



# Positively Public Fact-Sheet

## JULY 2007

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### **SOCIAL ENTERPRISES IN PRIMARY CARE**

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Recent years have witnessed great changes in the accountability of different parts of the NHS as alternative providers have become an increasingly visible part of the healthcare landscape. Social enterprise is the latest delivery model to be championed by the Government as it looks to extend diversity of provision and competition within the NHS in general, and within primary care in particular. UNISON recently commissioned research from Durham University to look into the impact of social enterprises in primary care, and the results provide a timely analysis of the wide variety of organisations characterised as social enterprises, and their approaches to involving staff, public and patients. A number of serious questions arise as outlined below.

#### **Fragmentation?**

Social enterprises have been heralded as a 'third way' between private and state provision, combining the innovation, entrepreneurship and flexibility associated with the former with the public ethos and public interest of the latter. But there are concerns this could lead to the fragmentation of service provision, the incursion of private sector providers, the undermining of unions and central bargaining, and a reduction in public accountability.

#### **Changing definitions?**

The use of the term social enterprise is changing: from social regeneration and sustainability to entrepreneurship, leadership and application of business approaches to socially useful endeavour; from providing care in disadvantaged neighbourhoods to providing choice in mainstream services through diversity of providers; from community empowerment to a spectrum of involvement, including professionals, the public and users of services. There is a danger the initial attraction of social enterprises could itself be undermined.

#### **Driven by uncertainty?**

A range of policies have encouraged the development of social enterprise in mainstream health care. These include practice-based commissioning, the reconfiguration of PCTs and support for increased involvement of the third sector. Uncertainty over the extent to which PCTs will continue to directly provide services has encouraged providers to consider social enterprise as their preferred option in an increasingly competitive market.

#### **Accountability?**

Differences have emerged about the extent of staff, patient and public representation in social enterprises and the arrangements through which patients or public can influence decision-making.



### **Appropriate for the NHS?**

A number of anomalies arise from the attempt to fit new organisations into an NHS framework. There are ambiguities over the extent to which social enterprises are part of the 'NHS family'. Complex subcontracting routes are being used to allow social enterprises to employ staff while at the same time preserving NHS terms and conditions.

### **Private sector incursion?**

There are concerns about the capacity of small organisations to act as mainstream employers and of the ability of social enterprises to compete with often large, multinational private sector providers. The private sector will be quick to capitalize on the promotion of social enterprises, possibly entering into partnerships with them or adopting some of their practices. The EU procurement process is complex and could disadvantage small organisations. Economies of scale could work against a local focus and there are tensions between commercial sensitivity, collaboration and sharing good practice.

### **Excessive complexity?**

Health commissioners could face a patchwork quilt of providers. Coordinating the various priorities and public health activities across different enterprises will be a complex procedure, as will the assessment of the financial risk of enterprises. It is not clear how commissioners should balance support for social enterprise against the importance of ensuring fair competition, and how EU procurement policies might impact on this.

### **A rush to change?**

In a period of uncertainty and change for the NHS, it remains to be seen how far expectations of social enterprise will be borne out in practice. These moves carry major risks in terms of consistency of purpose, sustainability, and appropriate public accountability and regulation. The risks are great and at a minimum rapid developments need to be carefully and constantly scrutinised.

### **Key points**

- For UNISON members, as social enterprises begin to deliver services traditionally covered by the NHS, there are important issues to consider around pensions, Agenda for Change, and terms and conditions.
- There are concerns that the traditional appeal of social enterprise – a focus on innovation, sustainability and community empowerment – may be undermined by a greater emphasis on a business ethos and creating a diversity of providers.
- Furthermore, it is possible that some social enterprises may smooth the way for the greater involvement of the private sector in primary care – whether intentionally or otherwise.
- There is little doubt that social enterprises are an issue of growing importance for the NHS and those that work in it, and there is a need to keep rapid developments under close and constant scrutiny.

For the full report see [www.unison.org.uk](http://www.unison.org.uk)

