater control over what the business does. This will protect the sector from rogue operators.

Under section 7 “Promoting social enterprises, co-operatives, user led services and the third sector, subsection (2), the definition includes a clause that states a social enterprise:

(e) “is owned, controlled and managed in a way that is consistent with its social objects”

We believe this should be amended to state that a social enterprise:

(e) “ensures people who benefit from the business have a stake in its ownership and/or involvement in its governance”.

Co-operatives

We would like to see the following definition of co-operatives included in the Bill or through regulation:

“Businesses owned and run by and for their members, whether they are customers, employees or residents. As well as giving members an equal say and share of the profits, co-operatives act together to build a better world through co-operation.”¹

¹ Co-operatives UK definition

The Explanatory Memorandum uses the term “co-operative arrangement”. We ask that this is clarified with the words “**co-operative arrangement as defined by its values and principles of equality and democracy**”.

Powers to make subordinate legislation

7. What are your views on powers in the Bill for Welsh Ministers to make subordinate legislation (i.e. statutory instruments, including regulations, orders and directions)?

In answering this question, you may wish to consider Chapter 5 of the Explanatory Memorandum, which contains a table summarising the powers delegated to Welsh Ministers in the Bill to make orders and regulations, etc.

We have no additional comments to make.

Financial Implications

8. What are your views on the financial implications of the Bill?

In answering this question you may wish to consider Chapter 8 of the Explanatory Memorandum (the Regulatory Impact Assessment), which estimates the costs and benefits of implementation of the Bill.

There appears to be no budget costs assigned in the Impact Assessment section for the promotion and development of co-operatives and social enterprises. We would argue for an appropriate investment in supporting co-operatives and social enterprises to deliver social care to ensure they become established as significant providers of services.

The need for funded specialist business support

The business support needs of social enterprises and co-operatives can not be delivered through mainstream provision. There are clearly specific requirements associated with the setup, governance and running of co-operatives and social enterprises. For example these businesses have different legal structures, access finance from different places and measure their success in different ways. This requires a different approach to business and financial planning. This specialist knowledge does not exist within mainstream business support and that is why Welsh Government has committed to specialist support for the social enterprise and co-operative sectors.

Structural Funds

We are concerned in the general principles of the Bill about the lack of budget to develop new service delivery models such as co-operatives and social enterprises. From our experience working with business support programmes, funded via the Welsh European Funding Office (WEFO), we understand that those public services that are deemed ‘statutory’ are not eligible for European money. There appears to be a gap in financial resources allocated to successfully implement the Social Services and Well-being (Wales)

Bill. This is an opportune moment to influence the new Structural Funds programmes (2014 – 2020) and address this issue. A positive outcome would be a clear direction from WEFO that Structural Funds will support some of the costs of developing co-operatives and social enterprises to provide care and support and preventative services.

Other comments

9. Are there any other comments you wish to make about specific sections of the Bill?

We have no further comments.

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