

# Views of Attendees Of Social Firms UK 2006

## Conference On The Social Firm Sector

Below are the responses to a questionnaire received from 22\* delegates who attended the Social Firms UK Conference 26-29 June 2006.

(\*As the base number of respondents is below 100, these cannot be taken as statistically significant though its findings are very interesting!)

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### Incentives

**Should we lobby the government to introduce a fiscal reform that would give any company (not just Social Firms) financial incentives (e.g. tax relief) if they have over 25% employees who are disabled?**

Yes	15 (71%)
No	5
Not sure	1

BASE: 21

### Comments:

- **Yes**, great idea, but will it affect "competition ruler"
- **Yes**, any incentive that encourages and helps firms to employ disabled people must be supported
- **Yes**, financial incentive could act as a lever when encouraging firms to take chances
- **Yes**, needs strong criteria, retention and support issues. Also, could charge people for *not* having a % of staff who are disabled.
- **Yes**, why not? It is cheaper than paying benefits.
- **Yes**, but support mechanisms need to be right in terms of support and attitude. Financial incentives don't mean that places are necessarily happy, supportive places to work in.
- **Yes**, better still the French model of penalising firms for NOT employing people with a disability and using funding to promote disability employment.
  
- **No**, do we want to be treated like everybody else or not? Do we look past disability to the person underneath?
- **No**, the value of firms having people with disabilities on their workforce shouldn't be tied to financial incentives. Perhaps investment in cultural change may be more appropriate and sustainable and most importantly, real.
- **No**, should encourage firms to employ disabled people for their own merits, not undermine that with tax breaks. Also, what is the definition of disabled? Who would check and measure?
- **No**, need more towards proportionate representation of people with a disability in society valued roles, not disproportionate.
  
- **Not sure**, an employee who is not supportive may cause more harm than good. May lead to number crunching in private businesses.

### Accreditation

**Social Firms UK is planning to introduce an accreditation scheme for the sector early in 2008. Are you interested in becoming an accredited Social Firm?**

Yes	10 (48%)
No	1
Not yet	2
Don't know	6
No answer	2

BASE: 21

### Comments:

- **Yes**, would need help with this
- **Yes**, when our enterprise becomes established
- **Yes**, good idea. Two stage accreditation would be better e.g. 'Social Firm Award', 'Social Firm Award Plus
- **Yes**, an ethical kitemark in the long term will indicate a company's strategy and ability both commercially and socially which, like liP or ISO, will reassure potential clients
- **Yes**, a kitemark can help the sector become well known. This would be good for business
- **Yes**, in principle. Depends on associated costs and benefits etc.
- **Don't know**, it would depend on the benefits brought in by an accreditation scheme as well as the cost implication for small enterprises. How would you measure up against ISO 9000 or liP or SQMS for example?
- **Don't know**. Not sure it's relevant at present but should things change in the future, certainly.
- **Don't know**. Would like to see it first, but interested.

### Resources

#### What type of tools or resources would you find it useful for Social Firms UK to develop?

- Help getting started as a flow chart, or bases to cover
- Business advisors/development workers with 'real' business experience. Simple setting up a small business office and accounts
- Co-operative officer leading combined bids from a variety of Social Firms
- Happy with what already exists at present
- Start up pack. How to start, where to go etc.
- Metrics, to gather social, economic and health evidence
- A funding opportunities indicator
- Loop holes, financial pitfalls
- Documents that help us prove the social and economic value of the work we do. Specific training in contracting/tendering and FCR would be beneficial
- How to link with government employment provision, e.g. Workstep, DEAs, NHS Services, Social Services etc.
- Financial management
- Market research toolkit to profile and assess market opportunities for services
- General business guides for start up enterprises, mentoring links
- Any that make the targets of people with a disability in a 16hr job at above minimum wage occur quicker
- Templates, best practices examples, books, papers, legal structures. Lists of consultants/experts.
- Varying models of business plan to enable organisations to work towards financially viable Social Firm status.
- Joint access to government schemes / joint initiatives.

### Insurance & Professional Fees

#### Are there any products/services you would like Social Firms UK to negotiate discounts on behalf of members?

Yes            10  
No             3  
No answer    8  
BASE: 21

### Suggestions:

- Insurance, e.g employer liability/public liability, trustee indemnity, key person (**x 7 respondents**)
- Bulk office & consumables purchasing (if possible, at cluster level)
- Health & safety consultants

- Market research e.g. Mintel, CACI etc.
- Lease vehicles
- IT support
- Accountancy
- Legal services (x 2 respondents)
- Membership of professional bodies

## Marketing

### Should Social Firms advertise in their marketing material the fact that they employ disabled people?

Yes	8 (38%)
No	4
Depends	8 (38%)
Don't know	1

BASE: 21

#### Comments:

- **Yes**, until there is a greater understanding of what a Social Firm is it would help people make a decision if they were to use morals in purchasing goods and services
- **Yes**, but not in a patronising way, but along the lines of Big Issue, Fair Trade – ethical social ethos
- **Yes**, if they think it will get them work. Being commercial is about using any perceived advantage over competitors that you think you have
- **Yes**, partly ties into the financial incentives to employers issue. Helps us move beyond stigma and raise awareness. People with disabilities can and do produce products at a standard equal to the able bodied and that needs to be reinforced more widely. Can be a double edged sword at times as some of those we work with /employ don't want to be identified as such, and want to move beyond the labels traditionally applied to them
- **Yes**, though repeat custom will really come from providing high quality goods/services at a competitive price. However, the social purpose can be used as a positive marketing tool, e.g. Fairtrade. This can work as consumers are increasingly becoming aware of ethical issues
- **No**, by doing so you imply that your product or service is not as good or more expensive than the competition and can't stand up on its own.
- **No**, Social Firms should gain business on ability to deliver product / service, not because people are disabled.
- **No**, the fact that Social Firms employ disabled people should not be part of the marketing strategy. Although stating that your company is positive about disabled people is a different matter.
- **Depends**; I think it is up to the Social Firm to make this decision. It is a business decision for many, which way to go on this one.
- **Depends**; yes if business to 'c', no if business to business
- **Depends**, on a case by case basis. It depends on employee views, particular buyers, and *ultimately*, Social Firms survive on *quality products*, this should be the primary focus
- **Depends**, is it a 'benefit' for the customer? It might be for a local authority customer, it might not be for a café customer. Need to use flexibly and with discretion depending on the customer.
- **Depends** of course. But Social Firms are businesses that have to survive in the market place. They shouldn't need to use their social aims as a marketing tool. This may also cause reluctance among your target workforce (i.e. in recruitment)
- **Depends**, in some circumstances it may be a good thing but not always.
- **Depends**, only where appropriate. Surely we want to compete on our own terms?
- **Very tricky**. I think I would favour something like including someone who has a disability in a photo in the promotional info and a line about the company being a Social Firm somewhere but not going over the top and in fact stating 'look aren't we wonderful employing all these disabled people'. Does that make sense?

## Legal Structures

### What do you think are the strengths or weaknesses of the Community Interest Company model for Social Firms?

Answered: 8 (38%)

Don't know: 11

No answer: 2

BASE: 21

#### Strengths:

- Asset lock/can pay director
- Provides another option/funding opportunities?
- Potential to work in partnership with 'big' private industry (investment). Potential to apply a real business model and move towards a more socially inclusive model. Excellent example is Ealing Community Transport – shows what is possible
- Flexibility
- Provides an asset lock on companies
- Funding – commercial and grants, private investors taking shares
- Will become a recognised brand and an ethical trading mark

#### Weaknesses:

- No fiscal incentives/breaks
- A meaningless, invisible title thrown in
- Risk factors: can we absorb the cost implications of applying the real business model? Not sure how the charity aspect of what we do would be affected. May be too big a model for us to aspire to.
- No tax breaks. Not all donors recognise it
- Will it restrict all profit-sharing?
- As with all new forms, organisations not wanting to be the first to change/become a CIC – entering into the unknown, how regulated will it be? Etc.
- 'Community' is a loose term and does not make special reference to 'disability'

#### Don't know:

- There's more to a proper commitment to Social Firm ethics than a simple asset lock

## Growing The Social Firm Sector

### What would you like to see Social Firms UK concentrate on to grow the Social Firm sector?

No answer 11

- Face-to-face help for those looking to start up; lobbying; training and support guidance in the first instance
- Mentoring; high achievers awards
- Further franchising; internal trading opportunities; working with social services on day service modernisation programmes to grow Social Firms
- Political pressure to effect change in the benefits system; political pressure to increase 'Workstep' provision; to enable and encourage transition through changes in the above, from benefits to some form of supported work payments
- Consolidate existing Social Firms – quality/profit; support business development skills in Social Firms; support professional development within Social Firms and their national/regional partners
- Co-operative bids. Someone in Social Firms UK dedicated to proactively leading this? Re-establish regional sector i.e. South West; shared information from other countries; close working with other sector bodies
- Capacity build the regional networks; mainstream Social Firms strongly with social enterprise and the business sector; policy recognition by national and regional governments

- Greater focus on promoting viability of business, e.g. marketing tools and creating awareness/partnerships in the business world.
- Work with new franchise opportunities. Members network and promote Social Firms
- Continue to build the relationship with government, DWP, JobCentre Plus etc; is it possible to have a 'Hit Squad' of experts who could help in the early stages of Social Firm development (think you already do this in an informal manner); continue to build on the political relationships with RBS, NatWest etc and extend these (more big institutions, not limited to the financial) – helps to grow the recognition of the Social Firm sector
- Business advice – lobbying government to provide...
- The parameters set for a Social Firm seem to be more about weeding out organisations rather than welcoming them in. Many of the European Social Firms would not meet the requirements of Social Firms UK. Be more inclusive
- Expand on some of the themes from this conference such as acquisition as an alternative to 'start-up'; lobby conservatives as well as the government
- Awareness – general public and the business world
- Employing more people with a disability in 16hr+ employment above national minimum wage more quickly, avoiding the eternal vocational trainee and work experience placements
- High quality products; not losing sight that we should help the most disadvantaged
- Get business entrepreneurs to start up as Social Firms; share market information and exemplars to spark local ideas; share business 'failures' so other so in with their eyes open
- Models for replication; solutions to the benefits trap; up-skilling and educating business advisors or main social enterprise advisors, so that Social Firms are promoted widely across the UK.

## Other Topics To Debate

What other topics would you like Social Firms UK to raise for debate by the sector in future?

No answer 12

Time to consolidate present practice  
 What is an entrepreneur?  
 Acquisitions

What we can teach the wider commercial world. They should be clamouring to know how it is we engendor such commitment and loyalty from our staff.  
 A disabled person getting an NVQ is motivated by the same things as a gradual training to be an accountant.

Social Firms and the green agenda  
 Social Firms and the market – what does it take to be truly competitive in the market?  
 Social Firm customers – can they be the driver to change and improve the range and quality of Social Firms?

Larger companies/brands need to be involved  
 Greater visibility and awareness  
 Incentives, access to funding, start up grant

Peer support programmes  
 Complex 3 or 4 tier Social Firm/social enterprise initiatives  
 SU is employed at all levels within Social Firms/the barriers, benefits etc (peer support programmes)

Balancing business survival with employment of those furthest from the open labour market  
 Links with BASE  
 Movement of employees in and out of Social Firms

Business, business, business

Role for 'for profit' Social Firms

Integration with the mainstream enterprise network  
Attracting commercial investment

Growing the Social Firm sector

Micro-enterprises to disabled people  
Promoting and developing Social Firms regionally

## Your View Of Social Firms UK

What three words would you use to describe Social Firms UK?

No answer: 6

Front-line Innovative Valued Respected	Aspirational Versatile Enthusiastic	Leading Progressive Organised
Empowering Hard working professional	Encouraging Forward-thinking Switched-on	Friendly Helpful Exclusive, or maybe, excluding
Progressive Diverse Viable	Dynamic Forward-thinking Restrictive	Complex Training Costly
Empowering Positive Inspirational	Committed Enthusiastic Believes	Informative Supportive Politically aware
Innovative Championing Supportive	Inclusive Professional Inspiring	Motivating Positive Realistic
Supportive Informative		

## Social Enterprise Sector

What are your responses to the new Minister For the Third Sector, Ed Miliband's, questions to the social enterprise sector?

### 1. How can social enterprise teaching be embedded in schools?

Each school needs to have access to a social entrepreneur who can contribute directly to the curriculum, rather than expecting teaching staff to do it, and who will not have the relevant experience.

By continuing to support all people with special needs in mainstream education

Social enterprises should be used in schools to provide services. Children should be encouraged to set up their own social enterprises.

Develop school activities based around social enterprise as has been done by co-operatives.

Visits to existing enterprises, discuss the concept.

By making teachers aware of the options. Developing links with schools and past 16 providers.

Core curriculum and through young entrepreneurs schemes run by schools and further education colleges etc.

Making it part of PSHE courses. Embedding/raising awareness on business qualifications.

Social enterprise I believe represents 1/3 of all new business so must be explained fully like any other sector of business.

Rank levels of expectation among young people and begin to tackle the problem of second or third generation worthlessness by making sure that there are real opportunities for employment for school leavers. Set up the Social Firm model within schools and allow children to take part in running these (tuck shops etc). Extend the range of 'in house' training for teachers to network Social Firms and social enterprises. Give employment and employability the priority they deserve – exactly what was done with the greening of schools!

Citizenship, social responsibility, team-working based on mixed abilities.

Young Enterprise Programme becoming part of core business studies programmes – NVQs, A-levels etc. perhaps through the relevant sector skills council.

In the same way as other enterprises are taught if they are taught.

It needs to be taught across several academic areas – social studies, business studies, more effort into young enterprise and young co-op schemes.

## **2. What are the distinct barriers to social enterprises setting up?**

Lack of pump priming funding which is easily accessible

Start up funding

Not enough social entrepreneurs

Higher staff costs, longer lead-in time, revising finance 'faith'

A misunderstanding/mismatch of what sort of businesses Social Firms operate (industry sector) against where the commercial opportunities are in modern Britain.

Initial start-up funding

Not enough policy clout (at all levels). More knowledgeable buying public/customers/consumers to drive it. E.g. the organic food industry – much is consumer driven.

Funding – i.e. 'care' competent workers who are not 'business' competent. Need to know your market.

Obviously any commercial company wants to make a large profit – enterprises need to aim for this as well.

Stability, financial, commitment

Start up costs and the risks of moving from statutory funding to something that, to begin with at least, may be far less secure. We may lack the business acumen and experience which isn't necessarily made up for by the drive and enthusiasm of current staff teams. Culture may be one that doesn't allow for an early move into this area (ties into education and expectation deficits). Could do with an extension of Future Builders.

Benefits trap, risk management, business advice.

Lots of ideas but a lack of commercial awareness or the skill to prepare a commercial business plan.

Lack of original business ideas, public sector customer perceptions/attitudes.

Lack of awareness amongst public initially – most people would not know of them to consider setting one up.

Length of time to provide proper employment for people with a disability.

Entrepreneurs! Lack of access to information on social enterprises. Still requires promotion and good news stories.

### **3. What is the distinct contribution for social enterprise in public service delivery: where can social enterprise make the most impact and add the most value?**

There is a danger in social enterprise being directed to public procurement simply to save the government money. However, the distinction is that social enterprises generally have good value bases as organisations, are more locally based and are responsive to local needs.

Environment.

Residential and day care, leisure, childcare, waste. "Distinct contribution in its democratic people centred approach to business. Any sector can be tackled."

Delivery of which public service?

Provide a needed product/service and paid employment with opportunity to gain transferable skills

Health & social care sector; housing (building & maintenance); employment and enterprise sector; leisure sector

Providing meaningful work/paid work for people who probably wouldn't get these opportunities.

Working in the community for the community.

Surely at all levels of service delivery. Specifically in community regeneration, but shouldn't be limited to that, if you (combined??) the bigger CICs that exist then pretty much anything is possible.

They can engage communities much better than private/public sector and give opportunities to those who wouldn't otherwise get them.

Matching quality to price; true value as opposed to lowest cost/highest margin.

When existing public services accommodate the need to employ people with a disability, if they do.

Social care, value for money and social value, reducing dependency on core statutory services, small *local* contracts.

### **4. What other ways can government help social enterprises – for example, the role of RDAs/community right to buy?**

RDAs really need to concentrate on helping social enterprises to get up and running, mainly by taking on staff who have the ability to see what is happening locally, and can act in a responsive way.

RDA's can help organisations to professionalise and develop staff. Support through grants for professional development in social enterprise and business development, and capital purchase of land and buildings. SFEDI accreditation. Pre-development business training; social enterprise qualification; networks of practitioners. RDAs can support small social enterprises in developing the infrastructure to compete for local authority contracts, e.g. support consortiums. Be creative about developing tendering skills. Get large companies to 'parent' small companies in tenders. Recognise 'new sector' needs help to bed down and develop its tools and resources. Find new initiatives to support social enterprise training resources.

If the price is the same, the public body should be forced to buy from the social enterprise. This works in the USA.

Promote local examples, assist with funding applications, implement article 19

Extra support!

Set RDAs etc a quota /target to develop and support social enterprises/Social Firms.

Maybe some tax breaks e.g. business rate relief.

Help with access to procurement departments of local government.

Thinking back to Tom Sealy's talk last night, government needs to ensure that plans are passed through and not left to gather dust on a shelf, that the momentum once built doesn't (spin??) down to the inactivity that exists/existed before.

RDAs investing in high quality business advice for Social Firms.

Use Article 19 to make contracts available to the sector. Article 19 is only useful if public bodies use it.

Asset transfer and community building to allow social enterprises to give charges on property as a means of income generation.

One stop shops in each county. A place where people know and it's easy to find with expert social enterprise and Social Firm advice.

## **5. How can the government measure success in its championing of social enterprise?**

By measuring the number of people with disabilities who become employed by social enterprise, by the quality of the product.

Five year assessment. Then versus now, how many enterprises are still in business, how many more people in employment? Has it changed how non-Social Firms view working with people with any kind of disability – can that be measured too?

Government needs to determine or target areas where social enterprise can make a difference, to assess what is required and then measure what is delivered by the sector.

Impact and evaluation – Social Firm accreditation, number of jobs sustained/created

Do you need to measure when it's such an obvious thing we should be doing?

Database of enterprises – progress reports, case studies

Measuring the number of disabled people who move into some kind of employment<sup>1</sup>

By hard numbers of Social Firms and social enterprises created and sustained ultimately. By making it the core business of enterprise and employment support and creation agencies.

Number of social enterprises still in business after three years, and profitable!

At the moment nothing. The parameters on becoming a social enterprise are too woolly. Anyone can become a social enterprise.

Volume of Social Firms or social enterprises created. Numbers of people employed/engaged in meaningful work and not on benefits (long term – that those figures continue to rise, market allowing, and spawn more). Record and publish the returns via Social Firms/social enterprises to the Treasury along with continual policy development that actively supports the Social Firm sector.

Increase in number of disadvantaged people engaging in meaningful employment.

Number of people with disabilities employed in the sector. Turnover. Cost-subsidy.

Number, staff/customer feedback, length of trading/operation.

Awareness – once social enterprise is a part of mainstream everyday vocabulary.

No. Only in the numbers of people with a disability in 16hrs + national minimum wage + employment.

Diversity of enterprises, social auditing, measurement of hard and soft outcomes – social impact and jobs etc. created. Continuing the path where social enterprise bridges public and private sectors.