

**Cross Party Group on Co-operatives and Mutuals**  
**12<sup>th</sup> March 2014, 12.30 – 13.30**  
**The Media Briefing Room**  
**The Report of the Welsh Co-operative and Mutuals Commission**

**Assembly Members Present**

Mick Antoniw AM (Chair), Julie James AM

**Secretariat**

Alex Bird (Chair, Co-operatives and Mutuals Wales)

**Speakers**

Andrew Davies (Chair of Abertawe Bro Morgannwg University Health Board), Derek Walker (Chief Executive, Wales Co-operative Centre)

**Guests**

Neil Ronconi-Woolard (AMSS), Paul Cubbit (AMSS), Sam Hunt (AMSS), Karyn Pittick (WG), Lisa Clarridge (WG), Jo Morton (WG), Jayne Howard (AMSS), Tim Hartley (SD), Amber Courtney (Unison), Jeff Jones (WCVA), Simon Harris (WCVA), Suzanne Sims (Bron Afon HA), Phillip Evans (ADSS Cymru), Donna Coyle (WCC), Frank Learner (Greengage), Dan McCullum (Awel Aman Tawe), Dewi Williams (Antur Teifi), Ian Courtney (Charity Bank), Adrian Roper (Cartrefi Cymru) and 4 others

**Mick Antoniw AM** (Chair) opened the meeting at 12.30pm, welcomed the members and guests and introduced the speakers.

He then outlined his support of the Commission and its Report, which he felt was an important development, and if accepted by the Assembly Government would represent a major change in economic and social policy.

**Andrew Davies opened:-**

We started this project by recognising that new ways of organising economic activity are needed, in which co-operation and mutuality are fundamental principles, so we looked at co-operatives both as businesses and as contributors to public services.

“We were lucky to have a worldwide perspective from Pauline Green, the President of the International Co-operative Alliance and the specialist academic input of Robin Murray from the LSE, as well as a public services view from Sir Paul Williams former Chief Executive of NHS Wales.

We have recommended better co-ordination of business support services to developing co-operatives and mutuals, enabling them to obtain both specialist and mainstream advice, as well helping them to access to specialist finance.

Co-operatives and mutual are different and need partners that understand that difference, but experience shows they have outperformed more conventional businesses in recent years and are more resilient in a downturn. Whilst in Wales they are typically quite small at present they have the ability to grow, as examples around the world have shown.

We saw that there is a need for public bodies in Wales to have access to specialist advice, so they come to recognise that outsourcing to commercial companies is not the only option available to them when changing service delivery, and that co-operative ethics are very close to their own.

We recognised the very reasonable concerns of the trades unions in any outsourcing situation, but experience shows that if a service moves to mutual model staff conditions are usually preserved, and in some cases improved, so we are confident their concerns can be addressed. The Trades Union movement has been a long-term supporter of co-operatives in

Wales, and this Commission was established in 2012, which was the 30<sup>th</sup> anniversary of the foundation by the Wales TUC of the Wales Co-operative Centre as well as being the UN's International year of Co-operatives.

***Derek Walker then spoke:-***

It's important to look at what's going on in the co-operative sector at present, but also to put that in perspective. Whilst the troubles at Co-operative Group are making the headlines, not only are they largely to do with the difficulties other banks and supermarket chains are having, but that there are over 6,000 other co-operative in the UK that are continuing to grow and prosper. Indeed they are continuing to outperform the rest of the economy, and the co-operative brand remains more trusted than ordinary businesses by the majority of the public.

The Wales Co-operative Centre sees this report as very positive. It puts a lot of emphasis on the co-operative and mutual sector taking the initiative, as well as the Welsh Government taking action. It has a strong emphasis on education, and we welcome the recommendation of putting more co-operation on the curriculum in Wales, as well as looking at how co-operative values and governance can be developed in public education.

***Questions from the floor:-***

**Dan McCullum**

Not heard about co-operative schools. Can you tell me more?

**Ian Courtney**

The failures around the Paul Flowers affair shows the need to learn lessons

**Frank Learner**

Will the guidance for co-operatives that is to be produced regarding procurement be available to charities as well?

**Andrew Davies**

Procurement is a matter for Government to produce guidance, and I'm sure it will be relevant. On Paul flowers, that's a point well made, but let's not forget Fred Goodwin, RBS, Northern Rock, etc. On co-op schools I feel strongly. Much public policy is around what things are not. We need to be positive about co-op ethos – put a stake in the ground and say this is what we are and what we can do.

**Derek Walker**

Most co-op schools in England are multi-stakeholder, engaging pupils, parents and staff

**Alex Bird**

Most co-op schools have also stayed with local authorities as their advisers, as their ethos is very similar to local government's

**Mick Antoniw**

I'm pleased to see also the emphasis on the transfer of assets/right to bid for community assets being emphasised in the Report. This is important for schools, for leisure services and for sporting facilities, and we've supported that at previous meetings

**Dewi Williams**

Pleased to see the emphasis on the need for specialist and general business support

**Simon Harris**

On public service delivery, is there a barrier from local government on this area?

**Andrew Davies**

Bridgend have outsourced Leisure Services to Halo, a social enterprise, and this is working well. In another authority (unnamed) they have outsourced to a social enterprise, but not let

go of control, and there its not working so well. It's essential to let mutual have the freedom to get on and do the job.

**Tim Hartley**

The Localism Act 2011 hasn't been implemented in Wales, which provides a 6 month window for community groups to raise funds and prepare a bid for community assets. What can be done to bring this forward?

**Andrew Davies**

The Report is going through a forma consultation run by Wales Co-operative Centre for the Government. This would be a good opportunity to input your concerns. Also worth noting that women are more active in social enterprises.

**Dan McCullum**

Community energy projects are less common in Wales. There is a need to promote this option more forcefully. Need a promotional event

**Derek Walker**

The Centre could do something here. We'll get something organised

At this point **Mik Antoniw** had to return to the Chamber, **Alex Bird** took the Chair for an informal discussion to continue

**Phil Evans**

The ethics of co-ops are congruous with public service ethics, but the scale of micro-management by Welsh Government and the Regulators prevents us taking risks and initiating change

**Andrew Davies**

We need to engage with the workforce from the beginning. At my health Board we are already looking at pilot projects to mutualise some services

**Amber Courtney**

What safeguards are there for workers? Need for a PR exercise to make it plain what these are.

**Andrew Davies**

I recognise your concerns. It's worth noting that in all mutualisation in Wales so far, workers terms have been maintained, and in some cases improved.

**Adrian Roper**

Just to let everyone know the Wales Social Co-op Forum will be reconvening in April to build on the work we are already doing in Powys

**Alex Bird** closed the meeting at 13.40

In conclusion **Philip Evans** issued a statement on behalf of ADSS Cymru:-

*"The work of the Welsh Commission on Co-operatives and Mutuals is highly valued by Directors of Social Services. We are keen to promote the special contribution that the sector can make in changing the way social care services are planned and made available to people in our localities.*

*"This report and its recommendations will help us to think about new ways of meeting the challenges involved in having a more responsive range of services and providers. Promoting co-operatives and mutuals will help us collectively to tackle rising demand and changing expectations about greater control for service users and carers and maintaining a strong ethical basis on the part of all staff who provide care and support."*