



Economic Democracy in the EU Semester. Making Employee Participation Boosting Economic Growth

Pillar 2: Social Dialogue to Enhance an Integrated Welfare System through Social Investment

Davide Dal Maso, Giovanni Pizzochero and Emma Sarti, Avanzi sostenibilità per Azioni
Walter Kahlenborn, Adelphi Research
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This document is the basis for a discussion amongst different stakeholders that will gather on July 1st in Milan. The meeting is one of the outputs of a EU funded project on social dialogue that aims at enhancing economic democracy (and, in particular, employees participation) as a tool to boost European economy.

It is important to make clear from the very beginning that **this is not, technically speaking, a research paper. It is rather a collection of information that can provide inputs for the discussion.**

Background

Welfare schemes in the EU countries has been designed in times of stable economic growth and positive demographic trend, conditions that are no longer in place. The level of public spending for social services varies across Europe. However, in general, the roof to the debt-to-GDP ratio has obliged member States to adopt more rigorous budget policies. This circumstance sums up to other macro changes, such as the ageing of the population and the modification of production patterns.

All these transformations challenge the EU social model and require new institutional settings as well as industrial and social relations models. Private sector players provide their employees (and sometimes their families) with a variety of social services, ranging from:

- healthcare
- pensions
- training and education
- mobility
- etc.

but:

- only large companies can offer a consistent services package
- self-employed, precarious workers and employees of SME are excluded

whereas:

- the large majority of European workers are employed by SMEs
- the number of self-employed workers is growing and
- only a minority of them has either the capability or the income to pay for their own social services

The intervention of private corporations operate in complementing public welfare schemes brings the risk of paternalism and arbitrage. This risk can be mitigated by an active role of employees as well as other stakeholders. The role of employee involvement in steering economic development and innovative welfare systems is growing. A social innovation should always be the result of processes that are innovative themselves, i.e. open to participation.

In order to provide input to a debate on how public welfare schemes can be designed and implemented and what can be the role of participation in this frame, the objective of this pillar are:

- To map best practices of innovative patterns of [public]-private welfare enhanced by employee involvement and social dialogue
- to understand which are the legal and social conditions where they occurred and see to what extent they are replicable

Innovative welfare scheme within public-private partnership (PPP)

Despite the increase trend in tax burden being experienced in various European countries, public welfare - *the system that would like all citizens to benefit from key social services* - is subject to a kind of backwardness, being a system that, for various reasons, has neither been able to adapt to the economic and social framework, nor to meet the ever increasing and more heterogeneous requests.

The sector evolution currently migrates from "distributive" to "generative" welfare.

When faced with a financial crisis and welfare systems cuts, the welfare system is called upon to make a change, relinquishing the image of the public resources "end user" and acquiring the nature of a social catalyser.

Welfare needs to be creative and proactive, if it wishes to turn into an accelerator of social innovation processes, thus triggering *in primis* a cultural change.

In the near future, it will be vital to have an enabling welfare investing on civic collaboration, with a view to building a new paradigm of social policies. Therefore, if the public state model experiences a crisis, as it is exacerbated by budget cuts, demographic evolution, and citizens' demand change, there are additional bodies able to offer integrative welfare services.

This document examines three different categories of initiatives- *more or less innovative*- able to integrate the public welfare system with practices, being promoted or made by private operators:

- **corporate welfare**, representing the intermediate level whereby new actors appear in the scene (enterprises), able to integrate the public offer via a set of services, allowing people to juggle life, family and work, thus saving both time and money.
- **territorial welfare**, whose "core" aims at allocating part of the net profits of the companies (generally SMEs) to local welfare objectives, even with a view to creating jobs in the services sector. It centres local needs and fosters collaboration among various public, private and social private stakeholders on the territory, in order for them to provide with effective answers to the growing needs.
- **welfare services promoted by "social business"** - in particular under the form of cooperatives or social enterprises, capable of offering efficient and flexible solutions, directly agreed with the stakeholders, hence guaranteeing higher social value.

Definition of best practices and criteria for identification

In terms of methodological approach, the initiatives that have been selected meet as many of the following requirements as possible:

- entail a high degree of stakeholders' participation – mainly from employees
- be [economically, socially and environmentally] sustainable
- be scalable or replicable
- integrate rather than replace public welfare schemes (private/public partnership)
- pool SMEs on a sector/geographic/value chain basis
- involve social enterprises as service providers
- attract resources from social investors
- innovate in terms of governance (stakeholders' inclusion)
- be transparent and accountable

Original experiences of corporate welfare

More and more companies can play a key role by integrating public action: it is in this framework that, despite macro phenomena, social demand keeps rising whereas, at a public level, expenditure and services cuts do multiply, so that the risks citizens are subject to (namely those belonging to the most vulnerable categories) rapidly increase.

Corporate welfare is an attempt to meet these new social risks. This term does refer to a plethora of actions (both from the currency and services standpoint) come into action by manifold actors (cooperatives, enterprises, unions, trade associations and so on so forth) which integrate the "First welfare" without replacing it. (public)

Corporate welfare systems, in the most developed contexts, nearly cover all intervention areas via their own services. What follows is a snapshot of some innovative experiences (scalable and repeatable) identified at Italian and European corporate level.



Health, prevention, complementary social security: this field ranges from integrative insurance forms against diseases and accidents, possibly extended to the members of the family household (it is worth mentioning that Telecom Italia guarantees its employees, in Brazil, an integrative insurance cover to maintain the habitual compensatory standards even in those cases of prolonged disease or work accidents) to integrative social security pension schemes, being adopted by all big companies, to agreements with preventive and diagnostic medicine centres and dental, paediatric and specialised treatment up to health care treatments and vaccines supplied by corporate health structures (ENI)

ASSILT (Associazione per l'Assistenza Sanitaria Integrativa ai Lavoratori delle Aziende del Gruppo Telecom Italia- Association for Integrative Health Assistance of workers in Telecom Italia group companies), funded by Telecom Group, namely by member workers and pensioner workers, pursues the goal of supplying integrative benefits, on a non-profit basis, to members and recipients, besides the benefits offered by the National health centre, research studies, surveys and group & individual health prevention actions, as well as the promotion of health education initiatives to protect the health and physical integrity of its members. The association gathers 51000 members among employees, 36000 pensioners and 74000 families and provided benefits worth EUR 63 million in 2013 (for a total of 635 000 cases).

In a similar way, FIAT supplies a medical check-up (for over 40s), free vaccine against flu, integrative health services and a health insurance with the highest cost incurred by the company, for benefits following an hospitalisation, surgical interventions, specialised visits, clinical examination and dental appointments. It organises meetings with specialists on health related topics.

Ferrari organises a complete check-up for all employees and the same exam is free for all family members. Its aim being the identification of the main physiological parameters and possible problems related to the risk factors associated to diseases. This analysis is followed by customised indications about food habits and a drawing up of a tailored fitness program in line with the specific individual needs. Furthermore, medical care is being offered both for employees and family members should specific health problems occur.

Even Intesa SanPaolo launched an integrative health care service of the benefits supplied by the National Health Service, via a fund that acknowledges benefits via a subsidised network or alternatively, reimbursing the health care expenses directly incurred by the members. All in all, the Fund paid benefits for more than EUR 130 million given a total contribution by the members and respective companies of almost EUR 140 million on a year basis.

Even from a health diagnostic standpoint, SFK implemented a well-structured program of diet sessions, dermo-oncological and dermatological examinations for early diagnosis, whereas Luxottica made some agreements with preventive medicine centres and support tools as far as dental, paediatric and specialised treatments are concerned.

In the end, ENI promotes yearly oncological screening programmes, in collaboration with LILT (Italian League countering Tumour) and similar subsidised health care centres. Namely, in collaboration with the Provincial Health Care Unit of Siracusa (the company has petrochemicals plants in the area) voluntary oncological screenings are being performed not only for ENI employees but also for all end users scattered in the territory.

Promoting psychological well-being: in relation to this topic, companies create the most diverse activities, with a common denominator aimed at increasing the employees (and their families)'awareness of healthy lifestyles. Edison, for example, has launched medical prevention campaigns, online specialist advice, motor wellness programs and psychological supports, Intesa Sanpaolo has developed a nutrition education program for employees with the aim of promoting proper nutrition, starting from their meal in the canteen.

Telecom has equipped the corporate headquarters in Padua and Rome with gyms and has created a wellness area in Naples, beyond having activated 49 online offerings of products and services thanks to partnership agreements with bodies engaged in the promotion and



organization of free time activities (cars and motorcycles, culture and entertainment, electronics, sports, financial institutions, health and fitness, travel and holidays, others).

ENI has developed a training and awareness programs aimed at introducing healthier lifestyles by monitoring the daily habits in the 4 areas of prevention (diet, physical activity, smoking and alcohol consumption). Starting from this, it has set up an online training service aimed at encouraging all employees to regularly practice physical activity, that includes a wellness coach, a personal trainer and a doctor. Finally, it signed various agreements for its employees in areas such as travel and leisure, mobility and so on.

Finally Ferrero, further to organize a company gym with a personal trainer who draws up a personalized training program, offers an indoor football school to the employees 'children (actually also present in Alitalia), as well as seminars on topics related to family and prevention health care, for the free spread of a more participatory culture.

Mondelez International has a break area dedicated to neck massages in some European premises, as well as a fitness center open on weekends, while Ferrari has launched the formula Junior Wellness Program, which aims at cultivating the interest of employees' children in sports, fitness and well-being.

Many companies offer psychological counseling service, aimed at supporting and solving the personal problems of employees in troubles.

Services for children and elderly people: in this historical phase characterized by a persistent aging of the population, accompanied by loosening family ties and increasing in single-workers with a more precarious family network, we need to specifically focus on services promoting the harmonious management of family rhythms. In this field, Coop Adriatica has created a system of authorizations and additional leaves in case of young children's illness; in addition, parents without partners and with children under 16, or couples with disable children, can request a leave period and changes in their working hours for six months.

In Sedico, towns in the province of Belluno that hosts two Luxottica's plants, the company has allocated € 500,000 for the construction of a nursery school, donated to the city as a result of an agreement which provides that 30% of available places are reserved to Luxottica employees' children.

Nestle has set up a nursery school in its Perugia factory due to the high number of women in its workforce. But company nursery schools are also present at Ferrari in Maranello, in banks such as Unicredit, BNL, Intesa, in large companies such as Vodafone and Telecom (10 company nursery schools and 7 agreements with many external nursery schools, for a total of almost 500 subscriptions). In addition to the direct creation of a nursery school, there is the possibility of agreements with external ones, where the company itself backs a share.

Summer camps are also rather widespread: for example, those organized by Fiat and Fiat Industrial for their employees' children annually welcome more than 3,400 kids between 8 and 16, and their cost depends on their parents 'role inside the company and on the number of enrolled children; they can spend here a vacation period. Eni and Telecom, further to stays for kids, organize thematic stays, initiative focused on teaching English to the employees 'children.

Luxottica also promotes projects to support families who have to manage everyday people with disabilities, drug addicts or elderly; it provides for social care service to prevent and treat people and family members 'troubles, for babysitting upon request to allow all employees to quickly have a baby sitter available at home in case of emergency. It also provides for support during the baby sitter recruitment process.

Furthermore, people who plan to have a child in the following three years will have the opportunity to pay to the bank their leave hours, overtime hours or days off, to be used when the baby comes. The paternity leave also provides the new fathers with the possibility to be absent up to five fully paid working days at the time of the child's birth. Edison provides for online and free pediatric service.



In Telecom employees are granted additional paid days in case of marriage (5 days in total) and further paid days to new fathers for the birth or the adoption of a child (10 days in total), while Wind provides 100% salary integration to mothers who request it, during the 4 and half months of voluntary abstention from work; Mondelez International allows requesting an advance on the severance pay to cover 100% of the optional maternity leave and the extension of the entrance time to 10.30AM for the first six months after the maternity leave.

SKF has launched a "Help Desk for elderly people" that supports the users in finding residential and health care facilities (day care centers, hospitals, clinics) and staff able to offer home care; it provides for practical help in all administrative procedures and support material (wheelchairs, beds, etc.), and it also provides for an information service about the agreements and incentives to elderly people guaranteed by the National Health Care Service in their municipality. The company offers to working mothers the opportunity to occasionally work from home or to require special leaves.

Coop Adriatica provides for wide time and organization flexibility, tele-work, leaves. People with children under 8 years may request to change their contract from full time to part time, or to organize their working time in a different way; those who already have a part-time job may require a further reduction of their working hours; leaves are also allowed to participate to children 'school integration days.

In addition, workers who become grandparents can help their sons with infants by requesting up to six months of leave. Coop Adriatica has decided to extend the benefits provided by the welfare package to any family; the same measures are applied to unmarried couples, also of the same-sex, both living together and married abroad. This is the case, for example, of contracts provisions for assisting the partner in case of illness and for marriage leave, also possible for same-sex couples that decide to get married.

Income financial aids and supports: many companies have started to integrate the income of their employees for social purposes. ENI provides loans for home purchase, construction, renovation, and to new parents with children up to 3 years.

Luxottica grants a shopping voucher of 110 Euros to be enjoyed at local cooperatives for purchasing everyday products or food, in addition to the reimbursement for the purchase of school books and to the complete reimbursement of tuition fees for employees and employees 'sons who get an average mark equal to or greater than 29 and who pass all the yearly exams provided for by the plan of studies. Also, a few years ago the company launched a solidarity micro-credit for employees and, particularly innovative action, it created the job sharing, which provides for the involvement (distribution of work and salary) of the spouse of an unemployed or temporarily laid-off worker, or of the son who is completing or has completed his studies, or of another unemployed family member.

This provision is aimed at keeping the family income in this particular troublesome economic period, under the job point of view.

Ferrari has created the "Open Doors" office to find temporary accommodations to new employees, by paying for the rental to employees looking for a permanent house; in addition the company provides for the total reimbursement of school books for children from secondary to high school, as well as scholarships and awards from 500 to 5 thousand euros for the best students of secondary and high schools or universities.

Wind has launched the "Risparmio di tempo" project that, with the help of corporate headquarters 'concierges, offers support in small daily tasks, while the "Risparmio di denaro" project has created important agreements with various partners and provides online support in the legal, tax, medical, pediatric, and automotive fields.

H3G has created "Paghetta 3," economic support to the best employees 'sons of secondary and high schools, while in Telecom all employees with children between 6 months and 2 years can request to the company a kit for free which includes some specific foods. The kit may also be required for children under 6 months upon medical prescription.

Original experiences of territorial welfare

To survive the economic crisis, small and medium- sized companies had to do a step backward or maybe forward, putting their individualism aside and shaping new forms of collaboration via the creation of networks of enterprises.

Network contract is the tool favouring the integration of two seemingly distant notions: collaboration on shared programs and the conservation of the entrepreneurial autonomy.

The advantages of a business network go beyond the development and growth of single involved contexts realities, equally involving the wellbeing of employees, up to their possible effects on the territory.

With the enterprises' network, SMEs act and think as a big enterprise would, they work as a team, share projects and resources for the provision of services. By so doing, they do help workers facing the various needs of everyday life and the development of structures on the territory is favoured, as well as employment in the sector of services being offered to people.

Networking by SMEs: in this area, SMEs doing network building to improve the company mood are different.

Giunca (Group of SMEs committed to actively collaborate among each other) is a clear example in this respect. It was established in Varese in 2013. It involves 13 manufacturing companies in the Varese area, comprising as well as 1700 employees.

The areas of intervention and activities are varied and include the following: reaching the workplace, through the study of territorial mobility projects and facilities, i.e. based on car sharing and car-pooling; family income support, through proposals for special forms of financing to open a current account or contract a mortgage; time, by helping workers to improve their work life balance thanks to the easier services agreement i.e. transport; health & wellbeing, entering into easy term contracts for the health care of sick relatives and elderly parents.

As of today the so called GiuncaNet Work life Balance has been created, a web portal and shared databank including the services active on the territory in terms of family health care and wellbeing.

Another recent case concerns Prato, whereby via a collective agreement, Confindustria Prato and the unions were able to transfer daily needed goods and services (from kindergarten to diagnostics, from holidays offered by the company to a theatre or gym subscription, from reimbursements for school books to kindergarten and university fees) in small enterprises of the textile district. The services will be managed through an online portal intended for the "district" each employee will have access to, with a personal account, thus managing his or her own welfare account directly from a Pc at home or at work.

Another example is provided by the network Sanares, consisting of about 30 business structures focused on the social and health sector. The network aggregates businesses operating in the Lazio area and aims at developing a shared strategy for prevention and Clinical Diagnostics.

The network does offer the following: a unique reservations contact point addressed to the patients Network to improve the supply of services offered via a Central Databank to track the activities being carried out; the Electronic Health Record for each user, containing health data resulting from social and health care agencies of the Network and capable of being integrated by the same user and health care professionals from other clinics, an integrated home care service offered not only to single individuals but also public and private healthcare institutions intended for patients with chronic and disabling conditions and for the elderly. The benefits for users of healthcare facilities result in standardized prices, better logistics in terms of performance provision and quick communication of health data.



Large companies build a network for the dissemination of welfare: In Italy it is worth mentioning the IEP network (a network of both enterprises and people), founded in October 2009, involving twenty-five leading Italian companies (including Alitalia, Intesa Sanpaolo, Edison, Kos-Blues Years, Lavazza, Marsh, Mediaset, Michelin, Sea, Skf, Telecom, 3 Italy and Wind). The total number of employees involved exceeds 400 thousand units. It was created with a view of fostering the debate and deepening welfare-related topics, both at a company and intercompany level, sharing experiences and future plans, creating welfare innovative solutions and systems, for the benefit of both enterprises and their employees.

This rationality behind it aims at overcoming the concept of competition in the market favouring the collaboration in view of a collective well-being as workers can take advantage of the benefits being interchanged among enterprises. For example, Edison provides power at discounted rates to all IEP workers, Lavazza coffee machines for their homes, Telecom telephone equipment, Wind and 3 reduced tariffs as far as mobile and fixed telephony are concerned.

The welfare in the provinces: In Italy, specialized players able to closely collaborate with enterprises are on the increase. This is the case of Unindustria (Confindustria in Treviso Province), managing contractual relations on behalf of the enterprises in the territory with those third parties that are necessary for the creation of a welfare package intended for every single SME present on the territory.

There is a new wave of services providers specialized in advanced solutions offering web and internet platforms (or directly implemented in the company intranet) who will allow each employee to be totally independent in the early stages of the selection of services, resources to be allocated (also through MBO management programmes) and documentation reporting of services enjoyed. An example is provided by the Welfare Company Srl in Milan, the only Italian capital company devoted to the preparation and management of support services for corporate welfare.

Original experiences of social business in welfare services

Over the last few years, the role of cooperatives, health insurance funds and associations to correct serious economic and social unbalances, has become of paramount importance.

Difficulties in finding satisfactory solutions to important problems such as social marginalisation, wellbeing of the rural and urban world, health, quality of life do impose new solutions in meeting and offering them. Europe promoted the European Network of Cities and Regions for Social Economy (REVEs), the single European network launched to have local authorities and social economy players work together with a view of boosting stable partnerships and promoting common policies for the social sustainable local development and social inclusion.

The network, created in 1987 as non-profit international association, works in towns such as Östersund (Sweden) and Reggio Calabria (IT), in collaboration with the European Confederation of Workers' Cooperatives and Social and Participative Enterprises (CECOP).

REVEs main notions are: partnership, participation, social cohesion and new commitment for the creation of a new pluralistic local welfare.

Among the launched partnership agreements it is worth recalling: Childcare, a project whereby thanks to the support of the town of Reggio Calabria, five migrant women and an Italian woman established the Piccolo Mondo cooperative, offering in particular services for children and young people, such as the management of a multi-ethnic kindergarten, where REVE's members of the towns of Pordenone and Faenza commit to provide social services via partnerships with social economy organisations and enterprises.



During the creation of Area Plans, the local needs and the services to be activated have been defined, the same goes for the accreditation and fixed services' management criteria.

The participation of services' suppliers in this co-planning processes is a condition sine qua non for the formal accreditation and fosters them to establish a network of cooperation (with recipient organisation, families of services' recipients and so on so forth)

In Faenza and Pordenone, these co-planning and accreditation processes provide a new image to suppliers, by adding to their classic role of services' provider also the active role of promoters of specific initiatives and services, with the ability to foster relations with the various players scattered on the territory.

REVEs launched the Care project in order to promote strategies to support work-life balance and to increase the involvement of men in taking care of the family members. The project aims at analysing the best practices of partnerships between local authorities and social and economic actors promoting shared domestic responsibilities between men and women, thus simultaneously strengthening the role of fathers. The project equally pursues to develop new health care models in the local community addressed to children and the elderly and to draw up guidelines for the creation and improvement of local services. In this regard a valid example is represented by the "La Marina, un luogo per conciliare i tempi" project, promoted by the Department of New Social use of Time, in the municipality of Barcelona, and implemented by Maria Aurelia Company Foundation.

The project- made up of 25.000 inhabitants- has been launched in all the areas of La Marina where problems of social inclusion, namely related to the high number of immigrants have been raised. The objective being the promotion of the district, examining the reality of the proposals of the territory, through the development of a new urban organisation model to juggle the inhabitants' private and working life.

Some actions concerned the review of buses timetables, on the basis of an analysis of the real needs of the population, the supply of projects, namely intended to support immigrants as far as red tape procedures are concerned, the creation of new health care services for children with disease to enable parents to work, the creation of new homes for the elderly, the revamping/ renewal of degraded sites and buildings which may be used by various groups of inhabitants for their activities.

In England, the first NHS spin off was created, the Central Surrey Salute (CSH), a social enterprise owned by the employees offering therapy and treatment services intended for 280.000 inhabitants in the centre of Surrey, in South of England. Acting as a social enterprise means that whatever profit can be reinvested in the supply of health care services. The kind of chosen structure, which led employees to shoulder their managerial responsibilities and therefore change their modus operandi at work, contributed to speed up the decision making process, reduce red tape, increase innovation and problem solving.

The employees being owners themselves are encouraged to share their ideas on the procedures improvement and seize shortcomings. During the first year of the program, for instance, one million pounds was identified and saved in terms of shortcomings related to processes. In 2010, they measured the CHS services social (SROI) value for children in need, showing that they generated £ 5.67 in terms of "social value" per single £1 spent by our contractors. It is equally worth noting the Digital Welfare (2013-2020) strategy coming from Denmark, published by the Danish national government with a view to accelerating the use of ICT and technology in the services provision, namely health care, treatments for the elderly, social services, and education. For instance, with the new ICT solutions, doctors can monitor their patients remotely, in their turn patients can perform a check-up of their own habits, thus saving their journeys to the hospital. These new welfare digital solutions have a positive impact on the quality and flexibility of people everyday lives.

A case from UK ¹

Central Surrey Health (later renamed **CSH Surrey**), the first social enterprise to spin out of the National Health Service (NHS), is an employee-owned organisation that provides **therapy and community nursing services** to a population of 280,000 in central Surrey in the south of England. Operating as a social enterprise means that any profit can be reinvested into the delivery of care services.

CSH Surrey is owned by its employees, nurses and therapists it employs, who are called 'co-owners', in a model similar to the John Lewis Partnership (except CSH Surrey's co-owners don't benefit from dividends). This means that the staff are involved in everything from budgets, strategies and plans to making improvements on how their services are run. CSH benefits from higher levels of engagement and motivation, which leads to higher quality care.

Its co-ownership model has a legal and a cultural basis and is written into CSH Surrey's Articles of Association. It all started in 2005, when the East Elmbridge and Mid Surrey Primary Care Trust was looking to separate out commissioning and provider functions. **Jo Pritchard**, a health visitor and nurse, and **Tricia McGregor**, a speech and language therapist, were offered the opportunity to explore healthcare delivering options. They created an entrepreneurial employee-led concept that put patients' and community needs first. After operating in shadow form for three months, Central Surrey Health was formally established in October 2006. A pioneering group of **650 nurses and therapists** chose to set up their own business, believing they could deliver higher quality healthcare independently. Culturally, co-ownership with CSH Surrey means respecting and treating colleagues as equal owners of the business, whatever their job role. Co-owners do this through listening and responding, involving each other and sharing information openly and honestly.

CSH Surrey provides community health services for adults, children and their families in homes, schools, clinics and community hospitals. This includes dietetics, immunisation, physiotherapy, hearing, speech & language checks, breast-feeding support and therapy for children with complex needs.

CSH Surrey has an active employee 'council' called *The Voice*, whose co-owner elected representatives ensure that co-owners' voices are heard at Board level. Their role is to challenge and question CSH Surrey's strategy and performance on behalf of their constituents, ensuring CSH Surrey continues to operate in the best interests of patients, co-owners and the organisation.

CSH Surrey's shares are held by four co-owner Guardian Shareholders, whose primary roles are to vote on behalf of their fellow co-owners at Annual General Meetings. They are accountable to CSH Surrey's Guardian Trust, a group of six Trustee Directors who ensure the Guardian Shareholders act in the best interests of patients, co-owners and CSH Surrey. The managing directors and the senior staff are all nurses or therapists, which means that those people who are closest to the patients' needs are in charge of providing and developing services. By giving power to change how their services are run to its staff CSH saw innovation, which in turn led to efficiency savings

Tricia McGregor, Managing Director, CSH Surrey, said: *"Our clinicians are the people closest to our patients: by giving them the power to change how their services are run, we're seeing real innovation, which in turn is bringing about real improvements in efficiency."*

CSH Surrey describes itself as: *"An award winning community healthcare provider where strong partnerships motivated [co-owners](#) to drive the delivery of better care."* It is a values-driven, people business with a [passion for quality and innovation](#). As a not-for-profit [social enterprise](#), CSH Surrey exists to [benefit its local communities](#) and any surplus is re-invested

¹ Compiled by: The Esop Centre, 65 Kings Cross Road, London WC1X 9LW (June 2014)



back into the business. *“Our vision is to be a pioneering and innovative organisation that empowers co-owners to consistently deliver exceptional care for a healthier community.”*

The new structure has helped to speed up decision-making, reduce bureaucracy, increase innovation in problem solving and hold the employee-owners to account for what they do. This has required employees to take on managerial responsibilities and change their approach to their work.

Elected representatives sit on a co-ownership council called *The Voice*. They can and do challenge the board on behalf of all the employees regarding their organisation’s strategy and performance and raise questions and views directly with the board.

Caryn is a Staff Nurse at Molesey Hospital - one of four community hospitals run by CSH Surrey. She joined as a Health Care Assistant (HCA) and immediately set about doing her return to practice. CSH Surrey supported Caryn so that she could study part-time at University. Throughout her return to practice Caryn was mentored by a nurse from one of CSH Surrey’s other hospitals and continued working as an HCA, although admits working and studying at the same time was difficult. Nonetheless, she is very pleased she did, achieving her registration again in 2009. Caryn feels working for a co-owned organisation is different from where she’s worked before: *“It’s a great place to work. As a co-owner I feel I have a say - we’re consulted on changes and the Directors really do promote our co-ownership culture. I work in a small but very supportive team and I am now enjoying supporting our student nurses myself.”* Caryn currently works part-time but as her children get older she remains keen to take up other opportunities to learn new skills.

Sarah is a musculo-skeletal physiotherapist who joined the outpatient physio team in 2012 and worked with them for a year before joining CSH Surrey’s Quality Innovation and Change team. Sarah took on the role of manager of the Future IT project to update its computers, mobile phones and printers - so co-owners have access to the best technology to support them to deliver high quality services. She said: *“Being co-owned, CSH Surrey is very big on creating opportunities for co-owners to get involved in the business and in allowing everyone’s voices to be heard. With the Future IT project we’ve involved co-owners in everything from testing new devices such as tablets and other mobile devices to the model of printers they need in each location.”*

Reports show that the co-ownership approach is working. Overall engagement among employees is 88 percent, much higher than average for similar organisations (source: 2010 NHS staff survey). In addition 73 percent say that communication at CSH is open and honest; 85 percent say communication is good in their area of work; and 74 percent feel fully informed about what’s going on. This contrasts with national average reporting good communication between senior managers and staff in primary care trusts at just 34 percent, with the second best score nationally of only 47 percent. At CSH 98 percent of staff say they are willing to go beyond what is normally required. The industry average is 84 percent (Source: Survey Initiative 2011 data).

Furthermore, 95 percent of co-owners believe CSH Surrey is genuinely committed to delivering high quality services to its patients, whereas just 64 percent of staff in NHS community trusts believe that the care of patients/service users is their organisation’s top priority (2013 CSH Surrey and NHS staff surveys) How does this improved engagement translate into productivity gains for the business? Because the staff are encouraged to share ideas of how their day-to-day procedures could be improved, efficiencies have been found in business units across the organisation.

In 2009, with the full support of its staff, CSH Surrey embarked on a radical transformation programme that was designed to remove bureaucratic and wasteful processes and systems. The aim was to enable its valuable nurses and therapists to spend their time treating patients rather than on unnecessary paperwork or processes. As a result, Surrey’s patients and taxpayers are getting a much better deal.



In the first year of the programme CSH identified and removed £1m of unnecessary processes – *without the need for a redundancy programme*. It was able to protect services and, in many cases, improve quality. For example, in response to a reduced budget and increasing waiting times, the musculo-skeletal physiotherapy service was reviewed and redesigned by the staff. Under the new system, the average waiting time was reduced from 13.4 weeks to 6.7 weeks. In 2011, CSH Surrey made further improvements in productivity of between 10-45 percent. For example, they achieved 41 percent productivity gains on the Stroke Ward at Epsom General Hospital. As a result, patients get 76 more treatment slots per week.

CSH Surrey listens and responds to patients and service users in person and via surveys, feedback cards and online. In direct response to feedback, the children's dietetics service moved from the hospital to community clinics, at sites and times selected by patients. Users' experiences are so important to the people who run CSH Surrey – [the Board](#) – that their monthly meetings start with a patient story. They also 'walk the floors' to observe care first hand. CSH Surrey is committed to continually improving its health services and clinical practices, systems and processes. Improvements range from showing x-rays to fracture patients receiving hand therapy to moving baby clinics into local children's centres so parents can more easily access support, with more to come. It is committed to breaking new ground. An innovative partnership between its community nursing teams and local hospices means that those at the ends of their lives can receive round the clock care at home.

Ownership by the nurses and therapists who run the services creates highly motivated teams who deliver better healthcare through higher productivity and greater innovation – for the benefit of service users.

In the words of **one employee**: “*The best thing about CSH Surrey is autonomy – being able to put ideas into place or open for discussion and development. Encouragement of change and a culture that is not afraid to make changes, and avoids complacency. Lots of great and enthused staff, willing to make a difference and deliver high quality and important services.*”

CSH Surrey has won multiple awards including the Philip Baxendale awards for employee engagement in 2012, the employee innovation category for 2011 and in 2010 was declared the runaway winner of the 'Employee Ownership Initiative' category. In 2010 CSH was named the first winner of the Prime Minister's Big Society Award.

In 2010 a report by the Department of Health showed that CSH Surrey's services for children with complex needs create £5.67 in 'social value' for every £1 spent. The reason for this was given as the structure of an employee-owned social enterprise.²

The social return on investment process gave CSH Surrey the opportunity to engage with its stakeholders. This led to more detailed discovery of outcomes for children and parents. But while conducting the review, CSH realised the need to redesign its engagement procedures. They realised they would benefit from more effective gathering of data relating to the future progress of clients, for example, tracking of independence and their achievement of future goals.

Regulation & Compliance:

CSH Surrey says that aiming just to achieve the minimum or essential standards is not sufficient and that as a quality focused organisation it must strive to achieve the highest possible standards. It has an ongoing inspection and audit programme focusing on regulatory and standards compliance and quality assurance measures.

This activity is co-ordinated by the Governance Team, which is accountable to the Director of Nursing, Quality and People. CSH Surrey measures compliance against the Care Quality Commission (England), NHS Information Governance Toolkit and other associated legislation. Additionally announced and unannounced spot checks are made to clinical areas to ensure

²http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/@ps/documents/digitalasset/dh_122354.pdf



compliance with CSH Surrey standards. All audits are routed via the IGC to form part of the assurance process, as well as specific Quality Indicators agreed with each Clinical Business Unit.

Support for the community:

CSH Surrey launched its Community Fund in 2012 with a donation of £10,000 from its reserves. Its Fund Panel, comprising co-owners from within CSH Surrey, awards grants of up to £2,000 every two months to support health and well being projects run by local groups and organisations. Organisations that have benefited include: Home Start Elmbridge, The Bees Boccia Club (Epsom and Ewell), Mid Surrey Mencap, Surrey Disabled People's Partnership (SDPP), a new food bank in Cobham (launched Dec 2013), Aphasia charity Dyscover Ltd, the youth support group YES+, the Leatherhead CAB and East Surrey Domestic Abuse Service.

Obstacles faced:

CSH Surrey's first attempt at winning a competitively-tendered NHS contract resulted in failure. The *preferred bidder* chosen for a five year, £500m contract for community services in half of Surrey is a private company majority-owned by Virgin Healthcare, Assure Medical. In light of the high-level UK political support (from minister Francis Maude and Prime Minister David Cameron) for public sector mutualisation, this was a big disappointment. It was rumoured that the bidders for the NHS contract were expected to raise a £10m bond as surety. Access to capital is easy enough for private firms like Assura Medical, which have access to money markets and wealthy owners; it may even have been straightforward for Surrey and Borders Partnership NHS Foundation Trust, which also bid. CSH, was able to raise only £3m. It is not clear whether this financial fragility counted against CSH in the contract process.

As a result, the Department for Health launched its *Fair Playing Field* review, which looked at problems faced by NHS spin-outs and sought to find solutions.

The chief executive of Social Enterprises UK, Peter Holbrook, said: "It is not enough for government to open up markets; it needs to create fair markets that benefit society. Some of the financial criteria used in contracts create an unequal playing field in which social enterprises are unable to compete because they may not have the same financial backing as private sector providers. Unless swift action is taken to address this we will see social enterprises and mutuals lose out to the private sector. Public sector workers will be understandably anxious about spinning out from the NHS and setting up a social enterprise on the back of this news. The government needs to take action to reassure them that they will not be operating in markets weighted against them."

It was announced in October 2012 that CSH had won in its bid to continue to run community health services in mid-Surrey. The contract value is about £113m for a five-year period and began on February 1, 2013.

A case from France ³

La Société Coopérative d'Intérêt Collectif (Scic), créée par la loi 2001-624 du 17 juillet 2001, est une entreprise coopérative qui:

- permet d'associer autour du même projet des acteurs multiples : salariés, bénévoles, usagers, collectivités publiques, entreprises, associations, particuliers... tous types de bénéficiaires et de personnes intéressées à titres divers

³ Compiled by ICOSI & Groupe Chèque Déjeuner (June 2014)

- produit des biens ou services qui répondent aux besoins collectifs d'un territoire par la meilleure mobilisation possible de ses ressources économiques et sociales
- respecte les règles coopératives : répartition du pouvoir sur la base du principe 1 personne = 1 voix, implication de tous les associés dans la vie de l'entreprise et dans les principales décisions de gestion, maintien des résultats dans l'entreprise sous forme de réserves impartageables qui en garantissent l'autonomie et la pérennité
- s'inscrit dans une logique de développement local et durable, est ancrée dans un territoire, et favorise l'action de proximité et le maillage des acteurs d'un même bassin d'emploi
- présente un intérêt collectif et un caractère d'utilité sociale garanti par sa vocation intrinsèque d'organiser, entre acteurs de tous horizons, une pratique de dialogue, de débat démocratique, de formation à la citoyenneté, de prise de décision collective... et garanti aussi par sa vocation d'organisme à but non lucratif.

La Scic introduit en France la coopération en multi-stakeholders (multisociétariat - parties prenantes), permettant d'associer et faire décider ensemble:

- les salariés de la coopérative (comme dans une Scop)
- toute personne physique désirant participer bénévolement à son activité (comme dans une association)
- les usagers habituels et les personnes qui bénéficient à titre gratuit ou onéreux des activités de la coopérative (comme dans une coopérative de consommateurs)
- et toute personne physique ou morale de droit privé qui entend contribuer directement, par son travail ou par un apport en nature, en espèce, en industrie ou par tout autre moyen, au développement de la société coopérative (comme dans les sociétés commerciales classiques)
- toute personne morale de droit public dans la mesure où l'activité et l'intérêt de la Scic entrent dans son champ de compétences (comme dans d'autres sociétés régulant le Partenariat Public Privé).

L'ensemble de ces personnes peuvent être associées au capital de la coopérative.

En tant qu'associé, chacun participe aux prises de décisions collectives via l'Assemblée Générale de la coopérative où il s'exprime à égalité de voix avec les autres associés. C'est l'assemblée des associés qui élit en son sein les administrateurs et les dirigeants de la coopérative. Cette Assemblée d'associés peut éventuellement définir des collèges de vote pour pondérer les voix entre sous-groupes d'associés.

Un exemple : CEFEM « Les petits déboulonnés »

Les besoins identifiés sont: Dans le cadre de son développement, l'entreprise CEFEM, spécialisée en technologie électrique et électronique, éprouvait des difficultés importantes à recruter du personnel qualifié compte tenu de son environnement rural.

Le CEFEM souhaitait améliorer les conditions de vie au travail de son personnel, fidéliser son personnel, faciliter la mobilité d'opérateurs, de techniciens et de cadres venant de l'extérieur ou souhaitant revenir en Ardèche dans de bonnes conditions.

Un des leviers majeurs identifiés permettant d'atteindre ces objectifs est la mise en place d'une crèche pour accueillir les enfants de son personnel, service inexistant sur le territoire.

Les enjeux sont multiples : sociaux, économiques, de développement du territoire. Celui-ci est rural, l'implantation de la crèche au plus près (à savoir sur le terrain même) de la plus grosse unité économique de la communauté de communes facilité l'accessibilité à ce service d'accueil des enfants des salariés de l'entreprise, mais aussi des habitants du territoire.

Innovation mise en place: Cette initiative a nécessité la mobilisation de différents acteurs, notamment : la communauté de communes de la Roche de Gourdon, le Comité d'entreprise et les dirigeants de l'entreprise CEFEM, les parents concernés du territoire regroupés dans l'Association « Les Enfants de la Boulogne », le Réseau petite enfance ACEPP Ardèche Drôme, la Caf d'Aubenas, la MSA, les services de la PMI du Conseil général, l'URSCOP Rhône Alpes (Union Régionale des SCOP). Ce projet particulier a conduit à réfléchir à une structure juridique pouvant concilier trois composantes: le développement d'une activité de services nécessitant un partenariat multiple et allant dans le sens de l'intérêt collectif du territoire.

La SCIC de la Roche de Gourdon regroupe ainsi les salariés de la crèche, les usagers représentés par l'Association des parents « Les Enfants de la Boulogne », la communauté de communes et la société CEFEM. La crèche "Les petits déboulinés" représente un réel outil de développement du territoire, notamment dans cette zone rurale où les structures d'accueil font défaut.

La SCIC s'attache à mobiliser au mieux les ressources du territoire au niveau économique et social. Le facteur clé de succès de ce projet réside dans l'association de toutes les parties prenantes au projet : le multi sociétariat permis par la SCIC est primordial. Cette réalisation se prolonge par la création d'un centre de loisirs basé sur la Commune de St-Etienne-de-Boulogne afin d'accueillir les enfants jusqu'à 11 ans pendant les vacances scolaires à partir de juillet 2010. Les principaux financeurs sont CAF (PSU), MSA (PSU), Conseil général, communauté de communes, entreprise, parents.

Framing a model that leverage social dialogue as a mean to enhance new integrative welfare schemes

The cases that have been mentioned above are only a partial and non systematic selection of the innumerable experiences that one can find across Europe. But the variety of the different approaches allow an interpretation of the whole picture and a comprehension of which conditions better favour the launch and the growth over time of effective integrative welfare policies.

Before going into the analysis, some initial general remarks:

- corporate welfare is not new. Instead, in many cases it has pre-existed public initiatives. The difference is that whereas in the past it was more the result of a philanthropic and paternalistic approach, now it tends to be the output of a responsible negotiation with different stakeholders, mainly trade unions;
- as a consequence, where unions or other stakeholders' organisations are not strong enough or where the quality of social dialogue is poor, the level of coverage can be too low or unequal;
- corporate welfare schemes cannot solve the problem of public welfare withdrawal. paradoxically, they might end up to make it bigger – provided that the beneficiaries are those who are already privileged;
- the creation of networks amongst SMEs might be an interesting path, but very hard to achieve without a strong leadership, either from public (central or local) authorities or private trade organisations;

- the third sector has played a marginal role so far, if any. With few exceptions, it has been the mere executor of projects designed and managed by someone else;
- most integrative welfare schemes have been funded by traditional sources. The investment community is out of the picture. Innovative financial tools, such as the Social Impact Bonds (SIB) are, on the one hand, too complicated and expensive and, to the other hand, more suitable for specific, experimental projects rather than systematic and continuous activities.

That said, the point is how to shift from a merely voluntary and random approach to a consistent frame that generates rights for all citizens and not only concessions for few ones. Here, again, some initial considerations:

- this is the typical space of public policy. Without an articulated strategy, we will, at best, keep on counting good initiatives here and there, but one isolated from the others and with no or minor impact;
- decision makers have a key role to play, either at European, national and local level. This is one of the areas where the goals of the Lisbon strategy can be made tangible;
- designing and maintaining integrative welfare schemes is not just a matter of demand and supply. It has to do with the type of society we want. The final goal should be to create a more cohesive and resilient community, with strong links between social groups, generations;
- for this reason, entrust the third sector, and social businesses in particular, can be crucial in terms of success. Whenever the object of the transaction is a relational good, the presence of intrinsic motivation makes a difference. These subjects are (or should be) open, values oriented and democratic and therefore more capable to generate social capital. Besides, the absence of profit maximisation purposes should deactivate the conflict between stakeholders (especially between capital and clients/workers);
- participation is a key issue. Maybe not a necessary condition, but surely an element that enhance the quality and the stability over time of any initiative;
- participation must evolve from the classical type of dialogue between businesses and unions to a more complex and rich arena, where all actors contribute to design and manage the new system. A multistakeholder dialogue requires specific attitudes and skills;
- all these elements can be achieved if all actors involved in the game play their role fairly. Clearly, governments at central as well as local level cannot be any longer the only protagonist; they should be rather the coordinators, the enablers, the subjects that create the conditions that allow the others to cooperate;
- in terms of public policies, besides a consistent regulatory framework, the fiscal tool can be leveraged to create the advantages for all key actors. Clearly, extra-economic motivations are important but cannot guarantee sustainability in the long term.