

Wales must turn its co-operative care promise into practice

By Co-operatives Wales

At the Senedd Co-op Cross Party Group meeting this week, Dr Sarah Evans's presentation of CLES research exposed a troubling gap between Wales's social care ambitions and how public money is spent. For the co-operative sector, the challenge is to turn commitments to voice, prevention and community wellbeing into ownership, investment and commissioning decisions that deliver them.

CLES estimates that £106 million in profits arose from identifiable Welsh public spending on learning-disability care during 2020-2024. Of this, £44 million was attributable to providers ultimately owned by private equity or companies based in tax havens. In 2023/24 alone, that share reached £22 million: 54% of estimated profits.

Profit generated is not automatically profit distributed. However, extraction extends beyond dividends. Interest, connected-company payments and corporate structures can move resources away from frontline care and local economies. CLES separately identified £7.69 million in interest payments, 91% associated with private-equity or tax-haven ownership.

Resources leaving provision cannot simultaneously fund better pay, continuity, preventative support or community capacity. Sustainable surpluses are necessary for reserves and improvement. Co-operative approaches can ensure that their use is democratically accountable and directed towards members' needs and agreed social purposes.

Section 16 of the Social Services and Well-being (Wales) Act 2014 requires local authorities to promote social enterprises, co-operatives, user-led services and the third sector. It also requires promotion of involvement in service design and operation. This is a statutory duty, although it does not automatically reserve contracts for co-operatives or prohibit private provision.

The findings raise serious questions about whether Section 16 is being properly implemented in practice. Its intended direction is not being consistently translated into commissioning and investment. Transactional, price-driven procurement and development shaped by available assets rather than people's needs deepen that disconnect. Councils must demonstrate how their decisions promote co-operative provision, wellbeing, prevention and shared control.

This movement predates the Act from 2009. In 2012, at the invitation of Wales Progressive Co-operators, Jean-Pierre Girard and John Restakis brought international experience to Welsh policymakers, social services leaders and third sector organisations across Wales. Cartrefi Cymru was already part of the developing conversation about co-operative care. That experience should inform implementation today, recognising the sector's contribution to shaping policy.

Mark Drakeford's support and the subsequent 'Care to Co-operate' programme demonstrated political interest. The question now is what development funding achieved, which barriers remained, and whether councils created routes for supported organisations to secure sustainable work. Welsh Government, councils and development bodies, including the former Wales Co-operative Centre, should share that learning.

Leadership must understand co-operation as shared power. Arwain, Wales's new national school of government, offers an opportunity to embed co-operative governance, community wealth building and values-led commissioning in public-service development.

Updating co-operative legislation must also form part of this agenda. The Law Commission's review of the Co-operative and Community Benefit Societies Act 2014 is expected to produce its final report in early 2027. This offers an opportunity to modernise the legal framework while strengthening democratic ownership, accountability and community benefit. For care, reform should support multi-stakeholder models that give people receiving support, workers and families meaningful influence, with safeguards against the loss of member control or resources intended for community benefit.

The Senedd and Welsh Government should actively contribute to the reform process during 2027, engaging with the recommendations and subsequent UK Government decisions and any legislative proposals. They should bring evidence from Section 16 implementation, Welsh co-operative care providers and people receiving care, working alongside Co-operatives Wales and the wider movement. Wales's experience can help shape legislation that supports accessible participation, sustainable investment and shared ownership. Modernising society law and implementing Wales's existing care duties should reinforce one another: neither updated legislation nor a statutory promise will deliver change without practical routes into commissioning, finance and long-term provision.

Wales needs sustained investment in existing community providers, specialist development support and multi-stakeholder co-operatives involving people receiving care, workers and families. Accessible participation must include children and young people, alongside disabled people whose communication requires support. Existing expertise must be strengthened, with communities shaping the changes.

Annual reporting should track ownership, extraction, frontline investment, workforce conditions and outcomes. It should reveal whether Section 16 changes practice.

CLES has provided a compelling reason to act. Wales must make its co-operative commitments visible in contracts, budgets and people's everyday lives. Success means care shaped by people, with resources strengthening the communities that sustain them.

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