

PROVIDING EMPLOYMENT AND TRAINING OPPORTUNITIES FOR OFFENDERS

GROWING SUSTAINABLE WORK INTEGRATION SOCIAL ENTERPRISES

A CASE STUDIES SERIES



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The views expressed in these case studies are those of the respective organisations and the publication of the case studies should not be viewed as an endorsement of these organisations and their work by the Home Office and Ministry of Justice. The data and statistics presented within the case studies have been locally collected and cannot be verified by the Home Office, Clinks and Social Firms UK.

Background

Low qualifications and lack of employment are recognised within the Government's strategy for *Transforming Rehabilitation* as key social issues related to re-offending.*

Some local areas have already developed social enterprises as one way to overcome barriers around the employability of ex-offenders. However at the time of writing there is currently very little that brings together learning or examples of effective practice to assist others in doing this.

Recognising this gap, the Home Office commissioned a short term programme of work undertaken in February and March 2013 by Clinks and Social Firms UK.

The programme set out to explore and assess the role of social enterprises in enabling both adult and young offenders to access training and employment opportunities. The results provide a body of work that will significantly contribute to cross-Government thinking about how to embed and support social enterprises working with offenders. The programme included two elements:

- The development and publication of this series of twenty Case Studies. The social enterprises featured in the case study series were invited, following a competitive application process, to write about their own experiences and insights into the opportunities and barriers confronting their development and sustainability.
- A Summary Report which brings together the key learning about developing and sustaining social enterprises offering employment and employability training to offenders.

Together they provide a valuable resource for newly established social enterprises, for those planning to establish social enterprises, for police, prisons and probation providers, for Police and Crime Commissioners, for local Integrated Offender Management (IOM) partnerships, and for policy makers.

These resources also complement previous work undertaken in partnership between Clinks and the Home Office aimed at increasing the Voluntary, Community and Social Enterprise (VCSE) sector's involvement in local IOM arrangements.

* Ministry of Justice. May 2013. *Transforming Rehabilitation: A Strategy for Reform*: www.justice.gov.uk/transforming-rehabilitation

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A pilot empowering ex-offenders in a social enterprise start-up



Foundation Stone Enterprises CIC

James Blandford, *Business Development Manager*

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Introduction

This case study presents Foundation Stone Enterprises' experience of setting up a social enterprise aimed at helping adult offenders develop work skills and boost their confidence to compete in the open job market. The study explores lessons learnt from the development of a retail social enterprise with a focus on the benefits gained from a high level of participant involvement in management, decision making and developing the company's strategy. The pilot has been successful in motivating and boosting the employability of five socially excluded adults but is unlikely to be self-sustaining from trading profits alone.

Background

Foundation Stone Enterprises CIC is a community interest company limited by guarantee. It was formed in December 2011 with the objective of "providing training, work placements and employment opportunities to socially excluded people". The CIC was created by the housing charity Foundation (www.foundationuk.org) and was given funding from its reserves to operate for one year. Profits and assets created by the CIC are only used towards the objective and there is an asset lock in place with the parent charity.

The CIC recruited its first employee, a business development manager, in May 2012 to develop social enterprises to engage socially excluded individuals in meaningful work experience and to manage the operation of the company. The company's board comprises a director from Foundation, the business development manager and three local entrepreneurs who volunteer their time.

Foundation's desire to start a social enterprise came from recognising the need for help to secure employment, training and education opportunities amongst its beneficiaries. The trustees identified that for individuals who have managed to find somewhere to live and to stabilise their chaotic lifestyles, there is little opportunity to take the next step towards social inclusion – getting a job. Foundation decided to create an independent organisation so that it could run in an agile manner; able to respond quickly to business opportunities and also to remove financial risk from Foundation should the new company take on significant liabilities which it fails to fulfil. Foundation's ambition was that within a year the new company would be able to secure funding or generate sufficient trading profits to be self-sustaining.

Our experience: Foundation Stone CIC

The board of Foundation Stone Enterprises CIC decided to set up a series of micro enterprises in order to motivate ex-offenders to seek work and to boost their employability. We decided to focus on assembly and retail activities as there are other opportunities in the area for horticulture and property maintenance placements. Retail also provides a particular opportunity to combat social isolation through regular interaction with the general public.

The CIC launched its first social enterprise in late August 2012, called Redslarder. Redslarder is a business selling bespoke snack boxes to consumers in the Leeds area through an e-commerce site. From the outset, participants were involved in the development of the business, rather than being brought in to undertake preset tasks. This created a culture of ownership and responsibility for the success of the business amongst participants.

As there was little money to invest and we only had one employee, we chose to use an e-commerce model which kept our overheads low and allowed us to automate many of the more time-consuming activities. We recruited a team of five individuals to work in the CIC from Foundation's current and past customers. The recruitment process mimicked a real-life job application. Individuals were given a role profile and asked to complete an application form to secure an interview. The short-listed applicants were then contacted and invited to attend an interview where they were asked competency based questions and were challenged to demonstrate an interest in the business. The successful applicants were given a formal letter of acceptance onto the programme. Recruiting participants in this commercial manner had the benefits of instilling a professional attitude towards the programme from the outset and created a sense of personal achievement for those who secured a placement. They also gained practice in application writing and interview techniques.

Initially participants were trained in how to assemble a snack box. This was learned through direct coaching by the business manager with continual improvements being made to the processes over time. There are two stages in the assembly; potting snacks from bulk purchases of ingredients and boxing up bespoke orders. The two stages require different skills. The potting of snacks requires individuals to work in a team with each person assigned a particular role (e.g. weighing out portions, labelling pots, quality checking) and they must maintain strict food hygiene standards. The boxing of orders requires individuals to pick the correct product from the shelf and package it carefully with a particular focus on having a good eye for detail. Both stages help to develop soft skills such as teamwork, communicating at work and following instructions. They also develop work skills such as warehousing, stock management and managing orders.

The participants gained confidence through working as part of an assembly team and were then challenged to undertake more value-adding activities such as contributing to social media activity, updating the e-commerce site, marketing the business and running sales points (stalls) in local businesses. We formed relationships with local businesses that allowed us to run launch events in their offices in Leeds as well as using their internal email to promote our business to their staff. We have run stalls in big law firms, Direct Line and British Gas as well as the offices of smaller like-minded organisations such as West Yorkshire Probation Trust and local housing associations. The stalls have been a very effective way of providing retail experience for the participants. These events have helped the team to feel responsible and proud of the brand as they have been directly promoting it. The stalls have also given us the opportunity to push participants out of their comfort zones. Some of them who were initially reluctant to speak up and take the initiative in a group, have used sales techniques that they have learned within the business to talk to strangers in the various offices, to explain about the business and generate sales. One participant has told us that this has helped him to take the initiative in subsequent training courses he has attended, provided through the Work Programme, and that otherwise he would have sat back and not joined in.

Individuals have also been empowered to make suggestions such as how to improve processes. For example, one participant identified a method to pre-cut part of the product packaging. This saved the team half a minute per box and, over the course of completing a whole order it was a significant time saving. The ability to implement new ideas quickly is a benefit of using a micro enterprise model; a good idea can be put into practice almost immediately. Members of the team work for the enterprise twice a week, each shift lasting about four hours. At the beginning of each shift they receive a full update on any progress or opportunities that the company has developed. They are also consulted on any ideas they have and for their thoughts on the board's strategy. This had led to some interesting debates amongst the

team and has enabled them to decide on the direction of the company. One example of this was in developing the marketing strategy. Some participants were keen to distribute flyers outside Leeds train station whilst others thought this was a bad idea. Because the whole team was able to have a say in making the decision, they all turned up at 6.30am. in the cold and rain to give out flyers for three hours to commuters in the centre of the city; a thankless task but an outstanding team effort, which generated a new contact with a local business.

Another aspect of the marketing strategy was to gain local media coverage for the enterprise. We managed to get pieces in the Yorkshire Post and Yorkshire Evening Post. As well as providing affordable publicity for us this has also had the unexpected benefit of opening up opportunities to meet key organisations which otherwise would not have happened. It has also had a positive impact on the team; the newspaper articles providing evidence of the work they have put into the project.

The project was reviewed after four months and we decided that sales were not growing quickly enough for us to become self-sustaining. This has led the board to consider alternative funding strategies in order to maintain the model of starting micro enterprises that heavily involve participants. The greatest success has been seen in boosting the employability of participants. In order to measure the impact of our work we have used a tool called The Work Outcomes Star™,¹ developed by Triangle Consulting. We used it to enable participants to self-report their progress against a number of employability measures. On average participants showed a 22% improvement in their self-reported employability. Particular improvements have been seen in the measures of job specific skills and basic skills and anecdotally we have seen significant growth in the confidence and aspirations of participants.

Currently the CIC is developing its second social enterprise, RedsCoffee. RedsCoffee will build upon lessons learnt from RedsLarder and has involved participants in the development of the business from the outset. Participants have been involved in market research, pricing decisions and branding and have visited potential sites where the business may be located. We are also going to accredit our training by supporting participants through a certificate in employability (QCF levels 1 and 2; equivalent to GCSE) that is woven into the work experience provided by our social enterprises.

Key learning

The greatest success of our model has been in the manner in which it encourages participants to take responsibility for the business and in developing their initiative and their confidence to make things happen for themselves. This has been achieved through using a participative management style that gives a lot of freedom to participants over how to develop the start-up of the enterprise. We have learned that the role of management increasingly becomes about facilitating the team's business ideas and activities rather than giving tasks to individuals and checking they have been completed.

One example of this approach is in preparing to launch sales stalls in offices of local businesses. Rather than the manager creating a list of tasks, he asked the team to create their own list. The tasks that team members were able to complete were carried out as part of the shifts (e.g. manufacturing trial snack boxes); whilst those that needed external help (e.g. printing promotional flyers) were given to the manager to arrange. Similarly before the team travelled to the offices to run the stall, the manager asked the team to

make a pile of everything they needed to run the stall – if it was not on the pile it was not going to the stall. This enabled individuals to take the initiative in making events run successfully, rather than simply requiring them to turn up and follow instructions.

By creating a sense of ownership in the business and the brand, participants have also given significant commitment without requiring a financial reward. They are not paid for their involvement and are only reimbursed for travel expenses. Rather than being motivated by money, individuals have been motivated by the experience they have gained and have been empowered through their involvement in interesting work experience and training. For example, once when there was a mistake with an order participants were required to stay late to complete production; there were no complaints, just a shared attitude that as a team we would get the job done. Like any positive work culture this has also had the benefit that participants have supported each other socially, for example by advising each other on experiences with the Work Programme and on difficulties they face in their tenancies.

We would advise other organisations looking to achieve a supportive working culture that encourages responsibility and initiative to adopt a participative management approach. Participants should be given real choices over business decisions. Giving participants this power means taking a risk that a bad decision may be made; to minimise this risk it is essential for the manager to build a strong rapport with the team. But ultimately an organisation must allow good and bad decisions to be made so that lessons can be learnt by the participants.

Foundation Stone Enterprises launched its first social enterprise in August 2012. The approach has allowed the company to be agile in response to opportunities and to have a much greater understanding of risk. Our first social enterprise, RedsLarder, has proved to be an effective model for developing the employability and confidence of participants with offending backgrounds. One of the chief reasons associated with this success has been the responsibility given to participants for shaping the enterprise. This has led to them feeling a strong sense of ownership, responsibility and pride which we hope will set them up to be much stronger candidates in a competitive job market.

1. The Outcomes Star™ for work and learning, please see www.outcomesstar.org.uk/work for more information.

