

Social Firm Start Up

Case Study 2

Background

Landscape Services is a horticultural project run by the Health Trust.

It provides training opportunities for up to 20 people with severe and enduring mental health problems. The Landscape Services Project is one aspect of a large sheltered workshop the other training projects are a light assembly project, a card making project and a candle making project. A total of 100 service users utilise the various projects. All service users are paid a training allowance for attending the workshop.

The Health Trust manages the sheltered workshop and the primary focus is occupational rehabilitation. Very few of the service users move into employment. A small number (less than 5 a year) progress into other services.

The Health Trust is facing a deficit and is looking to cut costs. One of the potential areas of cost cutting is within the sheltered workshop.

Development Process

The project manager of Landscape Services is concerned that what he considers a valuable service might be closed. He starts advocating for a change in the way services are provided. He uses the example of a neighbouring Health Trust which has reprovisioned its service provision and now has NGOs running local mental health employment services.

Within the Health Trust there is growing awareness of the social firm model. The chief executive and a number of the senior managers have heard a presentation on self-financing social firms and are keen to explore the idea of reprovisioning the whole workshop into a series of social firms.

There is a budget under spend at the end of the year so £10,000 is allocated towards market research. The Health Trust also allocates a development worker to work alongside the various project managers. This development worker works on the reprovisioning 2 days each week. All the workshop project managers meet to review developments each month. None of the other project managers are keen on developing social firms.

The development worker also reports to her line manager who reports into both the Service Review Group and the Operations Group. Both these groups report separately to the service commissioning principal officer who liaises with other local government departments and ultimately to the chief executive. The service commissioning principal officer is keen that, as part of the reprovisioning process, the costs of the new service are shared with the local council and the employment service. Neither of these agencies have a commitment to developing social firms.

The project manager starts to investigate potential contracts and discovers that the landscaping contract for the Health Trust is due to be retendered. He persuades the development worker to support him in preparing a tender from Landscape Services. The procurement officer of the Health Trust is favourable to the social aims of the workshop and awards the contract on the basis of price matching and added value.

Landscape Services now has a large contract which it has started to service. The project manager thinks he needs to write a Business Plan to prove the viability of the project which he hopes will stop cost cutting. Landscape Services approaches the Social Firm Development Agency for a Business Plan Template to help with writing the Business Plan.

Task

You are the development worker from the social firm development agency. You have had an initial meeting with the manager and the above information has been provided as part of the assessment.

1. Using the Social Firm Start-up Process work out where on this process that Landscape Services is.
2. a) Identify what you believe are the positive aspects of the development process so far.
b) Identify the key issues that Landscape Services has to address to proceed with starting up a new social firm.
3. Identify the potential sources of funding or support that might be available to assist Landscape Services to develop this social firm.
4. Within the group agree 5 key factors that you believe are 'best practice' in terms of social firm start-up.