

## **CPG for Co-operatives and Mutuals Virtual Meeting, 3.05.23**

### **Attendees:**

Vikki Howells MS – Chair  
Dan Roberts - Cwmpas Events  
Cllr Anwen Davies  
Aileen Burmeister – Fairtrade Wales  
Nisreen Mansour - TUC  
Harry Thompson - Cynnal Cymru  
Huw Lewis – The Cooperative Party  
Gwyn Roberts – Galeri Canarfon  
Carys Swain – Bridgend College  
Nicola Meaghen – Cwmpas  
Cathy Knapp – Mid Wales Arts  
Julia Houlston Clark - Restorative Wales  
Sophies Mason – Thinkedi  
Merryn Roberts-Ward – Thinkedi  
Ester Price- Cwmpas  
Philippa Rader – Dragon Press Bindery  
Tracy Bancroft – AP Cymru  
Tricia Morgan – Cwmpas  
John Chown – Williams Ross  
Mike Dodd – Flintshire Council  
Michael Hooper- Pembrokeshire care society  
Daniel Staveley - Elysium Gallery.  
Tracy Wallbank – BT Connect  
Jackie Dorrian – The Forest School  
David Madge – Cwmpas  
Ross Edwards - Garrison Farm  
Vicki Butler – Carp Collaborations  
Huw Marshall – The Talking Wales.  
Ceri Cunnington - Community Facilitator  
Claudia Howard- Wild Elements  
Lisa Watkins – Caerphilly Uniform Exchange  
Maggie Joan Haggas – 3<sup>rd</sup> Age Hostelling  
Dilwyn Roberts – Theatr Soar  
Dr Manmeet Kaur – NHS Wales  
Luke Fletcher  
Owen Griffiths  
Joel James  
Dilwyn Roberts  
Ceri Cwmni  
Sophie Mason  
Chris Tomos  
Janis Werrett

Bill Phillips  
Mollie Roach  
Vivienne Hanley  
Siobhan Hasson  
Elizabeth Crowther  
Helen Nicolas  
Dionne Bennett  
Robin Lewis  
Aji Gass Jarra  
Lynelle Jones  
Euros Lewis

**Vikki Howells (MS)** welcomed everyone to the meeting and introduced today's topic, the Social Partnerships and Public Procurement Bill. She explained that the Bill's aim is to promote social partnership working, promote fair work and socially responsible public procurement. The Bill is passed stage four and is now awaiting royal ascent before becoming law. The Bill will place specific duties on Welsh government and public bodies including the establishment of a social partnership council. There will be a social partnership duty on certain public bodies; requiring specified public bodies to consider socially responsible public procurement and added that public procurement strategies will be published.

Vikki said that Welsh government has committed to making Wales a fair work nation, where workers are rewarded, heard, and represented and able to progress, ensuring that their rights are fully respected. She added that many of these principles have been central to the devolution journey as the Bill marks the next stage of the process as it seeks to embed and formalise social partnerships approach to developing a fair and more resilient economy. Vikki then introduced the first speaker **Nisreen, Policy officer from Wales TUC**, inviting her to give insight from the TUC on this Bill.

Nisreen gave an overview of the TUC and how they have been involved in the legislation; The TUC represents 48 affiliated trade unions across Wales and that there is 400,000 members of trade unions in Wales. Nisreen reflected that the Bill is a major priority for the TUC as it has been produced in social partnership from its outset; including input from trade unions, employee and employer representatives. Nisreen added that the approach has been in development since the beginning of Labours election and that trade unions have called for the principles of social partnerships to be a statutory requirement now and in the future.

Nisreen went on to explain the bill in more detail:

- **The Bill will place a social partnership duty on public bodies covered by the Future Generations Act;** this will affect both employer and employee representatives. The social partnership duty works alongside the future generations Act and therefor public bodies will need to set wellbeing outcomes and will have to

reach compromise with workers and recognised unions. Nisreen said that the majority of the devolved public sector will be affected by this legislation. Nisreen added, that the Bill will provide workers and unions an opportunity to have their say in strategic decision making. She commented that while there is ambiguity in how this will work in practice, she reflected that there are existing relationships between Unions and large employers that are already widely recognised. However, she said that the challenge for trade unions is to strategically engage with the bill as the legislation is high level and Union representatives would require training in this area. The Bill presents a big opportunity for campaigning across public bodies; workers will have a platform to enact their rights and improve their wellbeing, bringing the movement together. Nisreen took the example of the night-time economy workers whose work is tied to licencing by their council. In this case, the bill means that local authorities have an opportunity to enforce better practices and ensure better value for the public, so that the economy is developing in line with both the WFGA and the bill.

Nasireem then went on to discuss other elements of the bill:

- **Amend the Prosperous Wales Goal;** providing consistent approach to fair work across government and the public sector. This sets out the economic ambitions for Wales and all public bodies are bound to this. 'Fair work' is now embedded across Welsh government and sets out how this will be achieved. Nisreen highlighted that this has been influenced by the International Labour Organisations definition of fair work.
- **Put in Socially Responsible Procurement:** Public bodies will need to think strategically about public procurement in how they will meet wellbeing outcomes. For projects over 2-million-pounds public bodies will need to ensure their procurement is socially responsible, showing how this will cascade through the supply chain. Nisreen highlighted that the TUC was very happy to see this as it will help to tackle rogue practices, especially in areas such as health and safety regulation. She added that these types of areas will come under scrutiny from Welsh Government as under the bill there will be enforcement to comply with the legislation. The legislation puts in a two-tier legal code. This makes sure there is parity at the point of outsourcing work. Nisreen commented that the legislation does not cover Universities or Housing Association, something which the TUC would like to lobby on in the future. The legislation will also provide an opportunity for voluntary organisations and provide employment to disadvantaged people.
- **Social Partnership Council:** A tripartite body which will sit as a leader in partnership working. The SPC will be key in implementing change from the Bill. Nisreen explained there will be a tiered approach including local and national structures with the SPC sitting at the top of this. For example, a local health board, its national forum and then the SPC. The SPC will be made up of 9 trade union representatives, 9 employer representatives and 9 representatives of government.

Their role will be to advise Welsh ministers about types of guidance and information that is being out to the sector.

Nisreen then went on to explain the TUC's wider work, around sector social partnership including retail, social care, and construction. She added that the TUC is working with Business Wales to integrate a fair work approach and work with government and unions to help them see the benefits of unionised working. Naireen then concluded that workers could do more in terms of the collective bargaining act and that social partnership can be a constructive model for mutual gains for employers and workers.

**Vikki Howells (MS)** thanked Nisreen for the overview and introduced **Nicola Mehegan from Cwmpas** who will focus on employee ownership and the social partners agenda.

**Nicola Mehegan, Cwmpas:** Nicola explained the benefits of employee ownership and how it may complement the Social Partnerships and Procurement Bill.

- Employee Ownership it is a fast-growing business model, with one business seeing its workforce increase three-fold since going employee owned. Nicola went through some examples of employee-owned businesses eg John Lewis, Go Ape etc.
- Employee ownership model keeps skilled jobs in Wales whilst taking care of workers with fair work. This is because workers are involved in the decision-making process. She commented that research shows that employee-owned businesses have lower levels of absence and sickness rates.
- Employee ownership aligns very closely with the SPPPS bills principles, as employee owned (EO) businesses shares its wealth across the work force.
- Employee-Owned businesses are also more resilient during hard economic times as workers can make decisions about their businesses.
- Nicola highlighted that the prosperous Wales fair work agenda mirrors the way employee-owned businesses already operate. She said that Welsh government has committed to employee ownership; since 1995 Wales had one EO business with that total now sitting at 56. Nicola said that the sector was on track to achieve its target of 60 EO businesses.
- Nicola added that EO businesses align with the current national wellbeing outcomes as EO businesses are not just about succession, they are about its employee engagement, enhancing culture and wellbeing, and building a committed workforce. She concluded that EO can be used to root businesses in Wales and help them to grow and secure their future.

Vikki Howells (MS) thanked Nicola for this contribution and introduced Harry Thompson

**Harry Thompson – Senior Policy Lead – Cynnal Cymru**

Harry gave an overview of Cynnal Cymru's work; The real living wage employer accreditor, helping businesses and organisation accredit as a real living wage employer. Cynnal Cymru also receives funding to engage businesses to sign up to it as part of the Wider Welsh Government fair work agenda. Harry explained that this comprises of 6 pillars and

highlighted 'providing a fair award, pay the real living wage'. He said that social enterprises and cooperatives can quite easily meet these pillars through their existing business model.

Harry went on to explain that the national living wage is calculated against goods and services by the Resolution Foundation. Harry added that the Real Living Wage is seen as the minimum employers can do, CC would encourage employers to pay more if possible. Harry said that given the current cost of living crisis employers are internally discussing what can be done. He advised that employers should be looking to increase pay for their lowest paid workers and gain accreditation as a real living wage employer. He added that this is in keeping with cooperative values.

Harry commented that employees who do not receive the real living wage are often living in poverty, caught between choosing to heat their home or paying rent. Added to this Harry noted that *in work* poverty is holding people back. Research from the Joseph Rowntree Foundation shows that 4 in 10 households, where someone is fulltime work, are living in poverty. He added that research shows that paying the real living wage helps to meet the cost of living but also benefits the employer :

- 36% of real living wage employers saying it helped them to secure contracts with the public sector.
- 50% said it helped them win new clients and customers.
- 81% said it enhanced their corporate reputation.

Harry also highlighted that paying the real living wage also benefitted relationships between workers and that this had also helped workers with protected characteristics. Harry commented that the real living wage will cover employee and third-party contractors. He said that this is one-way employees can make a change beyond their own employees. He explained that Cynnal Cymru can also support organisations and its workers through trade union access and skills development.

He went on to explain that Cynnal Cymru also run a programme 'making living wage place' ; these are places where businesses and communities are working together to tackle low pay in their area. Cardiff is now a living wage place, with talks to move towards accreditation in Carmarthenshire.

Harry commented that 'living hours' is becoming increasingly important. Research by the living wage foundation found that 6.6 million workers across the country experience work insecurity. He said that in Wales the number is comparatively higher, 26% when compared to the rest of the UK 21%. Harry added that we need to recognise that levels of *in work* poverty are affected by the number and security of hours that people work. While many people may need to work flexible working hours this can mean that often workers are doing hours casually and the flexibility works in favour of the employer only. In addition to this he said that low paid workers are grappling with insecure contracts and unreliable hours. Therefore, the national living wage is not enough to secure fair work for people. The 'Real living hours' accreditation is designed to provide workers with secure hours, predictable hours and a real living wage. For example, the right to a contract that reflects accurate hours worked etc. He concluded that this has the potential to provide a practical solution that employers can

adopt to provide security and stability for low paid workers. Harry then thanked everyone for listening and reiterated the benefits of getting accredited.

**Vikki Howells (MS)** then invited attendees to ask any questions.

Joel James asked **Nisreen, TUC** : *Some public bodies are not covered by the Social Partnership and Procurement Bill, why are they not included?*

Nisreen advised that the list of public bodies is restricted as it would be overly burdened to apply this piece of legislation to somewhere like a school. In terms of Higher Education and Housing Associations not being covered, she explained that this is to do with their status. Housing Associations were originally included in the draft of the bill, but this has since been amended, she said this was a shame as this is a significant lever in which social change could be made.

**Vikki Howells (MS) asked to Harry Thompson:** *What are the barriers to social enterprises delivering the real living wage?*

Harry explained that is easy for social businesses because they are already invested in people and making the community better, he added that social enterprises are also more democratic and therefore it would be easier to implement the real living wage. For larger businesses it will be a different process, as these businesses are driven by a top-down approach.

**Vikki Howells (MS) asked Nicola Mehegan, Cwmpas** - *How can Welsh Government use education to ensure young people are aware of employment opportunities and employee ownerships, is there enough in the new curriculum?*

Nicola: Jeremy Miles (MS) has recently announced the establishment of the Robert Owen fund, to embed different business models such as social enterprises and cooperatives within the curriculum. She added that continuity is important, and we need it within existing teaching materials. The project could provide lesson plans for teachers in a cost-effective way across Wales, she added that the project needs to be accessible to all and will need to do work in this area.

**Dan Roberts, Cwmpas** : Commenting on the living wage and social enterprises, Dan said that recent research shows that 66% of social businesses pay the real living wage, considerably higher than the private sector. He added that social businesses drive for economic growth but equally they care about their environmental and social outcomes. He urged the participants to consider how social businesses, the public sector and private sector can communicate to meet the objectives of the bill.

Vikki Howells closed the meeting by thanking speaker and attendees.