

SHEFFIELD CO-OPERATIVES EVENT

Aizlewood's Mill
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Basic Approach

Roy Bhaskar:

- *“Critical realists do not deny the reality of events and discourses; on the contrary, they insist upon them. But they hold that we will only be able to understand - and so change - the social world if we identify the structures at work that generate those events or discourses. Such structures are irreducible to the patterns of events and discourses alike”*(Bhaskar 1989) (p2)

Saunders and Lewis:

- *“as researchers we will only be able to understand what is going on in the social world if we understand the social structures that have given rise to the phenomena that we are trying to understand”.*
(Saunders, Lewis et al. 2012) (p115)

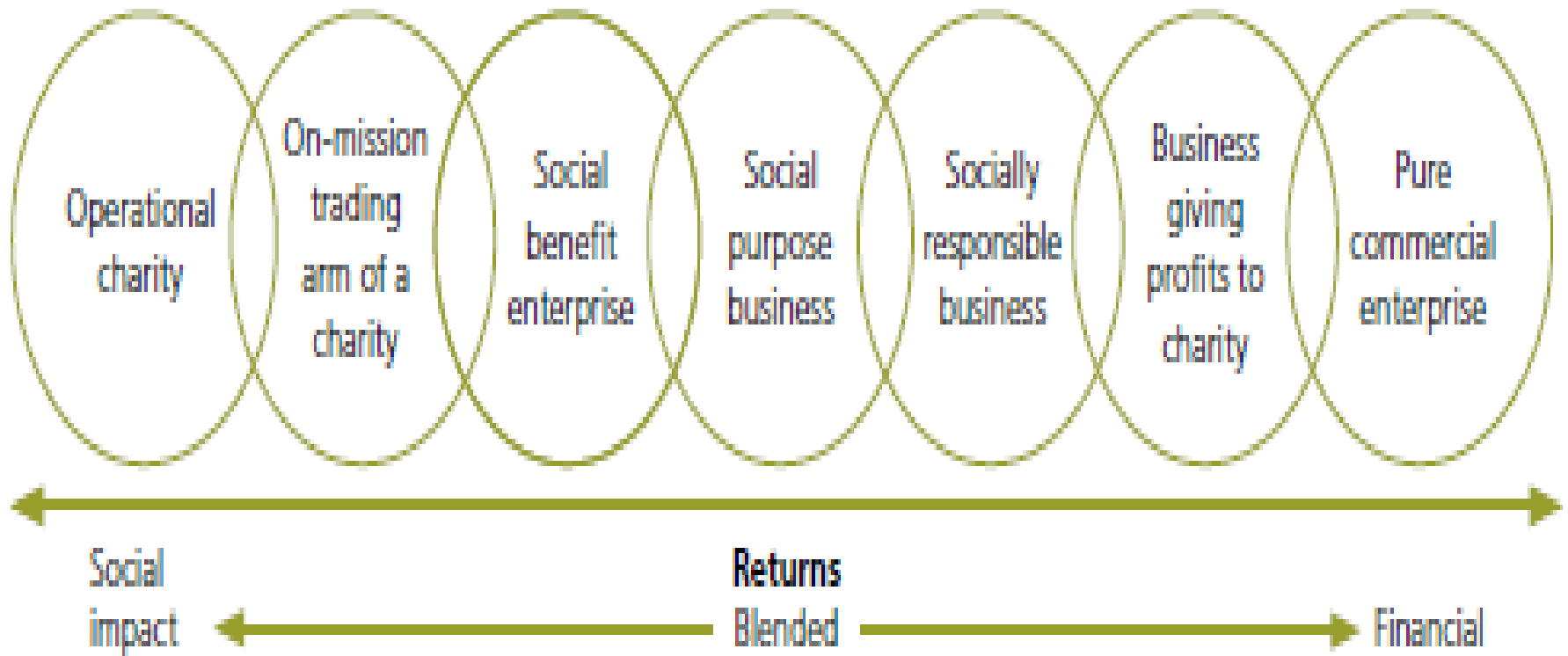
Giddens’ “structuration”:

- *“a social structure - traditions, institutions, moral codes, and established ways of doing things; but it also means that these can be changed when people start to ignore them, replace them, or reproduce them differently”* (Giddens 1984)

Marginalisation (Forgetting) of Antecedents

- *“Set up in London in 1998, Community Action Network (CAN)aims to support social entrepreneurs to scale up their activities and maximize their social impact (Nicholls, A. 2010)*
- *“A growing band of social entrepreneurs, working at the grass roots of the welfare system in the space between the public and private sector, are developing innovative answers to many of Britain’s most pressing social problems” (Leadbeater 1997)*
- *“We will be backing thousands of social entrepreneurs – those people who bring to social problems the same enterprise and imagination that business entrepreneurs bring to wealth creation”. (Blair 1997)*
- *“Social entrepreneurship became a way for government to reach into communities, to the particularism of the local, and a way for economic priorities and business-like practices to be legitimised and realised within local social welfare provision, facilitating relationships between business and community” (Grenier 2006)*

Marginalisation Of Antecedents II



(Cheng, Paul; Goodall, Emilie; Hodgkinson, Rob; Kingston, John. 2010)

RESULTS

- Forgetting Social, Collectivist, Mutual, Community Origins as part of wider mainstream response to deindustrialisation
- Enabling building blocks for private capital through Social Investment and Social Impact Bonds

Statement of Case

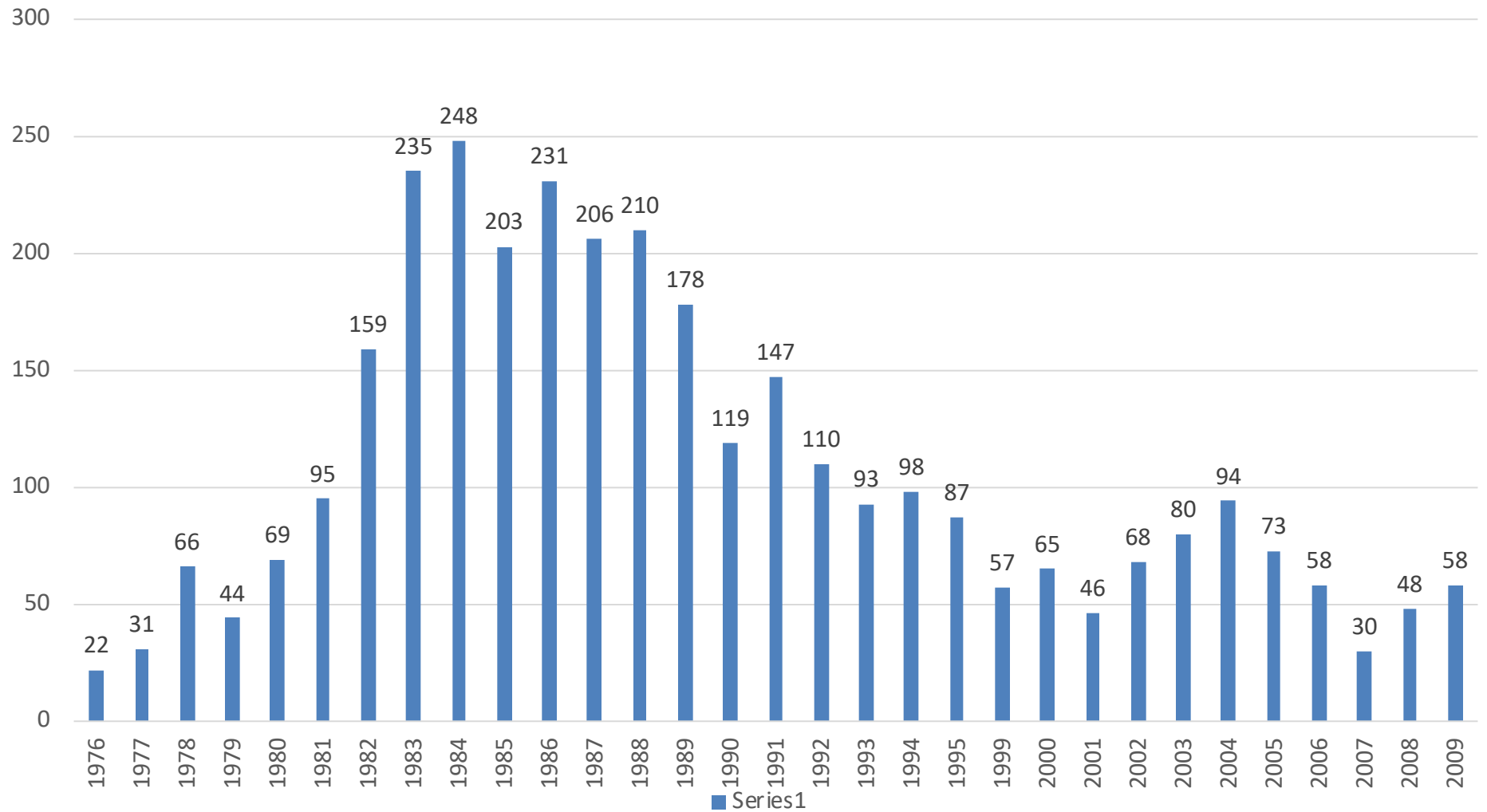
- The decline of indigenous local community organisations, many of which were set up as agents of community self defence and regeneration during an era of massive job losses in the 1970s and 1980s, and their transposition into low cost deliverers of public services in competition with private sector.
- Voluntary and community sector being corralled into a marketised, financialised environment where the principles of business management are encouraged to replace community need.

ICOM and Coop Registrations 1976 to 2009

1977	31	1987	206	2000	65
1978	66	1988	210	2001	46
1979	44	1989	178	2002	68
1980	69	1990	119	2003	80
1981	95	1991	147	2004	94
1982	159	1992	110	2005	73
1983	235	1993	93	2006	58
1984	248	1994	98	2007	30
1985	203	1995	87	2008	48
				2009	58

(Laycock and Coops UK. 2017)

Coop Registrations



(Laycock and Coops UK. 2017)

Sheffield Employment Coordinator

Job Description (for an alternative local social economy):

- to assist the Employment Committee on approaches for advice and financial assistance from enterprises and potential enterprises
- to encourage the development of co-operatives
- to work towards setting up a local enterprise board with a system of planning agreements
- to develop municipal enterprise (although without responsibility for running it on a day to day basis)

(Cochrane, 1991, p. 374)

High Water Mark: Labour Manifesto June 1983

- 1983 Labour Party Manifesto included proposals for a UK version of the Italian Macora Law, with commitments to:
 - “give generous encouragement and help to worker co-operatives and local enterprise boards
 - establish a Co-operative Investment Bank
 - development agencies and local authorities will be empowered to support and to help establish co-operatives and local enterprise boards
 - new rights to workers to convert their firms to co-operatives”

(Labour Party, 1983)

NCVO and Managerialism

- 1981 NCVO working party on 'Improving Effectiveness in Voluntary Organisation', chaired by management 'guru' Charles Handy, pointed to need for the sector to embrace management practices of business and led to NCVO Management Development Unit (**National Council for Voluntary Organisations, 1981**)
- Unit joined with Brunel University to pioneer a Masters' degree for the sector and provided consultancy services.
- Handy: traditional notion of a job might be replaced by "a portfolio of activities that everyone manages for themselves". **Might include "voluntary work, performed for charitable organisations, the community, friends, family, or neighbours; educational work, which makes it possible to learn, to develop skills, to read, and to educate oneself (Aubrey, 1994)" (Boltanski and Chiapello, 2005, p. 109).**
- CENTRIS Report advocates 'first force' community organisations could stand on their own feet without external funding, others in a 'third force' (Aubrey, 1994) (**Kelly, 1993, p. 100**)

NCVO Still in the Driving Seat

- NCVO set up Commission on the Future of the Voluntary Sector under Nicholas Deakin (Deakin 1996)
- Committee reported 200,000 to 240,000 voluntary bodies under a 'narrow definition', with possible 1.3mn bodies under a 'wider definition'.
- Total operating expenditure estimated at £13.5bn in 1995. Charity Commission estimated 620,000 paid workers and 750,000 trustees.
- Deakin key recommendation - a Concordat between the voluntary and community sector and Government
- Formed basis for New Labour increased funding into sector "by recommending that partnership could actually be operationalised through a Concordat between the third sector and the state" (Kendall, Knapp 1995).

NCVO Keeps Driving!

- NCVO followed Deakin in setting up a Quality Standards Task Group in 1997 but this was overtaken by the performance hub set up as part of ChangeUp, New Labour's capacity building programme (Rochester, 2013, p. 118).
- New Labour Compacts with the Voluntary and Community Sectors in 1998 entrenched the process of their commercialisation
- “.....the Compacts provide a mechanism whereby the more “managerially minded” parts of the voluntary sector are being encouraged by the state to pursue their interests through a framework of “good practice” which emphasises and reinforces an economic rationality rather than a traditional volunteering ethos” (Fyfe, 2005, p. 545).

Asset Based Community Development

- “Rather than seeking to organize against the elimination, reduction, and/or privatization of public services, ABCD, in theory and practice, seeks accommodation with this dominant ideological position.... **Key New Right analyses of the welfare state—that it breeds a culture of dependency in poor communities and that the best remedy to poverty and inequality is the application of free market principles such as enterprise and entrepreneurship—are taken for granted and actively promoted in the ABCD model**” (MacLeod and Emejulu, 2014, p. 436)
- “In other words, the embedding of free market principles in community development organizations seeps into the logic of local people which may be, in the long run, counter-productive to these groups’ social and economic interests” (MacLeod and Emejulu, 2014, p. 438).

New Labour Rupture with Cooperative Movement Third Sector to Deliver Public Services (CCIN!)

- Social Enterprise London (Social Enterprise London Ltd, 1998)
- Social Enterprise Coalition in 2002 (Financial Conduct Authority, 2002)
- Department of Trade and Industry 'Strategy for Success' (Department of Trade and Industry, 2002)
- Treasury 'Cross Cutting Review' (HM Treasury, 2002)
- Community Interest Company structure (Department of Trade and Industry, 2004).

Treasury Cost Cutting Review

- Treasury Cross Cutting Review “The Role of the Voluntary and Community Sector in Service Delivery spelt this out clearly (HM Treasury, 2002a, p. 5):
- “Its overall objective was to explore how central and local government can work more effectively with the sector to deliver high quality services, so that where the sector wishes to engage in service delivery, it is able to do so effectively.
- “Key aspects of this review have been identifying the barriers that VCOs face, understanding the variety of ways they can be involved in the service delivery agenda and developing an approach to tackling these issues that takes account of the needs and aspirations of the very different parts of a diverse sector.

Peter Lloyd's Report 2002

- “the opportunity to address the costs of benefit dependency and pressures on public service expenditure” and the application of new sorts of financial instruments to support the social enterprise dynamic and it is to these that we now turn” (Lloyd, 2002).
- Report projected a range of support mechanisms, including “breaking away from the grant-chasing culture and moving toward Framework Contracting and Public Service Agreements” (Lloyd, 2002, p. 19)
- Recommended “beginning to examine the legal and financial frameworks that unreasonably limit the forms that legitimate social enterprises can take and the accountancy regulations that fail to recognise their different needs”, including equity and loan structures (Lloyd, 2002, p. 19)
- “regional agencies to invest in the creation of intermediary support structures and to champion the scaling up of the Social Economy/Third System and the expansion of local enterprise” (Lloyd, 2002, p. 20)

Effects of Peter Lloyd's Report

- Heralded Government transfer of social enterprise support to Regional Development Agencies
- Report built on foundations already in place from Social Enterprise London, but developed further the agenda already elaborated through Patricia Hewitt as Secretary of State, by the Social Enterprise Coalition and by the emerging Social Enterprise Unit.
- Apart from Community Interest Companies in 2004, this Report formed a basis for UK social enterprise policy for at least the next 10 years.

Cohen's Social Investment Task Force Reports

- Legitimation of philanthropic and private lending and equity
- Social Investment in Third Sector based on April 2010 Final Report to Gordon Brown as Prime Minister of Sir Ronald Cohen's Social Investment Task Force: "Social Investment: Ten Years On"
- "If just 5% of the £65.6bn of capital in UK philanthropic foundations, and, over time, 0.5% of institutionally managed assets in the UK, were devoted to Social investment, this would unlock over £5.5bn of financing for social projects.
- "If 5% of £86.1bn estimated in ISAs (Individual Savings Accounts) also directed to Social Investment, would generate flow of additional £4.3bn
- Taken together, these four sources – philanthropic foundations, institutionally managed assets, grant funding and individual savings accounts – could generate £14.2bn for Social Investment" (Cohen and Social Investment Task Force, 2010)
- Repeated in Coalition Govt White Paper, February 2011 "Growing the Social Investment Market" Chapter Two says: ([Cabinet Office, 2011](#))

Social Impact Bonds: Coming into Communities

- From 2000 onwards, Ronald Cohen and others claimed that venture capital can “harness the most powerful forces of capitalism: entrepreneurship, innovation and capital to tackle social issues more effectively” and “connect [social sector organizations] to the capital markets” (Chiapello and Godefroy, 2017, p. 178)
- Alongside Cohen’s Reports, (Cohen and Social Investment Task Force, 2010, 2005, 2003, 2000), SIBs were recommended from Brown’s Council on Social Action in 2007. “(S)ocial investors could be persuaded to take on implementation risk (the risk that given interventions will genuinely improve social outcomes) that has previously been borne by government” (Robinson et al., 2008, p. 24)

Financialisation – A Monetary Value Everything

- “.....This valuation operation is what is gradually becoming financialised. There is a redefinition of the idea of donations and grants, which become investments that must have returns. These required returns are called “social returns” (but may also be financial). This is a highly specific view of valuation, which requires a connection between the money invested and what the organisation produces, with a view to choosing between organisations based on compared social returns”.
- “In these arrangements, public money is used to give financial returns to providers of private capital who invest in social matters in the State’s place. The investors—not the social organisations they finance—are paid on the basis of their social results (payment for success). The aim is to take activities that are currently known to be unable to survive solely by providing their services on the markets, and make those activities lucrative for capital providers”

(Chiapello, 2015, p. 25)

Financialisation II

- “This deepening of financialisation may be connected to capitalism’s need to commodify and marketize more and more activities in order to grow and expand its field of operations. What is striking here is that this process of commodification uses the language of finance.
- “The markets that are created are all dependent on investment markets.
- “The commodities that are created are financial assets related to new intangible commodities such as ecosystem services or social impacts and these intangible products exist purely because of the financialised valuation techniques that brought them into being”
(Chiapello, 2015, p. 22)

Investment Readiness in the UK

- “... we surveyed 7,420 VCSE organisations from the Big Lottery Fund’s grantee database and ClearlySo’s membership database; 1,255 organisations completed the survey, which equates to a response rate of 17%. We also carried out a literature review and over 40 interviews with investors, intermediaries and support providers across the four countries of the UK”

(Gregory et al, 2012, p.iv)

- “Conversion rates among social investors, (not including government-backed soft loan and grant funds) appear to sit between 5% and 15%. At one extreme, Community Builders had 4000 enquiries leading to 200 applications and 37 investees – equivalent to less than a 1% conversion rate and thus a significant mismatch of perception between investors and applicants”

(Gregory et al, 2012, p. 9)

Big Society Capital, Lottery and Government Funds

Biggest Government Departments, including HM Treasury and Cabinet Office contribute social investment and SIB funding and subsidies.

2002-2017, total of £1,062,720,000 from main programmes funded by Government Departments and Big Lottery (Floyd, et al., 2017, p. 22), offered through 120 social investment intermediaries (Floyd, 2017b)

Total Government and Big Lottery SIB subsidy is bigger than actual external investment in SIBs (Floyd, 2017a, p. 21):

“conservative estimate of total subsidy provided to SIB market between 2010-2016 (£45mn) exceeds an optimistic estimate of total investment by socially motivated investors (£39mn). Every £1 invested in a SIB has been supported by at least £1.15 of government money”.

Early evaluations of Cabinet Office and Big Lottery SIB support programmes confirm critical role of central Government funding in providing around 50% of SIBs' total project cost (Ecorys Research and Consulting, 2017; Ecorys Research and Consulting Ltd, 2016a, 2016b)

Power to Change Projects

Our assets, our future: the economics, outcomes and sustainability of assets in community ownership

- “...assets are unevenly distributed across England, with the highest numbers in less deprived, rural local authorities. **The most deprived 30% of neighbourhoods contain just 18% of assets in community ownership**”

(Archer et al., 2019, p. 3)

- **Whereas, the most deprived 30% of local authorities contained an average of 15 assets in community ownership. This compared to an average of 20 in less deprived authorities”.**

(Archer et al., 2019, p. 22)

- **“30% most deprived neighbourhoods contain just 18% of assets in community ownership. And yet these areas are likely to feel the most pressing effect of economic, political and social problems which community ownership could help address”.**

(Archer et al., 2019, p. 22)

Power to Change Projects: Financial Value on Everything

- The benefits of all this area already being valued:
- “Based on these assumptions it is estimated that the jobs provided by assets in community ownership provide:
 - £15,753,000 in fiscal benefit saving per annum
 - £966,000 in fiscal saving to the NHS per annum
 - £966,000 in public value benefit due to better health per annum”

(Archer et al., 2019, p. 72)

Community Wealth Building

- “Since 2008, Manchester City Council has transformed its procurement by analysing their procurement spend (by geography, sector and amount spent with SMEs); embedding social value in their procurement processes (including a minimum weighting of 20% for social value in all contracts); and influencing the behaviour of suppliers. This has led to the proportion of total spend with organisations in Greater Manchester increasing from 51.5% in 2008-09 to 73.6% in 2015-16, creating over 5000 new jobs”
- “The Local Wealth Building argument is that LWB in Birmingham means more money spent by Birmingham Council and anchor institutions by local Birmingham suppliers of goods and services. This should increase the number of jobs in Birmingham. In turn, supplier businesses and their employees will tend to spend more money in Birmingham, creating more wealth in a local ‘circular economy’.
(Hatcher, Birmingham Against the Cuts, 2018)

Community Wealth Building II

- “But what if Coventry and the Black Country authorities apply the same policy in return? How much less will be spent by them on Birmingham suppliers? How many Birmingham jobs will be lost? CLES has given the example of Manchester: more local suppliers, a claimed 5000 new jobs created. But how many jobs have been lost elsewhere as a result, including perhaps in Birmingham? Or nearby Preston? The issue is not mentioned and no data is made available.
- “The logic is inescapable: early adopters of the LWB strategy can gain at the expense of other areas, but as more and more cities adopt the LWB strategy it increasingly becomes a zero-sum game in which no-one gains”.

(Hatcher, Birmingham Against the Cuts 2018)

CLES Doesn't Answer

- “We should see Local Wealth Building as a long-term strategy of increasing the productivity of businesses through reducing information asymmetries (where one party in an economic transaction holds more information than the other), opening markets to SMEs and engaging with suppliers. **These activities make the market more competitive, not less, as they enable access to more local SMEs and not just to few big corporations. LWB is business development policy.**
- “Progressive procurement is about bringing economic activity where it produces the highest social return without reducing the productivity of the economy. In short, it is about increasing the social efficiency of economic activity. **This work is an example of Pareto improvement – whereby for the same productivity we get more social and environmental benefits.** (Calafati, Lucia; Jackson, Matthew; McInroy, Neil; Centre for Local Economic Strategies (2017)) “Improving social efficiencies of local markets is not protectionism”

Chameleon Localism

- “neoliberalism entails not just competition between nation states but competition between cities within the nation state.
- ‘Neoliberalism’s strategy has been to deepen competition between localities on the basis of cost reduction, and to encourage mobility of productive capital, commodities and labour power between localities.’
- “Social democratic localism attempts to deal with manifest problems of neoliberalism and corporatism. ...The ideology of this type of localism is of intense local collaboration and consensus across the classes: ‘we in locality x are all in this together’. The need for the locality to compete more effectively in a globalised world is just as strong as in corporatist localism”

(Gough ‘Chameleon Localism’, 2018)

End of Life Care Incubator (North West London)

- National Lottery Community Fund, Hillingdon CCG, Hammersmith & Fulham CCG, Hounslow Clinical CCG , Ealing Brent CCG, Harrow CCG
- Your Life Line 24/7 is a single point of access (SPA) and palliative overnight nursing service (PONS) that works in collaboration with all clinical care providers involved in aspects of end of life care within Hillingdon to ensure improved co-ordination, communication and liaison with teams in all settings relating to current care planning and delivery. includes both telephone advice and trained nurses who are able to rapidly provide a visit to a patient when this is required.
The SIB aims to prevent avoidable hospital admissions and help palliative patients to die in a place where they feel most comfortable.
- **Outcomes: Improved Care for Individuals at End of Life**
- **Definition: Number of service users to die in preferred place of death**
- **Total Maximum Outcome Payments £1.9mn (Fol Response)**

Worcestershire Reconnections

- The SIB provides one-to-one tailored support for lonely older people who co-develop an action plan to establish ways in which they can (re)connect with a variety of local support networks. A volunteer based locally works with each beneficiary to help them achieve the actions in their plan and help individuals maintain their connections with activities in the longer term.
- Age UK Herefordshire and Worcestershire
- Onside Advocacy
- Simply Limitless
- Social Finance
- Worcs Community Trust

Worcestershire Reconnections

- **Evaluation**
- “We make use of data from the Dutch AMSTEL study, a ten year follow up of individuals aged 65 to 84 which reported that men that were lonely had a 1.3 times greater chance of being dead compared to those that were not lonely (Holwerda, Beekman et al. 2012)”.
- **Potential Costs Avoided per Individual through Avoidance of Loneliness in Older Population**
- (p30) ““majority of these savings (59%) are due to the avoidance of unplanned hospital admissions, with further substantive savings (16%) from the avoidance of excess GP consultations. The delay in the use of dementia services accounts for most (20%) of the remaining averted costs”
- (p30) “If it is possible to target efforts so that actions only affect **those who are lonely most of the time** these avoidable costs increase to £6,000 per person over ten years”.

Worcestershire Reconnections

- **Evaluation** (p32)
 - Dementia Family (Care) £163.34
 - Dementia NHS £60.02
 - Dementia Social Care £142.74
 - A and E Attendance £29.23
 - GP Consultations £274
 - Hospital Admissions £1,033
- **Outcome Payments (including to Community Organisations)**
- Reduction in loneliness (after 6 months):
 - Maximum payment £460
- Reduction in loneliness (after 18 months):
 - Maximum payment £240
- Potential Maximum Outcome Payments £2,020.000.

Newcastle Ways to Wellness

- In development phase, VONNE secured £130,000 development funding from Department of Health Social Enterprise Investment Fund (SEIF).
- ACEVO (Charity Leaders Network) pledged £15,000 in cash and in-kind support.
- January 2014, £150,000 of technical assistance from Big Lottery Fund.
- **First Contact Clinical**
- A Social Enterprise. Experts in Deprivation Medicine, their focus is on health problems that are more commonly found in disadvantaged areas and communities. **They create opportunities for positive behaviour change that reduces the impact of deprivation.**
- **Mental Health Concern**
- Provides wide range of specialist mental health services in North East of England. **They are a not-for-profit organisation and are primarily commissioned to run their services by the NHS and Local Authorities.**

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