Position paper

Co-operative approaches to wellbeing

July 2018

What are co-operative approaches to wellbeing?

1. Service users, family, communities or practitioners are members **actively co-creating wellbeing**, where the starting point is what people do better together than they do alone

2. Service users, family, communities or practitioners are empowered with **individual and collective agency** through the exercise of **democratic membership, ownership and control**

3. **Organisational purpose** is orientated towards facilitating members' co-creation of wellbeing

What can government do to support co-operative approaches?

- Refine market shaping under the Care Act to include more emphasis on: empowering service users, practitioners and communities; nurturing and mobilising social capital; combining personalisation with social solidarity and collective empowerment

- Regulate the wellbeing economy in a way that enables co-operative innovations and values the wellbeing generated by activities that nurture and mobilise social capital

- Direct more innovation funds towards piloting co-operative approaches, including those that use digital platforms as a tool to empower service users, practitioners and citizens

- Invest in grassroots community development so that people have the capabilities to exercise real agency and control in the wellbeing economy

- Support the conversion into co-operatives of care businesses where profit-motivated owners are divesting

- Sustain the wellbeing economy by fostering a more inclusive economy in general

---

1   Introductory remarks

1.1   The long-awaited and repeatedly delayed Green Paper on social care for older people and "parallel process" for care and wellbeing support for working age adults are now scheduled for publication in autumn 2018.[1]

1.2   This paper sets out a co-operative position on the issues that we know will be covered in these reviews, making the case for what we call 'co-operative approaches to care' and setting out how public policy could create an environment for these approaches to flourish.

---

1 https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8002#fullreport

1.3   We encourage everyone who thinks the wellbeing economy should share agency, ownership and control through networks of solidarity and reciprocity, to respond to the government's coming consultations. Please use this paper as a resource if you find it useful to do so.

2   More than money

2.1   While the initial political impetus behind wholesale review and reform of social care came from shortfalls in funding, government has recently confirmed that funding will be just one of a number of issues that will be covered in the coming reviews. In a 20 March 2018 speech the then Health and Social Care Secretary Jeremy Hunt outlined *"the seven key principles that will guide our thinking ahead of the Green Paper"*, which address a range of issues beyond funding, including quality and safety in service provision, the quality of work and the degree of control enjoyed by those receiving support. The Secretary of State also stressed the importance of *"innovation" and "changes in technology"* in relation to these seven principles.[2]

2.2   We are greatly encouraged by this. It is not just a question of how much more money is required in the wellbeing economy or how it will be raised, vitally important though these questions are. It is also a question of how wellbeing is nurtured, care given and services delivered. And crucially, it is a question of how agency, opportunity and power are shared in the wellbeing economy.

3   Getting the change we want

3.1   How we deliver care and nurture wellbeing is already changing in significant ways, not least under NHS England's Five Year Forward View and because of the significant economic stresses in the independent care sector (for-profit and not-for-profit). Other forces that look set to drive significant change are: the rise of digital platforms for organising and transacting services; impetus to improve public commissioning and market shaping; and changing social attitudes about aging, disability and the role of the profit motive the wellbeing economy. What matters now is how these changes unfold and in whose best interests.

3.2   We all need the wellbeing of people with disabilities, vulnerabilities and poor health to improve, especially as our population ages. One key factor in people's wellbeing is the 'wellbeing value' produced by the independent care sector. We think co-operative approaches to independent wellbeing and care provision can significantly increase this wellbeing value.

3.3   Co-operatives give agency, ownership and control to service users, practitioners and communities, as members of a mutual. It is this membership that can empower citizens to look after their own wellbeing and the wellbeing of others, with support from effective and valued practitioners, enabled by an intelligent, dutiful and fiscally more secure state.

---

[2] Ibid

3.4   This is not about fetishizing models, though inevitably organisational models are relevant. Nor is this about innovation for its own sake. Rather we recognise the urgent need to develop a wellbeing economy in which more agency, ownership and control passes from managers, investors and social entrepreneurs into the hands of service users, practitioners and communities.

4   Deficiencies in the current approach to delivery

4.1   Following the outsourcing of the majority of provision to the independent care sector, our system has been increasingly organised around the pillars of service consumption, price competition and, very often, shareholder value.[3]

4.2   We believe that this approach to care is proving itself to be deficient in crucial regards. Up to a point it has mobilised capital to meet basic demand but in June 2017 the Care Quality Commission (CQC) reported that roughly 20 percent of providers require improvement, with only 2 percent of providers found to be outstanding.[4] Thus we can surmise that the current approach very rarely gives rise to the characteristics of high quality care, identified by the CQC as strong, inclusive leadership and person-centred care, built on empowering relationships.[5] What is worse, we can also conclude that the current approach all too often falls short of the basic standards required, with the CQC particularly highlighting ineffectiveness, under-staffing and bad cultures as causes for immediate concern.[6]

4.3   A care system that is both efficient and humane must do far more than meet basic needs through the mass provision of standardised services. To support people to live good lives, in ways that reduce more costly demands on a straining system, we need the median of care quality for move significantly towards the CQC's good-to-outstanding range. We also need a system that addresses the social determinants of health and wellbeing, empowers individuals and communities, and both nurtures and mobilises social capital. This has already become established policy in NHS England's Five Year Forward View.[7] Unfortunately the predominate approach to delivering care and wellbeing in the independent care sector, which is based on service consumption, price competition and shareholder value, will struggle to live up to this.

5   Three co-operative approaches to care and wellbeing

5.1   If our care system is going to be humane as well as efficient it will need to be people-focused, accountable, responsive and nurturing of good lives. This means care and wellbeing has to be about people, relationships and communities. Whatever amount of money we have to spend, we need to organise activities and resources around these

---

[3] In 2016 78 percent of all care jobs were in the 'independent care sector' see here

[4] http://www.cqc.org.uk/news/stories/state-adult-social-care-services-2014-2017-report-published

[5] Ibid

[6] Ibid

[7] https://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf

pillars in ways that bring people together and give them meaningful control. A significant amount of agency, ownership and control must pass from managers, investors, innovators and social entrepreneurs into the hands of service users, practitioners and communities.

5.2   Co-operatives are a tried and tested tool for making this work. That's the purpose of a co-operative: to give people the power to meet their needs and aspirations through democratic membership, ownership and control of the things that matter.[8] In the context of care and community-based wellbeing provision, a co-operative is best understood as a practical organisational tool that enables practitioners, service users, families and volunteers to work together towards common goals. People become members, empowered with agency and ownership, participating in, contributing to and receiving benefits from the activities of the organisation.

5.3   Working with experts in the Co-op Care Forum (England) we have identified three key 'co-operative approaches' to care and wellbeing relating to: **members' co-creation of wellbeing**, **members' personal and collective agency** and a **mutual organisational purpose**. In the table below we define these co-operative approaches and offer a rationale for why each is so important.

Approach	Rationale
1. Service users, family, communities or practitioners are members **actively co-creating wellbeing**, where the starting point is what people do better together than they do alone	The starting point for designing new approaches to care and wellbeing should be human aspiration and potential, not need and dependency. The more people have the tools to pool their energies and resources, to support each other and to do things for themselves, the more efficiently and humanely we will utilise all our resources. Crucially recent research suggests 'personalisation' works best when situated in a strong social context and can have significant shortcomings when it is reduced to atomised transactional service consumption.[9] Furthermore, the CLG Select Committee has concluded that if people are going to take up direct payments in larger numbers, they need to do so through vehicles that share risk and responsibility and provide mutual support.[10] A co-creative approach is also important if we want to address the social determinants of health and wellbeing.[11] The more people have the tools to live happy, healthy, independent lives, the better the outcomes for people, for public services and for our public and private finances.[12] Thus this approach is particularly impactful when it comes to 'social delivery' and 'social prescribing'. Better outcomes are achieved when people do things together through their own agency, rather than having things done

---

[8] For the UN and UK government recognised definition of a co-operative see here

[9] https://www.uk.coop/sites/default/files/uploads/attachments/care_report.pdf

[10] https://publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/1103/110309.htm#_idTextAnchor181

[11] As defined by the World Health Organisation for example

[12] For Age UK research on the importance of social factors on wellbeing see here

	to or for them.
2. Service users, family, communities or practitioners are empowered with **individual and collective agency** through the exercise of **democratic membership, ownership and control**	When service users and beneficiary communities enjoy genuine agency, resources are utilised more effectively in response to personal needs and aspirations, in ways that enable happier, healthier lives. When practitioners enjoy genuine agency in conjunction with users and beneficiary communities they too can ensure resources are well utilised, while also benefiting from decent work.[13]
	To have genuine agency, users, family, communities and practitioners need to be members who own and control the organisation together. In doing so members can act as the ultimate guardians of shared purpose and values, while also setting strategic priorities and holding those with operational authority to account.
	What is more, having users and practitioners empowered through the governance of an organisation makes it more responsive to their needs and aspirations. It hardwires meaningful co-production into the organisation at all levels. Empowering users in the governance of the organisation also ensures high levels of accountability, with positive impacts in crucial areas such as safeguarding. And it ensures that power does not simply rest in the hands of managers and social entrepreneurs.
3. Organisational purpose is orientated towards facilitating members' co-creation of wellbeing	Organisational purpose helps to decide how resources are allocated, where lines of accountability go, and what duties those in authority have and to whom. It also determines what happens to the money in the system. To be both humane and efficient organisations need purposes oriented towards meeting the needs and enabling the aspirations of users, communities and practitioners. Doing otherwise, by privileging shareholder value, social entrepreneurs or state bureaucracies for example, diverts attention and resources in inefficient and even unsafe ways, and does not empower people in the ways we need to.
	Because in a co-operative the organising purpose is to facilitate collaboration and solidarity between members, rather than to generate returns for business owners, there is less need to create centralising hierarchies of commodification and control. And it is easier to build economies of scale through network arrangements that serve human-scale, community-based activity.

5.4   Examples of these approaches in practice are:

- **Micro-provider co-operatives**, such as Choices for Doncaster and the Care and Wellbeing Co-operative (in Perthshire), that bring together a diversity of small providers (often VCSE) to combine their offerings in complementary ways, giving users easier access to a holistic range of services and opportunities, including by developing tools that make it easier for them to navigate what is on offer. The co-operatives also provide a rationalised means for providers to involve service users and communities. Recent academic research has found that a greater role for micro-providers in care markets can add value and enhance wellbeing, while also

---

[13] According to the Social Care Institute for Excellence see here

suggesting that micro-provider co-operation could be a powerful facilitator in this regard.[14]

- **Personalisation co-operatives** including those being developed through Disability Wales' 'Citizen Directed Co-operative Cymru' project and Cheshire Centre for Independent Living's 'Northwest Care Co-operative' project, formed by people with direct payments, personal budgets and private budgets, in order to gain greater control over their care and to coordinate activities as a community. These co-operatives can also support greater uptake of direct payments by allowing those in receipt to share their responsibilities as employers, something the CLG Select Committee has heard is a barrier to their wider use.[15] Practitioners such as social workers can also be empowered to 'get back to the real job' by being embedded within the organisation.[16]

- **User and community controlled co-operatives**, such as Gorwellion Newydd, (Wales) and Community Lives Consortium (Wales) that empower stakeholders through membership, ownership and participation in governance and delivery.

- **Worker-owned co-operatives**, such as Care and Share Associates (England) Highland Home Carers Limited (Highland, Scotland) and Leading Lives (Suffolk), that aim to maximise the quality of care work by prioritising the needs and aspirations care workers and service users (instead of shareholders for example), investing in professional development and empowering care workers through ownership, participative governance and flatter organisational structures.

- **Multi-stakeholder co-operatives** are owned and controlled by practitioners, service users and volunteers from the community, integrating features discussed in the bullets above. They can also be a vehicle for integrating volunteers, unpaid carers and family and friends appropriately alongside empowered practitioners and service users. Examples in including Caring Support (London), Cartrefi Cymru (Wales), the award-winning Foster Care Co-operative (England and Wales) and Equal Care (Calderdale), with the latter being a multi-stakeholder digital platform co-operative for care, currently in development.

6 Seven Key Principles

6.1 In a speech on 20 March 2018, the then Health and Social Care Secretary, Jeremy Hunt, outlined *"the seven key principles that will guide our thinking ahead of the Green Paper"*. In the table below, we summarise how the three co-operative approaches outlined above could contribute to real positive change in relation to the most relevant principles.

---

[14] http://www.birmingham.ac.uk/research/activity/micro-enterprises/index.aspx

[15] https://publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/1103/110309.htm#_idTextAnchor181

[16] As the Co-op Care Forum (England) has heard relation to the Combining Personalisation with Community Empowerment pilots

Principle	Co-operative contribution
quality and safety embedded in service provision	By empowering service users, practitioners and volunteers and providing a structure for them to co-create on an equal and equitable basis, co-operatives can nurture and mobilise the social capital that supports high-quality care and wellbeing.
	Having users and practitioners empowered through the governance of an organisation makes it more responsive to their needs and aspirations. It hardwires meaningful engagement and co-production into the organisation at all levels.
	Empowering users and practitioners in the governance of the organisation also ensures high levels of accountability, with positive impacts in crucial areas such as safeguarding.
whole-person, integrated care with the NHS and social care systems operating as one	Co-operatives are among a diverse range of social economy organisations that could contribute to the success of NHS England's vanguard 'multi-speciality community providers' (MCPs) model. Personalisation and micro-provider co-operatives offer a practical means for networks of empowered service users and a plurality of small and community-based providers to participate in 'partial' and 'virtual' in MCPs.
the highest possible control given to those receiving support	Co-operatives are a tried and tested tool for giving people the power to meet their needs and aspirations. In the context of care and wellbeing provision, a co-operative is best understood as a practical organisational tool that enables practitioners, service users, families and volunteers to work together towards common goals with shared agency, membership, ownership and control. For example, personalisation co-operatives are a model that could make personal budgets a more attractive and accessible option for more people.
a valued workforce	Co-operatives exist to generate wellbeing not returns for shareholders. This creates significant scope to build organisations around workers and their relationships with service users, while preventing revenue that could otherwise be invested in the service and its people being extracted in dividends and other distributions. Co-operatives also create the conditions for workers to have a meaningful say over the operations, ethics and strategic direction of the organisation.
better practical support for families and carers	Co-operatives offer a means of involving families in decisions about the care of their relatives. This can extend to providing organisational accountably to families on safety and quality.
	Co-operatives that bring families into membership also create networks of solidarity and mutual support.
a sustainable funding model for social care supported by a diverse, vibrant and stable market	Co-operatives exist to generate wellbeing not returns for shareholders. This prevents precious revenue that could otherwise be invested in wellbeing from being extracted in dividends and other distributions. This also allows them to stay in financially constrained care markets at a time when for-profit providers are forced to exit once they can no longer generate the minimum 10 percent

	returns on investment they exist for.
	Co-operatives are an established model for organising and delivering wellbeing services in many developed countries. They offer a viable alternative to the for-profit and charitable models that currently dominate our independent care markets.
	Co-operation also offers a means for micro-providers to strengthen their role in care markets.

7   Technology: more than transactions

7.1   Jeremy Hunt was right to identify technology as a force that can improve care and wellbeing provision. In particular, digital platforms have the potential to significantly reduce organisational and transactional costs, utilise individual and aggregate data to make better-informed decisions and more personalised experiences, and give citizens and practitioners more choice. And they can facilitate distributed and self-organising networks of practitioners, service users, carers, families and volunteers.

7.2   But it is absolutely essential that we do not assume that such advances will automatically give rise to the wellbeing economy we want. While digital innovations in the organisation of care can alter the financial arithmetic, the relationships between actors, and the structure of markets, they also introduce the risk of unintended consequences. And while platforms can engender transformations in some regards, they can conversely entrench or intensify existing situations and trends that we might want to change.

7.3   Some of the new digital platform businesses in the personal care sector are already being hailed as potential game changers that promise a better way of doing things. These platforms can certainly make it much easier for people to manage their own wellbeing budgets and make decisions about what services they buy and from whom. Platforms also create stronger transactional relationships between service users and practitioners, which can give service user more control and enhance accountability. These platforms can also give practitioners more agency and control in their work. The evidence to date suggests that disintermediation also allows platform workers to earn more from the work they do.

7.4   However, research suggests that significant wellbeing is less likely to be generated through individual service consumption and transactional relationships alone. For example, primary research demonstrates that personalisation works best when it is combined with arrangements that enhance solidarity, social connectivity and collective empowerment.[17] Meanwhile, significant improvements in the quality of work in the wellbeing economy will not come about if platforms drive intensifications in insecurity and cost competition.

7.5   Platform technology can be used to facilitate a 'social solidarity' model of personalisation. Co-operatives UK is currently supporting a start-up platform co-operative in which

---

[17] https://www.uk.coop/sites/default/files/uploads/attachments/care_report.pdf

agency, ownership and control is shared among service users, practitioners and citizens. Meanwhile, the Buurtzorg Model, which is widely heralded as an exemplar of responsive, socially integrated, self-managed service provision, also utilises platform technology to make it happen.[18] And digital platforms are also critical in facilitating high-impact collaboration between micro-providers.

7.6   So, innovations and advances in platform technology could certainly facilitate a better wellbeing economy. But this will only happen if platforms are deliberately developed as a tool for service users, practitioners and citizens to share agency, ownership and control.

8   Policy recommendations

8.1   The public sector can use its regulatory, financial and organisational powers to create the conditions for co-operative approaches to wellbeing to flourish. In this government could look to the example set by the Welsh Executive.

Market shaping

8.2   Arguably, the Care Act (England) 2014 provides a potentially transformative framework for reimagining care and wellbeing. But statute alone does not make reality. The Care Act is partly aspirational and we contend that co-operative approaches could help bring it to life. Indeed, recent research has found that a desire to better realise the ambitions in recent care legislation (in Scotland, England and Wales) is a key motivation for developing user and community-owned care services.[19]

8.3   Where we believe the Care Act falls short is in its underlying assumption that the relationships people will have with services will be limited to those of consumers in a market. If our system is going to be efficient and humane this paradigm needs to change, perhaps fundamentally.

8.4   It is worth noting that the equivalent Welsh Social Services and Well-being Act specifically requires local authorities to promote the development of co-operative care and wellbeing services.[20]

8.5   Market shaping duties under the Care Act should encourage the development of care and wellbeing systems in which social capital is nurtured and mobilised and in which individuals and communities have genuine agency and control. Where personalisation is encouraged there should be a duty to ensure this is goes beyond isolated service consumption to be complemented by community development and collective empowerment, for example through the use of personalisation co-operatives. This could mean amending the market shaping duties in the Care Act or actively encouraging and assisting authorities to interpret the existing legislation in more transformative ways.

---

[18] https://www.buurtzorg.com/about-us/buurtzorgmodel/

[19] https://www.uk.coop/sites/default/files/uploads/attachments/care_report.pdf

[20] http://www.legislation.gov.uk/anaw/2014/4/pdfs/anaw_20140004_en.pdf

Regulation

8.6   As people innovate with new approaches to regulated services, they will inevitably test the established policies and practices of commissioning authorities and the CQC. Bodies with a regulatory function in the system, such as the CQC, should be supported to provide safe 'sandboxes' for innovators who meet prescribed criteria. For example, these regulatory sandboxes should be created for innovators who are putting more power in the hands of service users, or are operating with a clear social purpose instead of for private gain. Policymakers should also look to the example set by Wales, where the Regulation and Inspection of Social Care (Wales) Act provides specific treatment for small user-controlled personal care co-operatives.[21]

Innovation funds

8.7   It is noteworthy that one of the CLG Select Committee's recent recommendations on adult social care is for innovation funding to support the development of new approaches during this immensely challenging time for local care systems:

8.8   *"Funding constraints and demographic pressures are acting as a driver for some councils to innovate and change the way they deliver care. However, due to budget pressures, most councils are in panic mode and are not ready to rethink the way they do things. The Government should create an innovation fund to encourage and give councils the capacity to consider how innovative approaches could be applied in their local area."* [22]

8.9   Central government and NHS England should make more resources available to support citizens, service users and practitioners to replicate and adapt co-operative approaches. This should certainly include resources to support the development of socially purposed and co-operatively organised digital platforms.

8.10   Innovation funding should also support traditional VCSE providers to adopt co-operative approaches. This would follow the excellent example set by Cartrefi Cymru, a leading disability charity in Wales that is undergoing a transition into multi-stakeholder co-operative.

8.11   The Westminster Government could look to the example of Welsh Government-funded Care to Co-operate programme for how public support for co-operative innovation might work in practice.

Community development

8.12   If we want service users and communities to exercise genuine agency and control in the wellbeing economy, as for example the NHS Five Year Forward View requires, then government needs to provide committed, patient, high quality investment in grassroots community development. It will not happen otherwise. Along with others, we have just called for community development and capability building to form a key pillar of

---

[21] https://gov.wales/topics/health/socialcare/regulation/?lang=en

[22] https://www.publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/1103/110302.htm

government's coming Civil Society Strategy. We believe this significant new investment in social capital should be financed from the next tranche of dormant assets.

Co-operative conversions

8.13   As investors and profit-motivated business owners exit the care sector, co-operative conversions offer a means of retaining and enhancing viable care services. This could involve care workers, service users and investors in the community buying the business as a going concern. It could also involve workers and service users affected by divestment being assisted to establish new care co-operatives.

8.14   Worker buyouts are increasingly common in Scotland where the government funds a dedicated service that provides expert advice and support to aid the process, though this is not targeted at the care sector.[23] We have called on the Department for Business, Energy and Industrial Strategy (BEIS) to fund a similar service in England under its Good Work agenda. Such a service could include a dedicated care sector focus. It could also assist workers and service users affected by divestment to establish new care co-operatives. A co-operative conversions programme could be a collaboration between BEIS and the Department for Health and Social Care, with the participation of local authorities as part of their market shaping duties.

Inclusive economy

8.15   Government must also pay far more attention to the World Health Organisation's Social Determinants of Health. To have a sustainable and humane care system, we need an economy that delivers better wellbeing outcomes for more people over their lifetimes. We need a successful private sector but this success must be far more inclusive, by distributing opportunity, wealth and power more broadly while keeping within responsible social and environmental boundaries.

James Wright, Policy Officer

james.wright@uk.coop

0161 214 1775

www.uk.coop

About Co-operatives UK

Co-operatives UK is the network for Britain's thousands of co-ops. We work to promote, develop and unite member owned businesses across the economy. From high street retailers to community owned pubs, fan owned football clubs to farmer controlled businesses, co-ops are everywhere and together they are worth £36.1 billion to the British economy.

---

[23] https://www.scottish-enterprise.com/services/develop-your-organisation/collaboration/overview