

Social Firm Start Up

Case Study 3

Background

'Positive Choices' is a large national charity providing a range of services to people with drug problems, alcohol problems, mental health problems and those who are homeless. The primary focus of service provision is supported accommodation but Positive Choices also offer outreach services, training/employment projects, drop-in services, health promotion campaigns and provide policy development services.

The charity has a vast range of funders, extensive investments and receives sizeable donations towards its activities. The charity has strong reserves. Positive Choices has over 30 projects and nearly 150 staff.

Development Process

The Worklink Project provides employment/training opportunities to people with mental health problems. The staff team of 6 support about 70-80 people each year. The funding mix for Worklink is a mixture of ESF funding, mainstream government grants and a small amount of funding from a charitable trust.

The staff of the Worklink Project have been concerned for the past two years about the 'revolving door' scenario that takes place within the service: clients are offered short-term training of up to 6 months and then cannot re-refer for a further 6 months. Despite this the move on rate into employment and further education is exceptionally low (<4%) and there is a high level of re-referral. (>75%.)

Development work with the service users has identified dissatisfaction with the current short-term nature of the service and a desire for a different service. The three main options that have been looked at are a) a clubhouse transitional employment programme, b) a social firm and c) an intermediate labour market project. Different groups of service users have expressed an interest in each different service.

Positive Choices has no experience of trading/business activities but the strategic review carried out by the senior management team identified that income generation would be a valuable strategy. The operations manager was tasked with working with the area managers to review strategies in this light.

Within the 'development team' at Positive Choices there has been a discussion with a new franchise operation about the possibility of setting up one of the new projects using the franchise. The franchise is for a feng shui based candle production service using party plan agents to sell.

One of the development team convinces the Worklink Project area manager that this is an excellent opportunity as all the business plans are written, all the materials/costs are established and a large number of training positions can be created.

The area manager and the Worklink project manager are meeting to look at how they access the start up funding. As part of this meeting the Social Firm Development Agency are called in to promote the idea of a social firm.

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 Worklink Project is.
2. a) Identify what you believe are the positive aspects of the development process so far.

b) Identify the key issues that Worklink Project 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 Worklink Project 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.