

DEMOCRATISING PUBLIC SERVICES?

by Giles Simon
illustration by Liam Barrett

Public services have been in reform ever since the state began delivering them. Over the last forty years, however, public service reform has taken on a particular hue. It has come to describe the drive to make our public services—from housing provision to healthcare—more efficient, of higher quality and responsive to users' needs.

Successive governments have explored a range of ways to do this, from privatisation to target setting. The previous Conservative-Liberal Democrat coalition put a particular focus on what they called 'public service mutuals', which encompassed a range of different models, from social enterprises that put purpose before profit to traditional charities and, most significantly, co-operatives and mutuals run by the people closest to the service, often the employees and sometimes the service users.

At its heart was a desire to spin-out services from local or central government control and put them in the hands of people who understand the services, enabling them to run them as independent mutually owned businesses.

The interest in the mutual model appeared to stem from a number of motivations. There was the desire for efficient, higher quality, responsive public services. The mutual model—in the form of

well-performing building societies and a burgeoning co-operative sector—seemed to have survived the financial crash more effectively than others. The idea that the people closest to an organisation knew its needs best appeared powerful. And, of course, mutuals offered a palatable way to reduce the financial burdens that public services placed on the state as the government implemented its austerity measures.

The Coalition's hope for mutuals was exemplified by the Health Minister, Norman Lamb, responding to the shocking failures in care at Mid Staffordshire NHS Trust in 2013 by saying that "mid-Staffordshire would never have happened in a mutual."

Converting organisations into member-owned mutuals takes time, and so the pace of public service mutuals appeared slow. By 2014 the government talked about its "100 public service mutuals." These were the mutuals that had been part of the government's official mutualisation programme, though as always, new co-operatives were emerging from the bottom-up during this time, too.

Some of these are fantastic examples of democratic organisations delivering efficient, high quality and responsive public services. Leading Lives, for example, span out from Suffolk county council in 2012. Previously a team of 450 people providing



social care as council employees, they became an independent business almost overnight. Skilled care workers one day, the next they faced the challenge of learning to run a medium-sized business.

Three years later and Leading Lives has made a profit each year, is expanding its services and—most importantly—is providing good quality and responsive services to people across the county.

As the inspirational Milly Gaskin, who chaired Leading Lives through the transition to worker ownership, says:

“The model that we chose was co-operative and we chose it with a lot of guidance. Because, in our business, we don’t have masses of buildings, we don’t have masses of minibuses, and we don’t have hundreds of computers—we have a workforce, we have a workforce which is our asset. They are our marketers, they are the people that get us more business, they are the face of what we do. Who else would you trust to run your business apart from your greatest asset? That was the driving force.”

Other public services that emerged during the Coalition government’s programme, of course, were more ambiguous. MyCSP, for example, the pension provider for central government civil servants, was spun out as a joint venture. Rather

than giving 51% or more control to its employees and users, 75% of control is held by central government and a private investor, with 25% retained by the employees. And, of course, running alongside the Coalition’s mutualisation programme was the straight privatisation of public services, from which large outsource providers like Serco have benefited.

The Coalition’s mutualisation programme was one of the most explicit moves towards democratising public services, with mixed results. But there are in fact countless other examples of co-operative public services that have been established. In the 1980s, for example, we saw mutuals taking up when local government-run homecare services for older people were stopped; in the 1990s a number of large tenant-owned housing co-operatives emerged from the sell-off of public housing stock; and in the 2000s we saw a number of significant ‘leisure trusts’ owned by a mix of staff, users and locals set up to run leisure centres.

And crucially, many mutuals are not just about new ownership structures for delivering established service models. Co-operative approaches in areas like care can also be a more transformative change in how individuals, communities and

services interact, and how power and resources are shared. There is growing interest in the UK in developing co-operatives that create and sustain new mutual communities of service users, families and care professionals.

Greenwich Leisure has become something of a poster child for mutualisation, too. It was formed in 1993 in order to run the leisure centres in the borough of Greenwich. Owned and run by a mix of staff, users and the local community, it has been performing impressively. Not surprisingly, its success has led to growth, and now the organisation is known as GLL, running leisure centres across London—and now with services in places such as York, Swindon and Oxfordshire—across the UK as well.

Working in the same field as Leading Lives is CaSA, the Care and Share Associates. Also a worker owned co-operative, it was formed in the north east of England in the 1980s when reforms around care in the community and home care provision were introduced. Led by Margaret Elliot, Sunderland Homecare Associates was established, and its success was replicated in different areas of the UK. It is now owned and run by 850 employees across the North of England, providing 18,000 hours of homecare a week.

Jeff Powell, a trainer at CaSA and elected member on the council that runs the organisation, says:

“The care sector is terrible for staff turnover, but we have a good record in staff retention because we are member-owned. Because we are the owners it’s easier to see that we can have a brilliant future if we manage it correctly and really get involved. We all have stake in the future of the business. You can see it in the way we bounce ideas off each other, the way we engage.”

What Leading Lives, GLL, CaSA, and other co-ops like them, are doing is helping to reform public services by democratising them—putting people in control of the services they run or use. The approach is working in everything from social care and leisure, to housing, foster care and health.

But as MyCSP and some other public service mutualisations indicate, not every mutualisation is a positive move towards democratising public services. Because of these concerns, in 2013 Co-operatives UK, the network for Britain’s thousands of co-operatives, signed a joint agreement on best practice with the TUC setting out some of the conditions that are needed for a legitimate mutualisation. The education unions have also signed up to guidance with the sector around the development of ‘co-operative schools’—state funded schools, predominantly in England, which have taken on the democracy and values of co-operatives.

The guidance includes ensuring there is a fair process when spinning out is proposed—a process that is led by workers, with trade union involvement and supported by the majority of staff. Crucially, the guide states that “public service mutuals cannot be imposed from above or outside and

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evidence of workforce consultation and support must be explicit and convincing.”

Additionally, it sets out the need for governance arrangements that ensure that the workers and users have genuine ownership and control of the organisation, rather than government or outside investors. This kind of democratic accountability is built into the structures of organisations like GLL, but in public service mutuals like MyCSP, or other charities and social enterprises where ownership is not shared amongst the users and staff, this is not the case.

So do public service mutuals help create more efficient, high quality and responsive public services? Yes, they can and often do, so long as they are genuine mutuals, owned and controlled by users and workers, who have a democratic say in how the service is run. ●

Giles Simon works at Co-operatives UK, the network for Britain’s thousands of co-operatives.

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