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Co-operatives and the Care Industry

During the tumultuous period that Covid-19 has caused, respect for our carers has reached the height of public consciousness. Those suffering from Covid-19, as well as the most vulnerable in our communities who have been in care homes or shielding themselves from the virus, have relied on care industry workers on a scale we have never seen before. In this context, it is important that we ensure that these workers, and the people being cared for, are working and living in the best conditions possible. We believe that the co-operative model offers solutions to many of the problems in this industry that have been around for a long time, but have been magnified further by the Covid-19 crisis.

Challenges Facing the Care Industry

The annual cost of providing social care in Wales stood at £1.44bn in 2018 and is predicted to climb to £2.32bn by 2030. It takes up around a third of Welsh councils' social services budgets. Between 2016 and 2041 the number of people aged 65 and over is predicted to increase by 232,000 (36.6%). In addition, the Resolution Foundation think tank recently found that about half of frontline care workers in the UK, some 1 million people, were paid less than the real living wage of £10.75 an hour in London and £9.30 an hour across the rest of Britain.

This is not an issue that individual organisations, including co-operatives, can address. It requires action by government to ensure that the funds are available for the entire care sector to that paying the Living Wage is possible. The funds must also be sufficient to address the erosion of pay differentials resulting from years of National Living Wage rises for care staff but no increases for their supervisors. It also necessary to put in place measures to ensure that additional funding reaches the workforce and is not siphoned off into profits or to meet other priorities.

Ensuring the care workforce is fairly rewarded for their vital work is a matter of justice and merit regardless of the sector they work in. But decent pay levels will also help to make the care sector a more attractive field for innovators and pioneers of a better society - and a better care system. Currently, social entrepreneurs and champions of ethical, co-operative businesses contemplate the care industry and see that they would need to be complicit with the exploitation of their worker-

members. It puts many off from engaging in the sector at all, and this is a great loss. Co-operative care has the potential to transform the sector for the better, achieving higher well-being outcomes, greater sustainability and untapped added social value.

Co-operative Care

Care Co-operatives are democratically owned businesses run by the people who receive services and/or those who work in them, allowing much higher levels of involvement in designing and delivering their services. The principles of Co-operation and Co-production are embedded in Welsh well-being laws and are shaping policy across different industries, including social care. But there is much to do to see these principles and laws fully in action across mainstream service provision.

We have identified specific barriers to growth for the co-operative model within the care industry.

| Barriers |
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| The lack of awareness of citizen-led member-controlled options particularly amongst service users and carers. |
| The complexity of funding and the challenge of changing funding arrangements can act as a deterrent. |
| For existing providers contemplating a shift towards co-operative governance, there might be resistance to share power with their service users and workers. |

Recommendations

To address these barriers, we recommend the following actions as we rebuild from the pandemic. Firstly, the **Welsh Government must champion co-productive and co-operative principles at every opportunity. This should apply across all sectors and it should** within education, to ensure that students are aware of the benefits of these principles and how they can and do shape effective organisational models.

Secondly, the **Welsh Government should continue and develop support for new care co-operatives.** This includes solutions to long-term funding, as well as the production of relevant development resources for new and existing care co-operatives. The importance of the continuation of specialist business support for co-operatives in this area cannot be understated. In addition, the Welsh Government should look to the mutual aid groups that have started during the Covid-19 crisis across communities in Wales as potential opportunities to develop new care co-operatives.

The **Welsh Government should seek to promote co-operative models to existing care providers.** The promotion of the employee-ownership model to care providers as a means of answering succession issues is vital. This is particularly important given the significant economic difficulties that are predicted following the lockdown period, which are particularly important in the care context.

Crucially, the **Welsh Government must ensure that the principles of co-production, co-operation, added social value and sustainability are promoted throughout the commissioning and procurement processes.** The voice and control of citizen-users and the importance of valuing the workforce need to be embedded within the thinking and practice of everyone involved in purchasing services with public funds. Co-operatives and other businesses that embrace social value can make an invaluable contribution to the Foundational Economy and the well-being of the people of Wales. The best way to expand their footprint is to encourage all procurement staff to build the following into public contracts:

- o Good use of public funds

- o Caps on excessive profit extraction
- o Funds recycled locally
- o Service user well-being outcomes
- o More resilient communities
- o Prevention of dependency
- o Properly rewarded staff
- o Local career opportunities

Finally, we re-iterate the three recommendations from our “Supporting care commissioners and procurers to promote ‘social value’ models of delivery” report from May 2020.

Recommendation 1:

Awareness and understanding of the principles-based change agenda of Part 2 of the Social Services and Wellbeing Act needs to be raised, with particular emphasis on Sections 16 and 15. This should be pursued in a range of ways, but consideration should be given to reviewing and revising the terms of reference of Regional Partnership Boards and Social Value Forums.

Recommendation 2:

The role of commissioners in promoting preventative community self-help activities needs to be recognised and encouraged.

Recommendation 3:

There needs to be increased and sustained investment in the capacity and skills for commissioning and reinforcement of the status of commissioners as agents for achieving sustainable social services.

Conclusion

The Covid-19 crisis has magnified the importance of carers and the care industry in our communities. The challenges facing the industry will continue to grow, and we believe that co-operative care has the potential to transform the sector for the better, achieving higher well-being outcomes, greater sustainability, and currently untapped added social value. We would also like to support the points made by Cartrefi Cymru Co-operative in their submission to the Our Future Wales consultation and encourage the Welsh Government to continue to consult with our sector partners as part of the Build Back Better agenda.