

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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The Green Office Coop CIC

**Creating Sustainable Jobs for those Furthest
from Work**

A New Perspective

Author: Terry Herbert



Introduction

This case study presents The Green Office Coop CIC's (GOC) experience of developing a social enterprise to provide employment opportunities to those furthest from employment; namely prisoners, ex-offenders and the disabled. Our model enables released offenders and disabled people to work together on equal terms and with equal responsibilities in order to provide long term sustainable employment for both groups, through public, private and third sector supply chains.

Background

The genesis of GOC was a company formed in Colorado, USA in 2006 to provide a local source of remanufactured printer cartridges to the Colorado public and private business communities. In 2008, the company was approached by the Office of the Governor to explore the possibility of remanufacturing printer cartridges within the Colorado Territorial Correctional Facility. This would provide sustainable and purposeful employment to offenders with the opportunity of employment on release in an external printer cartridge remanufacturing facility. In addition, while the company paid the Colorado minimum wage to the State for the work of the offender employees, deductions were made for accommodation, security, child support and victim restitution. The offenders' pay was thus around 20% of Colorado minimum wage but, in the prison economy, this represented six to eight times the earnings from comparable jobs in the laundry or cafeteria. This ensured that the jobs were highly prized and contributed to the programme's record of zero security issues and achieving world class quality performance.

Manufacturing operations commenced in the USA 2009 and, later that year, the company was awarded a mandatory State contract for the supply of compatible printer cartridges, which offered significant economic and environmental benefits when compared to purchasing new cartridges. While the State government was very keen to provide employment for its offenders, it was not prepared to compromise quality, cost or service. Consequently, the award of this contract was conducted on a competitive bidding process with suppliers from across the USA submitting bids. Despite this rigorous competition, the company was able to demonstrate that it was able to deliver world class quality and service competitive with that of low cost manufacturing economies such as China or Vietnam.

The award of a mandatory State contract meant that all State employees were required to purchase replacement printer cartridges from the programme. This was a critical component which guaranteed consistent demand and continuity of employment. The speedy award of a mandatory State contract and relatively high pay for the offender employees were critical criteria in ensuring the success of the programme in the USA, and, as will be seen later in this paper, were absent in the UK, which created significant challenges and led to delays in implementation.

Over the years, the USA company has created similar programmes in other States. Critical to the success of each of these initiatives has been securing, in advance, demand for the products of the businesses.

Our experience – Green Office Coop CIC

In spring 2010, the USA company began to explore the possibility of creating a similar programme in the UK. The Green Office Coop CIC (GOC) was created as a fully independent business and organised as a worker's co-op in which the staff are members, with an asset lock through the Community Interest Company.

Consistent with initiatives in the USA, meetings were arranged with representatives of the Ministry of Justice (MoJ) procurement team to seek advance commitment to purchase the goods produced by any potential enterprise. This was the first and most significant difference to the experience in the USA. Because the value of printer cartridge procurement was over the European Union procurement threshold, any such tender had to be competitively offered across the EU. Due to the high cost of such tenders, they tend to have longer contract periods. The latest tender had been won in 2008 by Banner Business Services (BBS) and was for three years. It was therefore impossible for the government to purchase products from the enterprise directly. It is also worth noting that the use of the contract was optional and not mandatory for government employees, which created uncertainty in the demand for the programme's potential output.

However, in October 2010, negotiations began with BBS to arrange for GOC to supply them with printer cartridges remanufactured in prisons. Contractual terms were agreed by March 2011 and pilot production began at HMP Wayland to remanufacture a small number of cartridges for testing and qualification by BBS.

The testing process was successfully completed by September 2011. In October 2011, the Cabinet Office created the Government Procurement Service. A new tender for replacement printer cartridges was issued, which was won by another company, XMA Ltd (XMA). BBS were thus unable to purchase cartridges for resale to the government. However, BBS did agree to purchase a range of ink cartridges for resale to their commercial customer base. By this stage HMP Wayland required space for another programme and so, in the Spring of 2012, a proof of concept ink cartridge remanufacturing operation was established within HMP Parc in Bridgend, to produce and sell ink cartridges to BBS.

Following their success in securing the new tender for replacement printer cartridges in October 2011, we began talking to XMA to arrange to supply them with remanufactured printer cartridges. These negotiations and the associated testing programme took around nine months and in the summer of 2012 a laser toner cartridge manufacturing operation was established at HMP Liverpool where Xerox toner cartridges are remanufactured. Between them, these two operations now employ nineteen prisoners. The programme is popular with prisoners, and is commercially viable with revenues in excess of £30,000 per month.

In December 2012, GOC entered into a definitive agreement with Remploy Ltd to acquire some of the assets, goodwill and contracts of its automotive assembly business in Bridgend, South Wales. We now employ five of the displaced Remploy staff, who all have disabilities, and supply equipment to furnish luxury vehicles. Growth in revenue and employment at this operation will come from the delivery of assembly work previously outsourced to South East Asia and will be supported by our participation in a tender for printing consumables issued by the Welsh Assembly. We anticipate employing over thirty-five staff by the end of 2014. A similarly scaled operation is in the planning phase on Merseyside.

Key learning

The key challenges of the programme have been the extended delays in securing access to local, regional and central government procurement processes together with the difficulties in changing these customers' perceptions of the imagined risks inherent in integrating both offenders and disabled people in a shared workplace. In addition, different regulations between USA and UK mean that pay scales for prisoners are not comparable. It remains to be seen if this will have a comparative impact on morale or active participation.

The positive outcome that we can share from our experience in the USA is that both offenders and disabled people can work together well in a commercially viable business without the need for ongoing subsidy or support. Both groups share common challenges, for example, over 60% of offenders have one or more diagnosed mental health conditions and the same percentage have learning difficulties with reading and numeracy skills below those of an eleven year old. Yet they are able to work consistently and reliably to produce high quality products at a globally competitive cost with dependable levels of service. We believe that this is a sustainable model that can be replicated into the UK and into other sectors.

