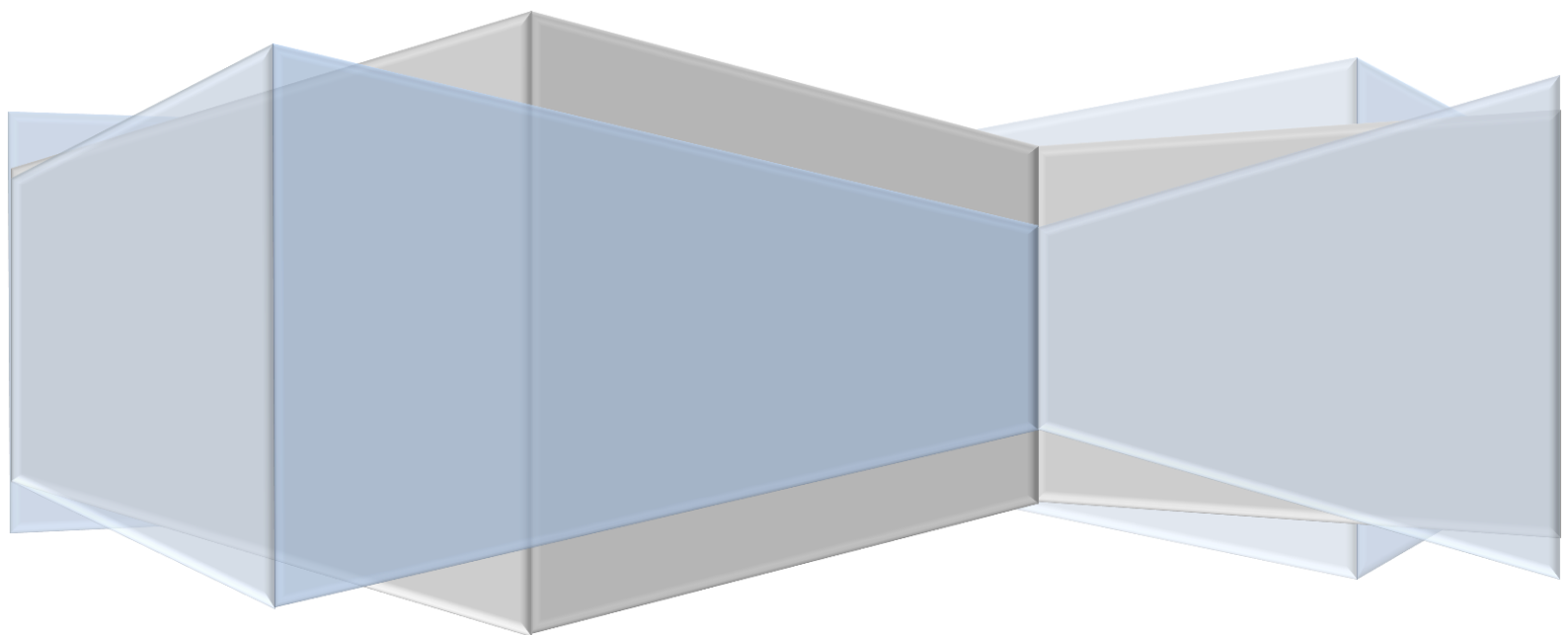




Creating Co-Op Councils

And Empowering Communities



Forward

Ideas Wales is committed to the renewal of political ideas and policy options for Wales. Where achievements have been made we seek to build on them. Where there are continuing problems we seek to think afresh on how to solve them. Where there are new challenges we seek to develop long-term approaches to face up to them.

In so doing we will draw on our historical traditions in Wales and Britain; and we will draw on good ideas and practice from around the world. Above all we will seek to overcome the cynical attitude that politics must disappoint, and relate political ideas practically to the lived experiences of people throughout Wales. We will rule no particular approaches in or out.

Seeking to re-launch the debate and exchange of ideas this is the first in a series of papers to be developed across 2013. Our ambition is to start to engage with academics, practitioners, campaigners and Labour Party members across Wales and beyond to develop ideas and policy recommendations for a fairer, sustainable and prosperous Wales under a Labour government.

Last year at the Labour Festival of Ideas we ran a session on the potential for community currencies as a means of developing sustainable local economies in Wales, and one of the contributing papers, by Dawn Davies, builds on this to discuss the uses of time banking in community development. The focus on communities is maintained by Dave Horton in his assessment of Communities First and recommendations for developing the initiative within a co-operative and mutual ethos. Such values underpin Andrew Lycett's discussion of social housing in Wales seeking to offer a co-operative approach to one of the biggest challenges we face on the public policy front.

Overarching these discussions however is our main article by Stephen Brooks. Setting out the case for the development of co-operative councils in Wales, Brooks offers a comprehensive review of the issue within the UK as a whole. This runs alongside an account of how Welsh Labour can lead the reform of local government building on its success in the 2012 local elections.

The ideas outlined in this pamphlet seek to start the debate across the Labour party in Wales on the direction its policy should develop. But it is also a starting point for Ideas Wales. Throughout 2013 we will be seeking to build on this paper and develop future papers into other policy areas. We hope that you will engage in this process and participate in Ideas Wales future debates and publications.

A pioneering approach to Welsh co-operative councils

Stephen Brooks

Stephen Brooks is a member of the Co-operative Party and a Labour Party activist. He is director of the Electoral Reform Society Wales and writes in a personal capacity.

Summary

Co-operative councils offers a renewed approach to delivering economic growth and social justice. By a Made in Wales approach must return to the first principles of self-help, self-responsibility, democracy, equality, equity and solidarity; and not act as a cover for privatisation and outsourcing.

Introduction

Co-operation has, for decades, underpinned the leadership and actions of many Labour-run local authorities across Wales and the rest of the United Kingdom. However, over the last few years there has been a concerted effort by the co-operative movement to define and make explicit what exactly a more coherent, cross-council co-operative approach to local government might look like.

This paper discusses the emerging co-operative approach developing in England, argues why Conservative councils there are falsely sailing under the flag of co-operation and localism (masking an old-fashioned Thatcherite approach to privatisation and outsourcing), and concludes that because of the unique political, economic and social factors effecting Wales, the co-operative movement here must develop a special “made-to-measure” approach, rather than attempt to “tailor” an English agenda and hope it fits our needs.

Co-operative councils – the emerging agenda in England

While co-operative values are timeless and remain as relevant today as they were a century ago, progressive thinkers and activists have rapidly begun to determine what a co-operative approach to local government might look like.

Prior to the 2010 UK General Election, the London Borough of Lambeth brought forward plans to re-focus the council’s operations along more co-operative lines. The Co-operative Party has played an active role in shaping the debate, facilitating the *Co-operative Councils Network*, a coalition of local authority Labour groups that are all seeking to transform the way their councils engage and deliver public services in their area.

21 Labour groups, some in control, others in opposition, have joined the network, and there is an exciting diversity of councils involved. The network features Lancashire milltowns like Rochdale and Oldham: home to many of the early co-operative pioneers; great northern industrial cities like Newcastle, Sheffield and Liverpool; provincial centres like York, Stoke and Cambridge; and the London Boroughs of Lambeth and Redbridge.

As more Labour councillors were elected in 2012 and as more Labour Groups gained overall control of local authorities in May, the prospects of an expanding network of co-operative councils looks promising.

Local government is the ideal place for Labour to put into practice its co-operative ideals. In England and Scotland, where the party is currently out of power, local government offers Labour an opportunity to show voters how Labour would provide responsible financial management at the same time as protecting frontline public services and promoting local growth and jobs.

The Co-operative Councils Network is already fulfilling one its important tasks: showcasing and demonstrating what a co-operative approach in action looks like. Highlighting examples like Rochdale, where the council is mutualising its housing stock; Liverpool where the council is adopting a co-operative approach to empowering residents to take action on local environmental and crime problems; and in Sunderland where the council is providing support to its staff to develop mutual enterprises.

Transforming local authorities into co-operative councils not only requires local leadership, but also national engagement and support. So for us in Wales, with a Labour government, the opportunity for Labour locally and nationally to work together is even greater.

In Wales, where Labour has witnessed a steady decline in its powerbase within local government, a co-operative approach offers the party a means by which local leaders and representatives can re-connect and engage more strongly with local communities. Many communities across Wales share our party's values, but tire quickly of the 'local-statist' command and control approach which too many Welsh Labour councils have adopted over the years.

Local government still has competency over a wide range of areas, even despite decades of Conservative and regrettably Labour centralisation. Many of these policy areas: education, local economic development, planning, social services, environment, transport and leisure can often have more of a direct impact on the quality of life of local communities than many of the issues that dominate the headlines of the *Western Mail* and ITV News At Ten.

The early pioneers built the co-operative movement from the bottom-up; they held a positive vision of the value of politics and the ability of political action to transform lives. They were not 'managers'; they were 'leaders'. Labour can and should be more than just competent managers of public services and economic development. Labour, in power in the National Assembly and across local government in Wales must adopt the same pioneering mentality and transform the fabric of the nation.

But Wales is different. Our system of local government is different; and the complex set of social, economic and environmental challenges facing Wales and local government is different. That's why Wales must look closely at the emerging co-operative council movement in England; learn what's working and why; understanding what's not working and why; but be mindful of differences when shaping our own agenda.

Returning to first principles

In developing a *Made in Wales* approach, an important task for co-operative policy-makers will be to return to first principles, and consider how the values and principles of co-operation relate to Wales' unique needs and circumstances.

The International Co-operative Alliance defines the values of co-operatives as being based on the notions of 'self-help, self-responsibility, democracy, equality, equity and solidarity' and the ethical values of honesty, openness, social responsibility and caring for others.

Regrettably, some Labour councils have allowed other political parties to steal the march on us on many of these values. While the party's commitment to equality, equity and solidarity are evident in almost every action taken by a Labour-run local authority; some Labour councils have allowed political cultures to develop that could not be described as honest, open and democratic. Fostering a more co-operative approach will enable a return to a more ethical form of socialism; a socialism where means, and not just ends, matter.

In 1995, the International Co-operative Alliance revised its guide on how co-operatives should 'put their values into practice'. The revised principles covered how co-operatives should adopt approaches that promote:

1. Voluntary and Open Membership;
2. Democratic Member Control;
3. Member Economic Participation;
4. Autonomy and Independence;
5. Education, Training and Information;
6. Co-operation among Co-operatives;
7. Concern for Community.

Given Wales' unique set of political, social and economic challenges, how co-operative policy-makers apply these principles in Wales may well differ to how such principles should be enacted in England.

Wales' relative weak economic position; our culture, language and sparsity of many of our communities, poor connectivity within and between local authority areas all impacts on how the development of a *Made in Wales* co-operative approach. Add to this the collaboration agenda that has shaped public service reform in Wales for over a decade, and the relative lack of capacity within the third sector in Wales (in comparison to England) and it becomes evident that this is not a quick and simple 'cut and paste' of English best practice; but a thoughtful drafting of a co-operative approach that meets the challenges set out above.

Why a co-operative approach to local government is long over-due

Wales remains within the grip of one of the most serious financial crises in modern history. While flat-lining growth, and rising unemployment are two well-reported headline indicators of the direction the UK is travelling towards; a raft of other social, economic and environmental figures illustrate the sheer scale of the challenge facing our politicians. Child poverty is rising; health inequalities are rising; youth unemployment is rising. Our natural resources, on which our future economic wellbeing depends, are diminishing at rapid rates and become scarcer and more expensive by the day.

The policy 'time bombs' which loudly ticked before the credit crunch; most notably long-term worklessness, runaway climate-change and peak oil, spiralling social care costs, pensions and an aging population; are all still ticking and largely waiting to be tackled.

Rising demand on public services coupled with funding cuts driven from the UK Government has created the perfect storm for local government. At the very time when more people

need the support of public services to sustain their quality of life, and a growing economy to maintain and increase standards of living, local government and other public service providers are being made to make cut backs.

It would be easy for Labour, in power in the National Assembly and across growing swathes of local government in Wales, Scotland and England to 'play the blame game'; to be exclusively oppositional to the UK Government's austerity programme. But to do so would be a gross abdication of the responsibility we have to the people we seek to represent.

Clearly, the old days when Labour could promise economic competence coupled with the fair distribution of the proceeds of growth are gone (at least for now). Labour, and in particular, Labour councils, need to find a new way that protects frontline services, and creates jobs and growth whilst at the same time delivering fiscal responsibility. It's time to take back 'prudence'.

Professor Kevin Morgan neatly visioned what this approach might look like at a 2010 IDEAS Wales seminar. Kevin said:

"A Labour future would be one based not on shrinking the state, but on refocusing its operations so that it enables."

It is a false, but sometimes attractive, proposition to say that the future of local government and public service delivery is a polemic choice between 'business-as-usual' and shrinking the state.

Business-as-usual being the approach which sought to guarantee front-line services by driving through efficiencies, tackling waste, and (dare I say it) enforcing collaboration. This approach may provide good outcomes in terms of the delivery of public services and make us feel warm inside as socialists that we are protecting the most vulnerable, but it fundamentally fails to grasp the current financial and future political challenges that we face. Ultimately, if we do not tackle those financial challenges now we will be unable, in the longer-term to deliver good public services and shelter people, especially the disadvantaged from the coming economic and environmental storms.

But a rejection or at least a healthy scepticism of the business-as-usual model is not an embrace of the neo-liberal push to shrink the size of the state.

Conservative attempts to outsource and privatise public services may, in the short-term appear to reduce costs, but do nothing to improve outcomes. Ultimately Del Boy-economics and Tory-get-rich-quick schemes rarely turn out to generate the promised level of efficiencies and savings originally stated. Worst still, such schemes often generate additional sets of unintended outcomes that require additional financial inputs in other areas to rectify. And as we know too well, it is the poor and the most vulnerable who pay the lion's share of Tory failure.

If the business-as-usual model is no longer sustainable, and the 'shrink the state' push unsustainable by its very definition, then it is the co-operative model that policy-makers must embrace. The co-operative model is one which can generate the social and economic

outcomes everyone on the Left wants to see, whilst addressing the criticism of the Right that ‘there’s no more left’.

The scale of the challenges facing the newly elected Labour government of Clement Attlee in 1945, almost certainly required a set of solutions driven by an activist government. The establishment of a *national* health service; a *national* programme of homebuilding; not to mention the *nationalisation* of the means of production and distribution in key industries; and (one of Labour’s unsung historic achievements) the creation of *national* parks; were all critical factors in the regeneration of post-war Britain.

But arguably, in seizing control of the national levers of change (for the right reasons) many in Labour forgot that, ultimately, a strong ‘statist’ government should be one of many means to an end, rather than an end in itself. Blue Labour thinkers are at least correct in part of their diagnosis of Labour’s current problems: the party has, in many areas forgotten its decentralising, self-help, democratic ethos.

The debate on co-operative councils therefore should not be an internal conversation within the co-operative movement; rather it should reach out and engage with those parts of the Labour party that still considers ‘big is best’. The co-operative movement must be sensitive to the suspicions held by some on the Left that co-operation and mutualism undermines the ability of the State to act as a strong force for good and protect workers’ rights. While this suspicion is often founded on a confused appreciation of what, exactly, co-operation is and means; it is a suspicion that is at least understandable given the way neo-liberal thinkers on the centre-right have, over the last four decades, attempted to steal our language. “Self-help” and “self-responsibility” became watch-words of Thatcherism – but defined not on co-operative lines but on the fundamental notion of the deserving and undeserving poor: focused through the lens of the individual and the need to pull yourself up “by your bootstraps”. There was no language for collective action.

More recently, David Cameron has championed ‘co-operation’ and allied it to his *Big Society* agenda. But for the prime minister, ‘co-operation’, as with ‘localism’ is semantic cover for privatisation and the shrinking of the state. There is nothing more Welsh than the philosophies of mutualism and localism: self-help, self-improvement and suspicion of centralized authority have underpinned the Welsh radical tradition for centuries.

Yet there has been a flotilla of flagship Conservative councils, attempting to transform local government and the delivery of public services. But, sadly, all are captained by political pirates, falsely sailing under the flag of localism and co-operation.

The London Borough of Barnet is just one example. Under the mantle of *One Barnet* the Conservatives there are aiming to radically re-construct the council so that it becomes ‘a truly citizen-centred council to help...residents to lead successful and independent lives’. With words like “empowerment”, “resource efficiency”, “joined-up services” and “ownership” peppering a litany of council documents, Barnet’s corporate literature is easy-pickings for a game of co-operative bingo.

But the theoretical foundation of *One Barnet* is not co-operation and localism; rather it is bad old-fashioned Thatcherism. Underpinning *One Barnet* is the false assumption that better

outcomes can simply be delivered through increased efficiencies; that the public sector is inherently inefficient; that efficiencies can only be maximised by competition; and therefore market forces should be unleashed to revolutionise provision.

One Barnet has been labelled by its critics, and its unthinking advocates, as an easyCouncil: a local authority equivalent to a no frills airline. In some respects this is true, budget airlines are piled high with hidden extras – additional costs for essentials services. But perhaps more tellingly, just as a budget airlines rarely lands at its advertised destination, leaving cabinfuls of passengers lost and confused; Barnet's claim to be flying in the direction of localism and mutualism is equally misleading. Barnet is not an example of a co-operative council; it is a Conservative council that is heading in exactly the opposite direction.

Barnet is attempting to recast the design and delivery of its public services along a no-frills business model. The basic tenet of this approach is that Barnet residents pay a reduced level of council tax to support and receive a basic set of services, but are able to make additional payments to access additional services. One well-used example is that for a surcharge individuals are able to jump the planning control queue in much the same way a passenger can pay for an express check-in at an airport. This is clearly a deviation from the co-operative values of equality, equity and solidarity. It is less 'self-help' and more 'help-yourself'.

As reported in the Guardian, Barnet awarded a £1.3million security contract without undertaking basic financial and security checks. The failure of the council, which neglected to even put the contract out to tender, surfaced not because of internal or external auditors, but by a band of local activists and bloggers who initially uncovered some allegedly dubious practices of the contractor in question.

Elsewhere, similar reforms have been ongoing. In Conservative-run Suffolk, the council is attempting to slash its budget by a third through privatising and outsourcing most of its services. Suffolk isn't just talking about services such as the collection of council tax or bins; but rather libraries, older people's care homes and even child protection. Within four years, Suffolk hopes to be a 'virtual' council: essentially a commissioning body that does not deliver any public services.

This neo-liberal manoeuvre removes any form of democratic accountability between the citizen and elected representatives. Who is responsible for a failure in child protection when a private contractor wholly delivers that service? How do voters in Suffolk change the direction of public services when virtually all of those public services are governed by a complex set of contractual arrangements? The co-operative values of democracy and self-responsibility are nowhere to be seen in Suffolk's approach.

Then there is Bury. Bury's previous Conservative council which lost power earlier this year, like Suffolk saw its role as a commissioning body. Its leader argued that as long as services are good and deliver value for money, 'what's the problem?' Its strategy document *Transforming Bury* trail blazed an astonishing laissez-faire approach to issues like anti-social behaviour and the local environment. Here the push was not just to reduce the size of the state by commissioning the private sector to deliver public services, but rather to question whether some public services should exist at all. Litter? Local residents should pick it up.

Anti-social behaviour? Communities should tackle it themselves. Should satirist Armando Iannucci ever want to create a sitcom lampooning the Thatcherite politics of local government, he could set it in Bury town hall; although I doubt many Bury residents would be laughing.

The privatisation and outsourcing story is not just confined to local government. In Devon, the county council and the local NHS trust is privatising core children's health services. While some public and third sector organisations are in the bidding, Virgin Care has been named preferred bidder: despite the Big Society rally calling of local people running local services.

The West Midlands and Surrey police authorities have begun a process to privatise all functions that are able to "be legally delegated to the private sector" in a set of contracts worth an estimated £1.5bn. Add to this elected police commissioners, and the UK Government is not only overseeing the privatisation of the police but is also risking its politicisation. I sincerely hope that Labour & Co-operative candidates for this year's police commissioner elections lay out what a co-operative approach to policing and tackling anti-social behaviour looks like.

It is all too easy to dismiss these developments in England as part of its general drift towards the right, to argue that with a left-of-centre political hegemony Wales, lapped by clear red water, we will resist this drive towards privatisation and outsourcing.

Yet this argument forgets that the UK Government still administers a raft of public services in Wales; that the shape of public services in England directly impacts on the shape of public services in Wales, not least in the form of Barnett funding. As we have seen, with David Cameron's recent interventions on Welsh public service reform, the Conservatives across the border are not afraid to use the failures of the 'business-as-usual' approach to push hard-line Thatcherism.

If Carwyn Jones is to succeed in his ambition to create a fairer Wales "in which every person is able to make the most of their abilities and contribute to the community in which they live", then Welsh Labour will need to think afresh and ensure co-operative values underpin all policies, programmes and legislation.

Fresh, Labour leadership across swathes of councils in Wales offers a unique opportunity for local government to be at the vanguard of developing this new co-operative future.

Learning from best practice

Given the challenges that face local government in Wales (decreased funding and increased demand) the emerging co-operative council model offers a new way of delivering social justice, economic growth and environmental sustainability in our communities. As outlined above, co-operative councils are a means by which Labour can demonstrate how it is delivering on its core principles whilst recognising the constrictions of the current financial crisis.

There are three areas where co-operative councils in England are developing activity; all of which can be applied in Wales.

1. Re-shaping councils as co-operative organisations (internally);
2. Re-designing and delivering public services along co-operative lines;
3. Redefining the role of the council externally (championing, facilitating, engaging and convening).

Reshaping the council as a co-operative organisation

The London Borough of Lambeth's 'white paper' rightly recognises that:

"Having the right organisational culture in place is vital if the co-operative council approach to designing and delivering services is to become a reality".

The sea change in Lambeth's operations was not confined to service delivery, rather the Labour leader sought to drive an organisational culture change and shift the corporate mindset. Lambeth ensured its political leaders and senior managers were seen to 'live' co-operative values, and identified five core tasks to implement this change.

A heavy emphasis was placed on the gathering of new ideas. Innovation and the generation of new ideas were valued and became a core part of everyone's jobs. Space was given to thinking, to horizon scanning, and to looking outside of Lambeth for new ideas and best practice.

To incentivise staff participation, senior officers and staff co-produced a set of non-financial incentives for workers, aligning staff recognition and award schemes accordingly.

Building on efforts to gather new ideas, political leaders and senior officers ensured that staff within the council were 'aware of the process' for designing new and re-designing existing policies, programmes and services; so that staff with ideas or learning knew when and where they could input into the decision-making process.

The council expanded the 'freedom to experiment' and devised new approaches for testing new ideas. The council noted that previously, a narrow range of tools was used to test new ideas, and encouraged a move beyond traditional piloting, using new methods like modelling, simulation, prototyping, and action-learning.

And akin to the development of the Number 10 Strategy Unit, the council created the Lambeth Innovation Exchange to act as a 'thinking hub', a place where new ways of delivering public services and economic development could be generated.

Driving forward this cultural and structural change within a council; ultimately rewiring how a council thinks, acts and behaves; is an enormous task. In this instance, there is much that emerging co-operative councils in Wales can learn from those councils in England. However, with a Welsh Labour Government in Cardiff Bay, an even greater opportunity exists to co-ordinate the sharing of education, training and information between officers driving this change forward. A co-operative Welsh Government can facilitate co-operation among co-operative councils.

Re-designing and delivering public services along co-operative lines: focus on what matters.

Designing and delivering public services, as this IDEAS Wales series of papers shows, is not code for outsourcing and privatisation. Placing co-operative principles at the heart of public services ensures, for example, the shifting of the emphasis on to more personalised services, ensuring council staff work closely with citizens to design appropriately tailored programmes. By extension, those services that are most appropriately delivered at a community-level, should be targeted to the specific needs of the community – again, ensuring that those in receipt of the services are involved in the design.

Lambeth sought to prioritise investment in ‘active public services that maximise life chances’; investment in services which it argued had the greatest potential to improve the medium-to-long term life chances of its residents. The greatest effort on citizen engagement would place in this sphere of policy. Council activities such as housing, regeneration and safeguarding children all fell into this category. Set aside from ‘active public services’, Lambeth identified day-to-day public services, which whilst important to quality of life, did not fundamentally alter the life chances of the borough’s citizens, such as refuse collections. In this sphere, public engagement would be supported but to a lesser degree than in ‘active public services’.

This co-production approach directly mitigates against the evils of the ‘great dictator’ of which Robert Owen warned.

Redefining the role of the council externally (championing, facilitating, engaging and convening).

Lambeth also sought to redefine its corporate purpose, championing its role as a ‘strong community leader’. This meant, in part articulating a vision and strategy for the borough, around which public, private and third sectors could all unite, but also developing its role as an enabler: supporting the expansion of skills, capacity and confidence amongst civil society organisations and the general public to become involved delivering Lambeth’s ‘new settlement’.

Welsh solutions for Welsh needs

While the three-pronged approach of: re-shaping councils as co-operative organisations; re-designing and delivering public services along co-operative lines; and redefining the role of the council externally are all applicable to Wales, particular consideration needs to be given to how this approach should be adapted to meet the specific needs of Wales.

The most urgent, I would argue, is ensuring the wider participation of citizens in decision-making. The values of democracy, equity and solidarity must underpin every co-operative council. These values must be the basis not just of individual programmes or services, but of the council as a whole. Co-operation must be the council’s central organising principle. This means that during elections, local citizens must have the greatest degree of say over the political direction and priorities of the council. It also means that between elections, local citizens must have a greater degree of influence and ownership over their council.

As Anna Turley of ProgLoc wrote, co-operative councils would “enable a new approach to the relationship between the elected politician and the community” assisting the Left to “reinvigorate local democracy, and ensure local government is focused on empowering people to bring about change in their community”.

Yet sadly, local government is not the shining beacon of municipal democracy that the people of Wales deserve and expect. Our electoral system has monumentally failed to sustain vibrant local politics. The number of uncontested seats across our unitary, and town and community councils is shameful. The people of Bryncreg/Llanfihangel in Gwynedd went without local representation for a period from May 3rd 2012 as no nominations were received for the scheduled election and a by-election had to be held. In Ceredigion voters in only one ward will have the opportunity to vote Labour. Across Wales, the Electoral Reform Society estimates that nearly 140,000 people were denied a vote because of uncontested seats. The unfairness of our ‘First Past The Post’ system is stark. In 2008, Labour came first in the overall share of the vote in Merthyr Tydfil & Rhymney but came a poor second in terms of numbers of seats. Across the border in England, the Liberal Democrats won every single council seat in Eastleigh in 2011 despite winning 47% of the popular vote. In Bournemouth, the Tories won more than 4 out of every 5 council seats whilst only receiving 39% of the vote. In Havant the Tories hold all the seats, and Labour too in Manchester.

These one-party local states run contrary the co-operative ideals of democracy, equality, and openness. Electoral reform for local government has to be part of the co-operative package therefore. The Single Transfer Vote, a form of proportional representation where citizens vote by ranking candidates in order of preference in multi-member wards, has to be the preferred system. Proportional representation will not solve local democratic deficits overnight, but it will open up our local politics and ensure democracy and fairness; and most important of all - allow citizens the greatest degree of say over the political direction of their local council.

Outside of elections, co-operative councils will need to work hard to ensure a wide and meaningful participation of citizens. Research undertaken by Ipsos MORI uncovered support for greater involvement in local decision-making, but uncovered strong unease that powerful interest groups could capture power. The most vocal, those with greatest access to resources, those with existing relationships to sources of power, could all disproportionately benefit whilst those who lack resources, power and influence would all lose out.

Consideration therefore must be given to ensuring co-operative councils do not, unintentionally exacerbate social exclusion. We should recognise that powerful interest groups are not just organised, articulate and resourced middle-class council taxpayers. Local progressive politicians, driven by strong sense of paternalism can often act as a powerful interest group in their own right, making assumptions about the priorities of local people.

So while the general public welcomes greater involvement in the design and delivery of local services, co-operative policy-makers must be mindful not to create structures that can be ‘hi-jacked’ for the benefit of the few, against the interests of the many.

Conversely, co-operative councils must take steps to ensure measures are put into place to involve traditionally excluded groups. As Max Wide, director of iMPower argues:

“Traditional forms of accountability see the world through a service provider lens. They are usually based on performance indicators and are, at best proxies for reality. People who receive those services rarely have any part in constructing them, which means that all too often the story of the experience of the whole population is missed.”

Further, Max Wide warns that:

“A statistic like 73% satisfaction with a benefits service seems reassuring but 10% of the whole population (people whose first language isn’t English for example) might be 100% dissatisfied with it.”

Co-operative councils in Wales must therefore strive towards equitable and meaningful engagement with all citizens. This will require a complete shift in culture amongst councillors and officers about how they engage and interact with residents.

Recasting the relationships between Welsh and local governments

The relationship between the Welsh Government and local government has never been as important as it is today, and for co-operative councils to take off in Wales there will need to be a more fundamental rethink in the relationship between Welsh and local government.

Since devolution, many of our national politicians have cut their political teeth in local government, either as councillors or officers. While on one hand this is a strength – assembly politicians arguably better understand local government than their English counterparts; on the other hand the lack of distance and defined roles and responsibilities between the Welsh Government and local government leads to an often-fructuous relationship.

Historically, Welsh Labour governments have been reluctant to hypothecate too much local government funding and have avoided setting too many centrally-driven targets – yet this ‘hands-off’ approach has met with fierce criticism, often from the party’s own backbenches in the Senedd. On the flipside, when the OECD’s PISA tests show Welsh pupils falling behind, or a critical inspection leads the Welsh Government to place a council under special measures, the accusation of meddling and political interference is flung at Welsh Ministers from local leaders.

It was an often-repeated criticism of the two-tier local government structure, that citizens did not know which level of council provided which service. This was arguably bad for democracy, as lines of accountability were unclear. The people of Wales were told that the 1990s local government reform, which saw the 45 counties and districts reduced to 22 unitary authorities, would not only deliver greater financial efficiencies but also improve local democracy and accountability. But fast-forward nearly two decades, and the question of who holds responsibility for the problem of declining levels of reading, maths and science amongst Welsh pupils is as muddled as it ever was.

David Wilson and Chris Game in their book *Local Government in the United Kingdom* illustrate the ‘classic problem’ of local government by citing the description of Ben Page from

Ipsos MORI: *“people seeing politicians they don’t quite trust, doing things they don’t quite understand, and getting a direct bill for it”.*

Problems, which should not be problems, surface as symptoms of this underlying confusion. I heard one council leader rail against the Welsh Government for ‘dictating’ when his council should sit in full session. The aim of the Welsh Government had been to improve the family-friendly working hours of councils, enabling a more representative people to enter politics. This is an aim the said council leader in question undoubtedly supported, but his suspicious of ‘central interference’ trump his concern for promoting equality and diversity.

The complex and complicated relationship has been governed by a series of concordats, frameworks, partnership agreements and memorandums of understanding but despite all of this, the division of roles and responsibilities between Welsh local government and the Welsh Government remain as fuzzy as the regional boundaries of the old Wales Spatial Plan.

Thankfully, a series of papers on co-operative councils and public services is not the place to detail how, exactly, the relationship between the Welsh and local government should be clarified. However, it is clear that this relationship needs much more definition and clarification; and is perhaps a debate that needs to be elevated above the day-to-day fray and considered through an independent mechanism.

Conclusion

In twenty years time, the 2012 local elections in Wales should be looked back on as the moment in history when Welsh Labour, in power across huge swathes of the country, forged a new approach in the delivery of social justice and economic development.

At the heart of this new approach was a firm rejection not just of the Conservatives’ laissez-faire neo-liberalism, but of the old paternalistic view that we must keep people shackled in a state of dependency, tied to the strong machinery of local government.

Co-operative councils across Wales would showcase how Labour put into place a new way of designing and delivering public services. The Welsh Labour Government would have demonstrated the important enabling role central government has, whilst Labour councils across Wales would have worked closely with each other to develop new ways of transforming our schools, our local economies and social services; proving false the argument of those who assert that in a time of austerity the most we can hope for is the managed decline of public services.

Labour leaders across Wales would have asserted that the co-operative principles of ‘self-help, self-responsibility, democracy, equality, equity and solidarity’ and the ethical values of honesty, openness, social responsibility and caring for others, should underpin each and every action undertaken by Labour councils. Labour councils are democratic councils.

As a party, we will have overseen a sea change in the culture and internal structures of local government. We will have reshaped our councils as co-operative organisations; bodies that placed a high value on the generation of new ideas, innovation, and long-term thinking. We

will have revolutionised how we design and deliver public services, ensuring citizen engagement was at the heart of personalised services that improved the life chances of many. Labour co-operative councils will have also redefined the role of local government; our councils would demonstrate leadership, acting as a local champion for economic development and investment, working closely with civil society to deliver a vision for the future.

Welsh Labour will have been responsible for reinvigorating our local democracy; we will have empowered voters by introducing a fair voting system; and outside of elections we will have used new methods to involve and engage citizens in the direction of each councils.

And 2012 will be looked back on as the year when the Welsh Labour Government drew a line under the muddle, confused relationship between it and local government. It will be the year that it chose to recast this relationship, providing a 'new deal' for local government; devolving power to local government and freeing it to get on and deliver on the condition that local government did not hoard power, but handed it back to the people.

We would have forged a new view of Welsh society, and delivered it through local government.

Time Banking for the Co-operative Council

Dawn Davies, Chief Executive of Creation Development Trust

The Lambeth Council proposals offer time banking as a tool for engaging local people in co-op councils. Whilst certainly usable as a tool for engagement such a view potentially limits the potential contribution time banking can make to local communities. In what follows I outline the background of Creation Development Trust, our use of time banking, our success and our efforts to introduce time banking across the Borough.

Background

Creation started trading in April 2000 and registered as a company limited by guarantee in May 2000. The impetus to set up the organisation was created by the lack of interventions by Government, up until that time, to address the social and economic aftermath following the closure of the mines. Underpinning this was a £17m reclamation scheme in the Garw Valley and the establishment of the Welsh Assembly.

The original founders of Creation, including myself, had some experience in community development through the arts. We wanted to set up a regeneration organisation working across a range of themes with the general idea that we would capitalise on the newly created landscape and some funds that were starting to be made available for regeneration.

An opportunity to take over the management of Blaengarw Workmen's Hall (BWH) had also presented itself. BWH was a former miners' hall and we felt that using this as a base to stimulate enterprise, learning and positive cultural change would be a fitting tribute to the miners who had paid to build it.

The organisation became a Development Trust and a registered charity in 2002.

Since this time, Creation has successfully delivered a range of projects along the themes of children and young people, local food, learning, arts and culture, environment and biodiversity, active citizenship and community owned asset development.

Timebanking

Creation is well known for its Timecentre project which was started in May 2004.

In early 2004, we were aware that we needed to find a mechanism to deal with the ever increasing offers of help from local people and started to look for a way to structure a volunteering programme.

We attended a lecture by Edgar Cahn, the founder of time banking in the US, at Valleys Kids in early 2004 and met Geoff Thomas of Timebanking Wales.

Timebanking Wales (called the Welsh Institute of Community Currencies at the time) had received Objective 1 funding to work with organisations like ourselves to trial different types of timebanks across Wales. Subsequently, we devised a new type of time bank based on 'co-production'. The idea was that we would use the spare capacity at Blaengarw Workmen's Hall's theatre to reward active citizenship in the community. Members

would decide how they wanted to help their community.

We raised a small amount of funding and we ran a two year pilot. As we did not have much funding, membership was limited to 120 members for this period.

The Timecentre works by rewarding volunteers for their contribution to their community by giving them one 'time credit' for each hour of active citizenship they contribute: one hour = one time credit.

Members gain time credits by running groups, clubs and classes, organising events, village and river clean ups, working in the local café, managing community projects and a whole range of other activities.

Credits used can then be spent in order to attend events and trips, cover the cost of room hire and photocopying and to have a reduced price meal at Creation café.

During the pilot phase, we experimented with the existing recording system used for person-to-person time banking. This worked by each individual member receiving a monthly statement which had recorded each hour of activity. We found this to be very time consuming, labour intensive process hence the need to limit the amount of members involved in the pilot. Our breakthrough came when we introduced the physical community currency. Members became responsible for ensuring that they were rewarded for their time through the leader of the event, activity or group. We developed a community currency distribution structure which led to us opening up the scheme for increased membership and mass engagement of local people.

Over the last three years, we have introduced time banking into other

Bridgend communities by working with 'key driver' organisations who become our time banking partners.

We have Street Ambassador schemes in three communities and also manage the Neighbourhood Watch Network (NHW) for the Bridgend County working closely with South Wales Police. We have taken some time to meet all the NHW Co-ordinators and bring them together in their localities with the view to them becoming key community organisers. We are also working with one of our young social enterprises developing a project called Syblings which will create a network of young ambassadors project called Street Sybz. These young people will represent what they are passionate about for example, music, cricket or dance.

Current Timecentre membership stands at 1,925 individual members and 50 group members spread over 9 different communities.

The impact on individuals that get involved in the Timecentre is that they feel less lonely, they get involved in the social life of the community, they renew old friendships and make new ones, they feel more useful and valued, they have an opportunity to express themselves through arts and crafts and cultural activities and have more opportunities to get involved in the governance of their community.

Key outputs have been:

- Latent talents and skills released for community use
- Learning network established
- Over 700 people have undertaken a learning course 79 adults gained qualifications for the first time
- Increased community spirit
- Reduction in anti-social behaviour

- 27 new groups formed
- Additional 30,000 hours of active citizenship a year created
- 17 new social enterprises formed or emerging
- Over 100 people moved into work

We plan to continue to expand time banking by working with South Wales Police and the NHW network to rebuild community networks in any local community that wants to do so. We are in the process of seeking new funding for this work.

We feel that it is important that time banking is grown organically and gradually so that it becomes embedded in everyday life and builds strong foundations for communities to grow and prosper. Supporting the development of time banking is a 'learning by doing' way of working which is only successfully accomplished by allowing people to develop in their own time at their own pace. This ensures that people weave their new knowledge into their way of life and positive change is achieved.

Time banking across the Bridgend County

We generally work well with the local authority – they have some very good officers and we are well supported by cabinet members.

We are not currently accessing any of the local authority administered grant funds as they have taken the decision to pay third sector organisations retrospectively and with grant funding to generally become less and less reliable, we feel it is too risky to receive funding in this way.

There is still some work to do in terms of 'co-producing' projects with the local authority although this may be achieved

through the development of the Berwyn Centre project which aims to refurbish the local theatre in Nant-y-moel in the Ogwr Valley. Creation is acting in an 'honest broker' role to devise a business plan in readiness for the community to take over the running of a newly refurbished building in the next 2 years (dependent on successful funding applications).

The local authority is piloting time banking in one of their sports centres and we are hoping that another sports centre will join the scheme in the next few months.

Time banking in other countries

Creation has been taking the time banking into other countries.

Following a time banking conference involving Creation in Japan, visits to Blaengarw and the US, Groundwork Fukuoka, Japan has now started a time bank in the rural area of Joyo.

We are also hoping to work with two organisations in Croatia this year and introduce time banking to the town of Karlovachko. The first project will involve young people designing a tourist map of the Garw Valley for young people through the young person's perspective. The second project will be working with an organisation called ZUK to create a young person's cultural network addressing the increase in physical violence amongst young people.

We have also hosted time banking visits for organisations from Sudan, Kenya and Hungary.

The Timecentre project was a front page case study for the time banking magazine published by Edgar Cahn that is distributed across America. In fact our model of time banking, which is referred

to as a Person-to-Agency model has become a global model.

Our P2A model works on the same principles as time banking set out by Edgar Cahn but rather than exchanges taking place between individuals they predominately occur between Creation and local people. So we have groups and sports clubs who earn time credits for their voluntary activities and can use them to access social events and educational courses we run through BWH. But it is not simply the case that we in Creation decide what activities and events are exchanged, it depends on our members and they also have an important input into our activities: after all it is there community.

Expanding time banking throughout Wales

We are currently organising time banking courses at Blaengarw and have devised a work book so that people can attend the course and use the work book to set up their own time bank in their community.

Local authorities could be key facilitators in the assisting the expansion of time banking throughout Wales. Many local authorities manage the Communities First programme and time banking could be used as the key engagement tool. It enables the utilisation of all assets – people assets and building assets – to be utilised more effectively.

Some examples of how time banking could be used to tackle a range of issues in the community could be as follows:

- Subsidised public transport accepting time credits
- Developing a network of Street Sybz to work with young NEETS in return

to free access to local authority sports centres or cinemas

- Street Ambassadors in each community helping to ensure two way communication
- Neighbourhood Watch Co-ordinators working with PCSO's to create safer communities
- Business Timebanking Champions who offer discounts of goods and services in exchange of time credits
- New training projects set up for young people offering services for time credits as a way of practising their skills and moving young people into work
- Learning reps developed to support people into learning

The challenge for the Co-operative Council is that the efforts to use time banking need to make sure that members drive activities as much as the organisations that are developing practice. In a similar sense to co-operative practices members have ownership and a say in time banking activities; both co-ops and time banking are built around ideas of mutualism and reciprocity.

The advantage that time banking, if properly developed, provides to local councils is not simply a tool for engaging local people but offers local people the tools and resources they need to create co-operative, resilient and vibrant communities. Since 2000 Blaengarw has transformed from a marginalised and excluded community tucked away at the end of the Garw Valley to a globally recognised time banking success, a model of best practice and stronger, more cohesive community, reigniting the reciprocal ties that existed when the mines were in operation.

Support from the Council

Developing time banking will depend on the type of support offered by local councils, and here I outline a few possibilities which over the years I have seen as key to developing our success.

Keeping cash flowing so that the good work can flow

The third sector work in areas of market failure, with people that systems have failed, who are living in the most difficult circumstances, suffering the worst health, social and financial problems. The third sector does not just deliver services; they are an important part of these peoples' lives, empowering people in a meaningful way.

Local authorities can help the voluntary and community sector to help the poorest and most needy people in society by easing the burden of chasing money by:

- Paying a percentage of funding in advance and paying on time on a regular basis
- Easing the burden of the third sector dealing directly with auditors making clear decisions, using clear deadlines and sticking with decisions once they are made

Work with the third sector in good times not just bad

Local authorities tend to be more proactive about working with the third sector when there is less money around. Working with the third sector can bridge the trust and delivery gap between the local authority and the people that need

services. This is the case when there is money in the system or not.

The third sector is not a threat to the public sector

The third sector should not be seen as a threat but a critical friend. The third sector is not cost free but can be good value as it can harness a huge amount of voluntary help and support from the public. Costs are being cut in the public sector; cut services can be enhanced by the third sector.

Community empowerment is not a tick box exercise

Community empowerment is a process that helps people who feel powerless to become empowered. This involves helping a person reach their potential so that they, in turn, can support society rather than be a burden on society. Helplessness turns to hopelessness turns to recklessness. The third sector understands the community empowerment process and can help local authorities achieve empowered, self-sustaining communities.

Don't tender for services; commission them

There is a lot of innovation in the third sector that can be stifled by procurement through tendering which involves local authority officers designing projects. If a local authority commissions the third sector, this will enable the third sector to come up with innovative solutions to a problem as they understand the issue in depth. Commissioning will also allow local authorities to engage with organisations that have a proven record of achieving results.

Is there a place for community development in Wales?

Reflecting on 6 years of Communities First in Ely & Caerau

Dave Horton

**Snr Community Development Worker,
Ely & Caerau Communities First**

The flickering flame

I am writing this during the week following the London 2012 Olympic games. Like most people, I was sofa-bound and glued to the television throughout, watching other people exert themselves. I loved the sense of common humanity and goodwill, the little every day stories of effort and sacrifice, triumph and tragedy. It didn't always look like it was going to turn out like this...

My most grumpy pre-Olympics moment came when I took my two daughters to see the Olympic torch pass through Cardiff. After waiting expectantly with the throng lined along St Mary's Street, a huge Mexican wave of a cheer finally started making its way towards us from Cardiff Castle. Our sense of anticipation grew with the noise but, no, the cheering turned out to be aimed at a police car full of smiling, waving officers. This happened several more times, with my daughters eventually getting bored of waving. Next came the apocalyptic Coca Cola rave bus. Bright red with thumping house music and a man standing on top shouting at us through a microphone. The bus stopped right next to us for about five minutes while Coca Cola employees threw branded items at us.

My 2 year old daughter looked at me with a worried expression and told me that she didn't want to go home on that particular bus because it was too noisy. I agreed with her and assured her we would find a quieter one. After Coca Cola the other sponsors had their equally loud moments in the sun. Finally came the solitary, everyday man with the torch. He looked slightly tired but he carried the flame with dignity. When he did finally arrive, my four year old daughter completely missed him – she had been lulled into boredom by the endless lines of waving policemen and then temporarily blinded and deafened by the sponsors. For those of us who did see the torch, it was beautiful. I carried my daughter and ran further up the road to give her a second chance.

For those of us working in community development it can sometimes feel like an Olympic torch relay. Collective, community led efforts towards social justice and equality have burned bright in Wales' history. The flame is still carried by thousands of everyday people but is often missed in a contemporary context that frames people primarily as passive recipients and consumers of services and goods, rather than as key players and contributors towards a common good. A key political challenge is always to define the appropriate roles of the market, the state and civil society. The flickering flame of civil society currently looks rather small and powerless next to the powers of the market and the state and it should be the work of community development to seek to rebalance this. It is this challenge which I hope to reflect on here.

Communities First – a brief and unsatisfying foray into community development?

Since 2001 the Communities First programme has provided a concerted, government sponsored attempt at using community development principles and techniques in ‘poor’ communities in Wales. Original programme guidance emphasised the role of communities in leading local regeneration (organised through the community partnership model - which aimed to bring local people, private sector, statutory sector and voluntary sector reps around the table as equals). A focus on ‘capacity building’ acted as an acknowledgment that development work was needed to enable suitable levels of community participation. Where practiced best, this concept of capacity building was broad, encompassing the up-skilling of local people and staff, the development of social capital, the building of key partnerships across sectors and the pursuit of a common understanding of local history, challenges and opportunities. The concept of ‘programme bending’ demonstrated a belief that local people could and should have more meaningful influence with the state (and other sectors) in how services are provided. Finally, the programme would be a long term programme, with a commitment to at least ten years investment to ‘make things work’. In short it seemed that the challenges of enabling a thriving, engaged civil society in struggling communities was being taken seriously.

Despite a real and serious commitment to community development, there was perhaps never any clarity as to what community development could realistically expect to achieve in communities (or at least not a shared clarity). There was a strong sense that it should enable participation and there was a rather more ‘woolly’ view that it should have some kind of impact on poverty, although the potential extent of this impact was never seriously explored. This lack of clarity has led to problems later on, for example the introduction of ‘child poverty’ as a ‘theme’ which the Communities First programme was expected to take a lead in tackling. This came at a time when many community development workers and local people were still knee-deep in the painstaking, sensitive work of building (or re-building) frameworks and networks of local participation. It is not that partnership groups didn’t want to tackle child poverty (given that it is having an immediate impact on their own children and grandchildren). It is rather that we are all aware of the intractability of a problem with causes that are local, national and even global. Arguably child poverty is caused, in part, by the actions and decisions of the powerful and there is only so much a community experiencing poverty can do about it. A prerequisite to local people’s involvement in tackling child poverty is a thriving civil society which is able to make a coherent case regarding the local impact of poverty and its causes, and which has mechanisms to communicate these perspectives to those in power.

Whatever the original ambitions and ambiguities of the Communities First programme, the next phase is now coming, and it is a significantly different beast. Capacity building has been frowned on for some time now and is no longer perceived to be a legitimate activity of the Communities First programme. It seems that capacity building activities have not been seen to be contributing to useful outcomes. It is a great shame that this was the case. Community development principles emphasise the development of knowledge, skills and capacity of all kinds through a cycle of action and reflection (learning on the job). So real, experienced outcomes should have been in evidence early on. It is certainly the case that the original uncertainty about what outcomes could realistically be expected from the programme was inevitably matched with uncertainty as to how these outcomes might be recorded and evaluated, and what success would look like. The move towards the next phase of Communities First has already introduced a great deal more clarity regarding the outcomes we are looking to achieve, and there has been plenty of scope for local people, partners and staff to influence and indeed develop these proposed outcomes. However, a move towards clearer outcomes has come hand-in-hand with a more 'service provision' orientated approach within the programme. Communities First cluster teams and partners will be expected to provide a range of projects and services aimed at contributing to outcomes under the themes of healthy communities, prosperous communities and learning communities. Community members in receipt of these services have been referred to as 'customers' in Welsh

Government guidance. This is hard to stomach for those of us who have tried to break down traditional boundaries between service users and providers to enable the co-production of services.

So, if there was once a focus through the Communities First programme on building a thriving civil society, ready to take its place alongside the state and the market and to influence those sectors, then it appears that focus is shifting. Partnership groups are no longer seen as necessary in order to enable local people to take a lead on regeneration. They have been replaced with a 'Community Involvement Plan' which seems a secondary concern to the development of a collection of service provision projects led by a staff team. Fear of insufficient governance and poor financial management has generally prevented support for community owned organisations to lead and manage the Communities First programme locally.

What can Community Development do? An example of co-production in action

So, what should community development be for, and what can it realistically be expected to achieve? This might best be demonstrated by a case study, taken from the work of Ely & Caerau Communities First in Cardiff:

During 2008, a comprehensive community audit was carried out by the Ely & Caerau

Communities First team. The approach taken involved the completion of approximately 1000 questionnaires with community members, focus groups with those identified as 'hard to reach', key person interviews and community visioning events. The process was seen as part of a wider commitment by the staff team to 'get to know Ely'. Key to this has been the development of a huge network of local relationships with a diversity of local people. This has been aided by the fact that the team is based in the community (some team members also live in the community) and by a willingness to be flexible in terms of working hours. Staff have also been keen to 'go where the people are' be it homes, religious buildings, social clubs or the streets.

The community audit identified a number of key concerns held by the community, one of them being a lack of opportunities for young people during the school holidays. This was seen to be contributing to anti-social behaviour and was having an impact on the local quality of life. Over time conversations with community members led to the identification of potential groups which might become the focus of action towards tackling this issue. Staff invested significant time in supporting these groups to coalesce, develop and express their ideas, and build their capacity to act. Five groups emerged, all with a desire to develop positive activities for young people, but each with a distinct emphasis. One group was particularly concerned about the state of a neglected local park, and its potential to be brought back into use. Another small neighbourhood area spawned two groups, one of parents who were concerned to positively engage local young people who were involved in anti-social behaviour, the second being made of the local

young people themselves, who had their own perspectives on local issues and their own aspirations for their group. A fourth group was formed by a number of young people interested in skating. They were aware of the positive influence this activity had had in their own lives and were keen to offer it to other young people. They also hoped to lobby for improved skating facilities. The fifth group were located near the local enterprise centre and hoped to work with the staff there to offer increased opportunities to local people.

Alongside their work in supporting the formation and development of these groups, the staff team had also been building strong working links with partners in the youth service. This led to the formation of the Ely & Caerau Children & Young People's Action Team. Communities First staff, the community groups and youth service partners decided to run a range of activities for young people, based at a variety of venues, throughout the summer holidays. The groups, with their local knowledge and networks, would take a lead in deciding on the locations and the nature of the activities. The Communities First and youth service staff would bring their expertise in youth work, health and safety, event organising etc. The initial activities would be seen as an opportunity to pilot the approach and build the skills of the community group members. The activities were attended by hundreds of young people and were successful in lowering anti-social behaviour levels. The local knowledge provided by the volunteers led to carefully chosen activities. For example, it was known that some young people were not eating regular healthy food during the summer holidays so cooking activities were run which were used to teach young people

about food and to provide a healthy lunch for everyone attending.

Following the success of the first summer programme the groups have been supported in developing their skills and knowledge, and their capacity to run activities themselves. The professional staff now take a secondary role and are brought in to provide specific expertise (e.g. substance misuse advice, healthy cooking and eating activities, sporting activities etc). The planning, organisation and staffing of activities is led by the local groups. Together the five groups now provide a programme of activities throughout the summer holidays (and have been doing so for the past 6 years). A menu of activities is made available to every child and young person in Ely and Caerau through the schools and youth clubs. The programme led to a huge range of positive outcomes for the local community, including:

- A range of positive healthy activities for local young people including various sports, and learning to prepare healthy food.
- The group concerned with their local neglected park have succeeded in bringing a focus back to the site. They have negotiated with local authority partners and ward councillors to ensure the park is regenerated for use by local young people. Over £100,000 has recently been invested in installing new play equipment.
- A number of the skaters have been employed by the local leisure centre. Part of their paid role is to provide skating activities for other local young people. They have also provided sessions at a school. They are currently exploring opportunities for

social enterprise development and have received training in this area.

- The skaters are just beginning to hold conversations with key partners regarding the relocation and development of their local skate park.
- A number of participants have received training in a range of issues including child protection, food hygiene, first aid, sports leadership and social enterprise development.
- One group has just set up a homework club which is acting as a pilot for further clubs in the community.
- All the groups worked together to provide healthy food at the annual Ely Summer Festival. This activity was run as a social enterprise with all profit being re-invested in the work of the groups.
- A number of the groups now organise specific activities aimed at tackling anti-social behaviour 'hot-spots', for example on Halloween.

The particular contribution of community development

The case study described above is a good example of the wide range of benefits afforded struggling communities by community development processes. In this case, these include; physical regeneration of local space, skills development, improved health, increased community safety, new learning opportunities, intergenerational interaction and increased community cohesion. This has been achieved with relatively minimal staff and financial resources and with maximum involvement of local people of all ages. There is a danger that some youth work engages

young people in isolation of their social, environmental and economic circumstances. This is increasingly the case as many programmes shift their focus towards supporting individual young people to access training and employment opportunities. Work of this kind, if not careful to engage participants in the context of their community, can lead to simplistic solutions which locate the 'problem' with the young person themselves (a pathological approach) rather than taking seriously the range of influences that have mitigated against the individual seeking and finding fulfilling employment. The approach described above succeeds in working with young people in the complex context of their family and community life, enabling them to negotiate with other stakeholders to improve their own chances and the chances of their community.

Absolutely fundamental to the success of this approach is the development of a thriving civil society. Community workers spent significant time developing a large network of local relationships which facilitated the following:

- Access to a wide range of skills
- Access to a wide range of local knowledge
- A dynamic set of relationships which enables negotiation of common concerns and the common good
- A mechanism for managing disagreements and disappointments constructively
- A mechanism for the inclusion of those who have traditionally been excluded

- A network of participants able to respond quickly to a wide range of local needs and opportunities
- A forum for the effective engagement of local people with local public, private and third sector providers

These are the kind of outcomes which should have been evident in Communities First areas as the capacity building processes bore fruit. What's more, these outcomes should have quickly led to the kind of 'harder' outcomes described in the case study above. It is possible that these benefits have been realised in many Communities First areas but have been recorded inadequately.

The state, the market (and civil society?)

The recession and a consequent commitment to austerity as the approach to reducing the national deficit, have led to debates regarding the appropriate role of the state and the market. Of course this debate is not new, with those of a left wing persuasion tending to advocate a stronger role for the state and the regulation of the market, and those of a more right wing persuasion generally advocating a stronger role for the market and a softening of the state's influences. These are important but age old arguments that tend to go around in circles. For those intimately involved in communities (especially communities suffering poverty) it sometimes feels a bit like arguing whether to paint your bedroom red or blue while the foundations of your house are collapsing underneath you. It is a thriving civil

society, practiced in participatory democracy, that legitimises the essential role of the state in managing the fair distribution of resources, and that ensures the market meets the needs of society rather than a wealthy minority. Consequently the development of an active civil society is crucial in the current fight to prevent the market dominating both the state and civil society.

Policy suggestions

- The Welsh Government should seek to develop policies (in partnership with theorists and practitioners in the fields of community development and co-production) that actively support the re-invigoration of civil society
- Clear expectations should be agreed, and outcomes proposed, for the achievements of community development, and specifically capacity building. These should include methods for measuring and valuing the kind of outcomes listed above under ‘the particular contribution of community development’.
- A clear aim of the next phase of Communities First should be to establish and secure community based organisations capable of sustaining and developing community development beyond the life of the programme.
- Networks of relationships between community organisations should be promoted across local and regional boundaries, to enable civil society to negotiate with, and influence, the state and the market in a meaningful manner. (London Citizens is a good example of this approach, see <http://www.citizensuk.org/>).

Conclusion

Despite talk of the Big Society, capacity building, and so on, and despite a strong history of co-operative and mutual approaches in Wales, civil society seems to be losing the battle to a dominant market and a weakening state. With the movement of Communities First, Wales’ flagship community development programme, towards a traditional service provision model, we risk losing the benefits of one of the very few professions capable of supporting the re-development of civil society in our most struggling communities. The flame is still flickering but it needs some space to spread.

Where now? – the future of Wales’s housing community mutuals

Andrew Lycett

Chief Executive RCT Homes

In December 2007, RCT Homes became Wales’s largest registered social landlord (RSL) when it took over the ownership and management of Rhondda Cynon Taf County Borough Council’s entire housing stock of more than 10,500 homes – nearly one-in-eight of all homes in the borough – on more than 60 housing estates and in 27 sheltered housing complexes.

Recognising the poor condition of much social housing in Wales, the Welsh Government has introduced the Welsh Housing Quality Standard (WHQS) that sets minimum criteria for facilities in social housing in Wales. A review of its housing stock by Rhondda Cynon Taf Council revealed that it would need to spend approximately £780 million over the next 30 years – money it neither had nor was able to borrow – in order to meet WHQS by 2012-13 and maintain and improve its homes thereafter.

The council proposed a full transfer of its housing stock to a new, independent housing organisation – RCT Homes – which was confirmed by an independent ballot of tenants.

On top of rental income, RCT Homes will receive more that £200 million over 30 years from the Welsh Government and, crucially, it has also been free to raise

finances from the private sector –

borrowing more than £100 million from Lloyds TSB Corporate Markets.

Rhondda Cynon Taf is one of nine councils in Wales to have completed a Large Scale Voluntary Transfer of its housing stock and the first of only five to do this through the Welsh Government’s preferred model of ‘community mutual’.

First proposed by the Welsh Government in 2001, the community mutual is a new type of RSL whereby the democratic principles found elsewhere in the mutual sector (including the cooperative movement) are imported into the housing context.

Under the rules of the community mutual, tenants take an active role in key operational decision-making. Five tenants sit on the RCT Homes Board. They are supported by a Members’ Forum and tenants are entitled to become members of the organisation, by which they become the legal owners of RCT Homes.

Already, more than 5,500 tenants have applied to become members (more than voted in favour of the stock transfer in the first place).

Adding value, creating innovation, supporting enterprise

From the word go, tenants played a major part in, not only selecting contractors to carry out the multi-million pound work to bring their homes up to WHQS, but also setting the criteria by which the contractors would be chosen. They decided that ‘social inclusion’ – the creation of local jobs and training opportunities – should play as great a role as cost in determining the successful bidders. In response, RCT Homes created a unique procurement process – ‘hard

wiring' targeted recruitment and training into tender specifications – that enabled our contractors and their suppliers to create a total of nearly a hundred new, local jobs and safeguarded 200 more in the teeth of the worst economic recession in decades.

When Connaught Partnerships, one of RCT Homes' contractors, went into administration in 2010, RCT Homes kept true to the spirit of its tenants' wishes by dealing directly with Connaught's sub-contractors, agency workers and suppliers to make sure that they had continuity of work. In addition, RCT Homes took over Connaught's local gas servicing business, creating a new subsidiary – Homeforce – and saving 24 local jobs and apprenticeships.

The rules of the community mutual also committed RCT Homes to "supporting the social and economic regeneration of the communities it serves" which led to the setting up of a subsidiary charity, Meadow Prospect. Funded by donations from suppliers to RCT Homes' WHQS work, it has become a multi-million pound charity supporting the development of 'community capacity' by funding work and training opportunities for unemployed local people as well as youth diversion and learning initiatives. It also supports the development of community-based renewable energy schemes and promotes local social enterprise.

Meadow Prospect continues to expand. When Tower Colliery – Rhondda Cynon Taff's famous worker-owned mine – recently announced plans for a £3 million fund financed from new opencast works, they appointed Meadow Prospect to manage it for the benefit of local communities.

Meadow Prospect played a key role in providing the initial funding for an award-winning social enterprise, Grow Enterprise Wales (GrEW). The social enterprise model seemed an ideal way to respond to calls for RCT Homes to provide small-scale gardening and decorating services for vulnerable RCT Homes tenants. At around the same time, tenant involvement in setting standards for, and inspecting, grounds maintenance and cleaning in and around hundreds of blocks of flats had revealed dissatisfaction with the services they received. Tenants also wanted more flexibility in a long-standing policy of homes being redecorated for new tenants only if the existing decor was in poor condition. Rather than starting very small – the traditional model for the vast majority of social enterprises in Wales – RCT Homes established GrEW as a multi-million pound business that could address all these issues.

GrEW delivers commercial contracts providing improved local services for RCT Homes tenants as well as recycling uPVC windows. It uses a mix of paid, supported and volunteer trainees operating under a number of Government employment programmes. It provides team-based, workplace-accredited training for economically inactive people giving them up to six months of employment in a commercial environment and helping them to become 'work ready'. It has already built an enviable record of success in enabling previously long-term unemployed local people to find permanent jobs. More recently, GrEW has opened a project in Cardiff Prison, training offenders so that they can move straight into GrEW on release.

GrEW has expanded to include Young Wales, a graphic design and creative industries business that provides engaging

complementary educational opportunities for young people excluded, or at risk of exclusion, from mainstream education. The young people work on real assignments in the commercial work place. As part of a large scale social enterprise, Young Wales has been able to expand quickly, providing support to more than 120 young people across five counties. Young Wales has also delivered more than 2,000 short educational 'Action Camp' breaks for eleven-to-eighteen year olds, supporting them to develop life skills, gain qualifications and develop self-confidence and self-esteem as well as encouraging them to volunteer in their communities.

RCT Homes has created further openings within its core housing operations, including housing and HR traineeships, placements in its communications and tenant empowerment teams and work experience for pupils from local schools. In less than five years we have created a total of more than a thousand workplace-based training and employment opportunities across the group.

More, better, sooner

Tenants are involved in every aspect of work undertaken by RCT Homes from developing strategy and scrutinising policy to overseeing our progress and performance. We have recently extended membership to include leaseholders, we support the formation of new local tenants and residents groups that feed into the RCT Homes Members' Forum and our 'Neighbourhood Spaces' initiative – the investment of millions of pounds in improving open spaces on RCT Homes estates – has enabled local groups (sometimes down to 'street level') to lead consultations about planning and design.

Far from compromising business objectives, the community mutual approach of enabling tenants to play a full role in setting the business agenda, has helped RCT Homes to deliver more, better, sooner. The performance of our in-house repairs service has reached record levels, more than 500 homes that lay empty in early 2008 have been brought back into use and we expect to have brought tenants' homes up to the Welsh Housing Quality Standard months ahead of the deadline set by the Welsh Government.

Our enterprise model of 'trading to train' provides a robust income base on which to develop opportunities that respond to the needs of local communities for both better services and training and employment. Importantly, as a business with a £54 million turnover in 2011-12, RCT Homes has been able to do this at a scale that has a discernible impact on our tenants and their communities.

Tenant satisfaction with the services they receive has increased across the board and the proportion of staff describing RCT Homes as 'a great place to work' has more than doubled.

Where now?

RCT Homes will soon have delivered WHQS and fulfilled the dozens of other promises made to tenants by Rhondda Cynon Taf Council to secure their support for the original stock transfer. As the first of Wales's Large Scale Voluntary Transfers to reach this stage, RCT Homes had no clear route map for the future.

Last year we undertook a nine-month consultation exercise involving the RCT Homes Board, staff, tenants, their local

communities and external organisations ranging from the Welsh Government to local schools. The results showed that, as RCT Homes has changed, so have our relationships with stakeholders. The aspirations of December 2007 have become expectations. Areas of work that would have been viewed as innovative, extra activity four-and-a-half years ago are now regarded as essential features of our core work. The clear message from the consultation was that no one wanted to see RCT Homes retreat to being a simple landlord; they wanted us to take even more of a lead in wider community and economic regeneration. They had been inspired by our progress so far and they want us to benefit more people, tackle more challenges and grasp even more opportunities. There is a clear mandate – set out in a new corporate plan, *Inspiring Community Mutual*ⁱ – for RCT Homes to be bold and, if necessary, different to achieve outcomes that enable our communities to thrive.

Our plans are ambitious and rely on our ability to share our vision and desire for outcomes with other partners both at strategic and operational levels. Our experiences since December 2007 and our plans for the future also pose a number of challenges for the Welsh Government and its relationship with the social housing sector in Wales.

Five challenges

Encourage innovation and diversification by RSLs to advance wider social and environmental objectives

The Charity Commission has recently revised its guidance on investmentsⁱⁱ. The guidance now permits ‘programme related investments’ in other charities, social enterprises and commercial

companies to enable an organisation to achieve its wider charitable, environmental and social aims. Examples quoted in the guidance are job creation schemes and mixed tenure development.

Welsh Government advice on Group Structuresⁱⁱⁱ for RSLs does not yet reflect the Charity Commission’s views on programme related investments. This limits the ability of Wales’s community mutuals to provide direct financial investment in, or share resources with, other organisations that share their aims.

As RCT Homes’ experience has shown, RSLs can play a significant part in supporting the development of innovative models of public sector service delivery – but the environment has to be made conducive to this and partnerships actively sought and encouraged.

In particular, Wales’s community mutuals have considerable asset bases and are able to attract private investment funds to secure investment outside of the public sector borrowing requirement. They have fully developed governance structures and recovered overheads and RSLs that encourage significant tenant involvement – especially Wales’s community mutuals – have considerable insight into the needs of their tenants and local communities. For example, more than 6,000 of our tenants have completed an RCT Homes questionnaire about their spending and use of financial services. This has enabled us to develop bespoke services to deliver welfare rights and money management advice and initiatives to alleviate fuel poverty.

Wales’s RSLs should be encouraged to – not prevented from – using their scale and expertise to host the development of other community enterprises. They can be

flexible and responsive to environmental change and can successfully blend professional, salaried and volunteer resources to achieve desired outcomes.

Enable tenants, residents, staff and local communities alike to have a real stake in community mutuals

Nowhere in Wales are there any communities where everyone lives in social rented housing. Frequently, RCT Homes has found that its local community initiatives have engaged local owner-occupiers and the family members of tenants as much as our tenants themselves. We want RCT Homes' community mutual status to fully reflect our neighbourhoods and the people who live there, enabling our organisation to benefit from their 'social capacity'. We also see that our staff across the RCT Homes group – more than 85 per cent of whom live in the same towns and villages as the tenants we serve – have become passionately committed to achieving our vision of housing-led regeneration. They are currently excluded from becoming shareholding members, even where they are RCT Homes tenants themselves.

Wales should develop the community model further, enabling membership to be widened to allow all stakeholders to participate in the governance of the organisation through the exercise of voting rights and by taking part in service development and delivery.

Ensure community mutual boards attract the skills and expertise required to effectively steer and oversee increasing complex and diverse activities

When the Welsh Government first developed its community mutual model for Large Scale Voluntary Transfers, it was

explicit in the need for community mutuals to mesh closely with the strategy of the local authority for regeneration and community development. It therefore gave the local authority a veto over changes to key rules that affect the purpose, objects and fundamental working of the community mutual and it reserved a third of the seats on the community mutual's board for council nominees.

The achievement of WHQS and the fulfilment of their pre-transfer promises by the 'first wave' of Large Scale Voluntary Transfers in Wales presents an appropriate moment to consider the composition of the community mutual boards. In particular, there is an opportunity to use local authority nominations on boards to enable greater representation of independent members. Most local authorities nominate councillors to the boards of community mutuals. By, instead, making appointments from their strategic partners (for example, local health boards or the education sector) they could enhance necessary professional expertise at board level and encourage greater joint working or other desirable strategic partnerships.

Enable RSLs to revitalise the private rented sector

There are an estimated 22,000 empty homes in the private sector within Wales^{iv} and many tenants and landlords in the private rented sector are there by default – tenants unable to buy, or lacking access to social housing; landlords renting out properties because they can't sell them. Evidence from other countries^v suggests that greater certainty with respect to rents and longer term tenancies helps

private landlords to obtain the returns they require.

Wales's RSLs – especially community mutuals with their explicit requirement to focus on the entire community in the areas where they operate – could provide an alternative vehicle for managing the private rented and intermediate rent sectors. RSLs could attract matched private sector funding, not available to local authorities under the 'Houses into Homes' initiative. They could establish or acquire property rental businesses, setting improved standards for landlord services to drive up quality in the private rented sector.

RSLs are more likely to offer longer tenancy durations, providing these tenants with more security in their homes, enabling them to settle and develop local connections thereby helping otherwise transient communities to become more stable.

Develop a Welsh definition of sustainable procurement for use by RSLs

Driven by its community mutual status, RCT Homes has led the field in targeted recruitment and training, but the Welsh social housing sector as a whole has developed the use of procurement processes to deliver social inclusion benefits over recent years. At the same time, the Welsh Government has taken on a statutory duty, under its Sustainable Development Scheme^{vi}, to place sustainability at the heart of its development work. However, the approach to legislative compliance remains risk-averse and uncertain in interpretation. Consequently, organisations become afraid that 'hard wiring' the use of local labour and local services into procurement processes will leave them open to legal challenge.

There is an opportunity to develop a Welsh definition of sustainable procurement legislation enabling councils and RSLs to explicitly rely upon the Government of Wales Act 2006, Promotion of Wellbeing Powers^{vii} – which enable Welsh Government ministers to do "anything which they consider appropriate" to promote or improve the economic, social and environmental well-being of Wales. Where procurement processes support the requirements of the Sustainable Development Scheme, the Welsh Government should provide a presumption of compliance, by clearly indicating that the Promotion of Wellbeing Powers can, and should, be relied upon when developing OJEU tenders (or determining that OJEU need not be followed).

This would greatly further the options for maximising local benefit through collaboration rather than competition. Councils could seek to develop innovative service delivery models in partnership with community mutuals and other RSLs, enabling access to the additional forms of funding available to RSLs while retaining local accountability.

A salient lesson from the early years of Wales's first community mutual housing organisation is that we are operating in an environment where there seems to be a presumption that community-focused regeneration initiatives will, necessarily, be small. Most RSLs are comparatively large – in the case of Wales's community mutuals, very large – yet we are driven by exactly the same local community focus as the smallest social enterprise. Wales's RSLs – especially its community mutual housing organisations – offer high quality project management, administration and resources that can turn small, local ideas into projects that have a major impact. By

ignoring, or restricting, our ability to be at the forefront of enterprise and regeneration, Wales is missing a trick.

ⁱ RCT Homes Corporate Plan, 'Inspiring Community Mutual', Nov 2011
http://www.rcthomes.co.uk/mediaFiles/downloads/15365000/Full_corporate_plan.pdf

ⁱⁱ Charities and Investment Matters: A guide for trustees (CC14) – Charity Commission

ⁱⁱⁱ Welsh Government Housing association circular RSL 05/08:Group Structures

^{iv} £5 million to return houses to homes – Welsh Government press release 20 Feb 2012

^v Towards a sustainable private rented sector – lessons from other countries, London School of Economics, Nov 2011

^{vi} One Wales: One Planet, a new sustainable development scheme for Wales – Welsh Government, May 2009

^{vii} Government of Wales Act 2006 (c. 32) Part 2 — Welsh Government