



Co-operatives delivering social care and support



Social Co-operation Forum
Fforwm Cydweithredu Cymdeithasol

Why is the 'Social Services and Well-being (Wales) Act' promoting the use of co-operatives?

We face major social challenges and opportunities in Wales and beyond, including increases in the number of people who may need support and on going shortfalls in public funding. This is the context in which the 'Social Services and Well-being (Wales) Act' has been enacted.

The principles behind the Act are:

- **Voice and Control**
- **Prevention and Early Intervention**
- **Well-being**
- **Co-production**

To see how these fit with co-operative principles see the website links at the end of this document.

The Welsh Government has set out the added value of what it and local authorities should expect from care and social support providers, and one can see how co-operatives will meet these requirements by their very nature.

Providers will be measured on:

- Social, economic and environmental impact
- Benefit to society
- New and emerging models - adapted to population need
- Co-production
- Increased engagement and social capital
- Genuine empowerment and ownership
- Improved health and well-being

- Stronger, more cohesive communities
- More reliant and effective services
- Sustainability and value for money.

Public policy in Wales is seeking a greater range of provision through increased community ownership of organisations.

Our history in Wales shows how we can be at our best when we use the talents and resources in our own communities to deliver change.

● **How does the Act promote the development of these alternative models rooted in community development?**

The Act requires local authorities to promote the development in their area of social enterprises, co-operatives, user-led services and third sector models to provide care and support and preventative services.

This duty to promote means that local authorities must take a proactive approach to planning and delivering models that will meet the well-being needs of all local people, responding to a population assessment they must carry out with local health boards. There is an emphasis on developing services that help and empower people at an early stage where they might first need some support.

● **What are the types of co-operatives?**

- 1. Worker co-operatives:** Their purpose is to provide their members with work by operating an enterprise. These co-operatives are 100% owned by their employee members.
- 2. Consumer co-operatives:** They provide their customer or service user members with goods and services for their personal use.
- 3. Multi-stakeholder co-operatives:** The membership of these co-operatives is made of different categories of members who share a common interest in the organisation. They are often a mix of consumers and workers as members.
- 4. Producer co-operatives:** These are for co-operatives whose members are businesses that would benefit from a collective approach to aspects of their work such as farmers coming together to market and supply their produce. They are also known as secondary co-ops, and co-operative consortia.

● **What is a social co-op?**

Social co-ops provide social care and support to people at risk of social and workplace exclusion.

First organised in Italy in the early 1970s, social care co-ops were formed by caregivers and families to provide services to disabled people that were not available from the state. Today, their turnover in Italy 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. In Italy many small co-ops have formed links together to improve their ability to negotiate on price while retaining their independence.

There are good examples of worker co-ops providing excellent social care and support services and, as co-ops, they offer a range of added social benefits through their application of co-operative principles. However, in Wales there is particular interest and support for small user-led social co-operatives or for multi-stakeholder co-operatives in which users have a guaranteed strong membership voice.

● **What is a 'user-led' co-operative?**

'User-led' means the users of a particular service are the controlling members with at least 51% of the votes. They may buy in external support but, rather than the "professionals", it is they who are in control. They may be 100% user owned, or may include the workers or community supporters in a multi-stakeholder co-op.

User-led co-operatives have developed in Sweden and Italy, and there are now some exciting pilot projects in Wales.

● **How do co-operatives work?**

Co-operatives' strength comes from their members. Organisations do need a legal structure, but the philosophy and values are key.

Whilst some smaller co-ops operate as a collective, with all members making all of the decisions, most larger co-ops operate with a delegation of main decisions to an elected Board which oversees the Chief Executive and the employees, who carry out the day-to-day operations. The Board is elected each year by the members, and is answerable to them.

There are many legal forms to choose from, which have been tailored to the needs of different groups, and specialist advice is recommended to get the best structure for your needs. Some are entirely not-for-profit, whilst others allow any reasonable profit to be shared amongst the members, but all have a social purpose which takes priority.

Further resources and reading

www.ica.coop/en/whats-co-op/co-operative-identity-values-principles

www.ccwales.org.uk/learning-resources-1/principles-in-practice/

www.uk.coop/developing-co-ops/select-structure-tool

www.uk.coop/developing-co-ops/model-governing-documents

www.goodpractice.wales/co-production-catalogue-from-wales