

**The Co-operative Council Citizens' Commission  
Romney Room, Royal Society for the Arts**

**2.30pm – 5.00pm**

**Wednesday 15 September 2010**

**Minutes**

**PRESENT:**

**Commissioners:** Councillor Steve Reed (Chair)  
Councillor Jackie Meldrum  
Councillor Paul McGlone  
Richard Bridge

**Delegates:** Phil Copstake (Office for Public Management)  
John O'Connell (Taxpayers Alliance)  
Anna Turley (New Local Government Network)  
Harriet Cain (Slivers Of Time)  
Tony Travers (London School of Economics)  
Sipi Hämeenaho (Mutual Advantage)  
Mick Taylor (Mutual Advantage)

**Officers supporting**

**Commission:** Derrick Anderson, Chief Executive  
Sophia Looney, Director of Policy, Equalities and  
Performance  
Mike Wiltshire, Policy Manager  
Thomas Man, Senior Policy Officer  
Julie Stoltman, Senior Policy Officer  
Rebecca Eligon, Head of Equalities and Consultation  
Erica Ballmann, Head of Leader's Office  
Les Brown, Divisional Director, Planning

**APOLOGIES:** Kai Rudat, Office for Public Management

**1. Welcome and introductions**

The Chair of the Commission, Councillor Steve Reed, welcomed everyone and highlighted the aims and objectives of the meeting.

**2. Delegate initial statements**

**Phil Copstake (Office for Public Management)**

Copies of the OPM report [New models of public service ownership](#) was tabled for those present.

The following key issues were highlighted:

- There were four main models of shared ownership, and their success would be diluted unless the purpose and motivation for establishment were clear.
- An employee-owned model was not always appropriate.
- The four main models, and their reason for selection were as follows:
  - An employer-owned entity (at least 50%): to increase productivity and cost efficiency.
  - A community trust: to create a strong sense of ownership: (as it creates trustees accountable to local people)
  - A mutual organisation: where the authority could not afford to fund a service which it wished to continue
  - A multi-state model: to increase the engagement of staff (where increased innovation, satisfaction and outcomes were essential).
- Key considerations would be whether there was a clear constituency of people with a common identity with whom long-term relationships could be grown, and the immediacy of the required new organisation – if the organisation needed to grow quickly shared ownership was not the best model.
- Key success measures would include:
  - Extensive and continued communication of the ethos and its explanation in order to raise and maintain awareness
  - Full awareness for the local community needed to be achieved, and, in the medium term, the longer-term savings and what was involved should be communicated.
  - Support on access to finance.
  - Building business entrepreneurial skills.
  - Ensuring a strong governance model is established.
- OPM was now undertaking follow-up research and undertaking case studies of the 12 mutual pathfinders established by the government, and lessons learnt would be shared.

### **John O’Connell (Tax Payer’s Alliance)**

John O’Connell outlined the following views of the Tax Payer’s Alliance (TPA) on the seven principles for success set out in the [White Paper](#):

Principle 1: The council as a strong community leader

Local government was already a delivery vehicle for central government, and there was a possibility that existing Regulation would prevent the development of the co-operative model.

Principle 2: Providing services at the appropriate level; personalised and community-based

What mechanisms would be put in place? The TPA experience was that change was unpopular at first, so clarity, honesty and a willingness to explain decisions were required.

Principle 3: Citizens and communities empowered to design and deliver services and play an active role in their local community

Communication, to both residents and staff, was the key challenge. There was too much jargon in this section. Performance indicators needed to be flexible in order to deal with the ways people wanted services to be provided.

Principle 4: Public services enabling residents to engage in civil society through employment opportunities

The link to employment was supported, as was the ability for residents to develop their CVs.

Principle 5: A settlement between public services, our communities and the citizen (this is what we provide, this is what you do for yourself) underpinned by our desire for justice, fairness, and responsibility

On the key issue of how to incentivise residents, council tax relief was supported.

Principle 6: Taking responsibility for services – regardless of where they are accessed or which agency provides them

Principle 7: Simple, joined up and easy access to services – location and transaction,. “one place to do it all”, “one form, one time to do it all” – providing visible value for money

Joined-up government was very much supported, with a recognition that the number of access points (buildings) would reduce.

On Part 2 of the white paper: Moving forward – from principles to reality, again communication to residents and staff was of key importance. Existing regulation, e.g. the Children and Young People Plan requirements, would be a challenge. Was their a real ability to engage in cross-borough work in such areas? On incentives, business rate relief was also supported. The TPA did not feel that administrative functions were of limited interest to residents, as keeping costs down was a prime concern.

### **Anna Turley (New Local Government Network)**

The following comments were provided on the principles within the strategy for the Co-operative Council:

- This was a very important time to be doing this work; many services were seen as being too remote, unresponsive and bureaucratic. The central government personalisation agenda was an attempt to address this. It is crucial that local government take on a more co-operative approach.

- Under the Big Society approach, there was a danger of fragmenting roles. Democratic accountability was a key principle, and local government should be at the heart.
- Local government was well placed to drive local entrepreneurship and employment skills.
- The Total Place agenda sought to ensure no fragmentation of roles, and an end to duplication.

Amongst the challenges were:

- Meeting the funding requirements; start-up costs needed to be met.
- Equity and social justice - e.g. involving all, and not just the middle classes. Transparent and democratic processes were required.
- Risks and the danger of failure.
- There were some legislative barriers and local government should press for necessary legislative amendment.
- The Big Society agenda.

### **Tony Travers (London School of Economics)**

The following comments were provided on the principles within the strategy for the Co-operative Council:

- Lambeth Council has the advantage of being seen to move first on introducing such a co-operative model.
- That government was moving in a similar direction.
- There were already in existence bodies of a similar nature, and implementation would be easier if such existing models could be highlighted. One example was school governance, where the processes were understood and supported by strong governance.
- Two existing processes should also be borne in mind – town centre management and Business Improvement Districts (BIDs).
- The big challenge was to be able to release a service and yet guarantee comprehensive or near total service provision.
- Transformation in small steps was appropriate. There would be a high expectation level, stiff challenges to be met and necessary publicity to be maintained.
- A key aim of this work must be to remove the feeling of powerlessness experienced by citizens in dealing with big institutions, and enable people to feel in control of their own destiny.
- Risks needed to be managed; e.g. the management of failure
- Good governance, accountability and transparency were essentials.
- Income streams needed to be established. A mechanism similar to Business Improvement Districts could be considered.
- An education process for the public, councillors and others involved was necessary.
- The council should lobby for new community incentives besides council tax and business rate relief.

## **Harriet Cain (Slivers Of Time)**

Some key areas for consideration:

- To ascertain the strengths and weaknesses of local authorities.
- Establish the available skills within the local community.
- Facilitation by the council – offering practical resources and tools to mobilise the community's assets.
- The Total Place agenda: the role of experts to act as catalysts to grow social enterprise.
- Organic growth of new service providers was required rather than a big bang approach.
- Three areas where local authorities could particularly assist were:
  - research and analysis: councils had wide-spread experience and also in fields such as risk management.
  - employment advice and worklessness
  - culture change.

## **Sipi Hämeenaho and Mick Taylor (Mutual Advantage)**

The role and experience of Mutual Advantage:

- Greenwich Leisure Limited
- Hertfordshire Community Meals
- Feasibility studies: homecare, residential care, outdoor education, occupational health, equipment services
- Re-ablement Service for Leicestershire County Council
- Collaborative Direct Payments for the Department of Health
- Social Enterprises Reducing Reoffending for the Ministry of Justice
- The Provide Project for Co-operatives UK
- Social Enterprise Strategies for Wiltshire Probation Trust and the London Borough of Lambeth

Mutual Advantage argued that there are four routes to implement more co-operative approaches:

- Developing existing providers in the borough
- Social Franchising – introducing proven approaches
- Externalising , staff, services or buildings
- Establishing a new organisation

The choice is dependant on the project, it can be a mix and varied by: development needs; investment; stakeholders; outcomes; risks and timescale.

Some principles:

- Select projects balancing strategy and opportunity.
- Develop commissioning strategies to underpin the approach.
- Assess viability, with a business case for both the council, and the co-operative.
- Agree a practical process early, with clear stages, key decision points, and predetermined criteria.

- Maximise the empowerment bonus by prioritising critical stakeholders.
- Develop the relationship with stakeholders, based on a progression, from engagement through participation to ownership.
- Watch out for practical legal, procurement, and VAT issues.
- Resource the process appropriately.
- Once started, be prepared to see it through.

### **Question and Answer session**

In response to questions from Commission members, it was also clarified:

- Pension arrangements: under the TUPE arrangements for the transfer of existing staff, administrative and financial arrangements would need to be made for “admitted body status” for the new bodies. Separate arrangements would apply for staff employed in the future.
- Reward mechanisms for different groups of people would be required; e.g. those on benefits.
- Once the co-op/social enterprise has been established, it would be for that entity to decide its structure and operating arrangements.
- The community trust model would be worth considering for libraries. Libraries had a high status within the community, and there was a need to develop different services as technology developed.
- Careful crafting of the trust deeds would be required in each case to ensure the service to be provided is carefully specified.

### **CLOSE OF MEETING**

The meeting ended at 4:47pm.