

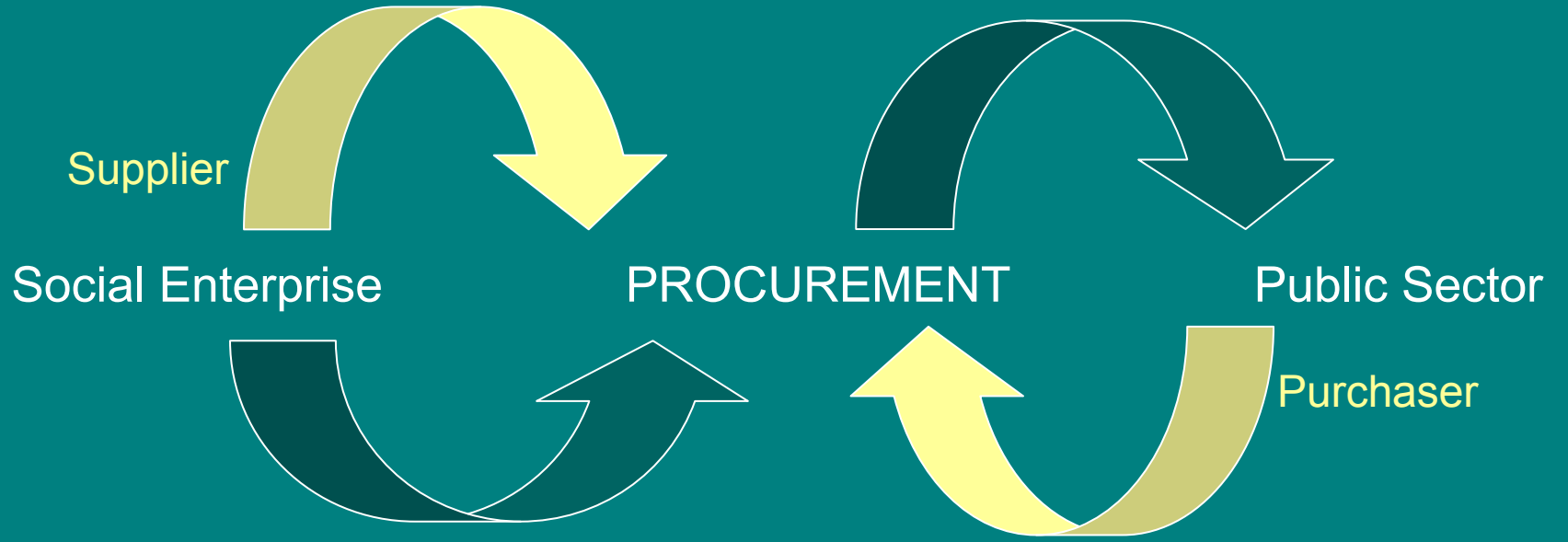


Involving Social Enterprise in Service Delivery: Adding Value

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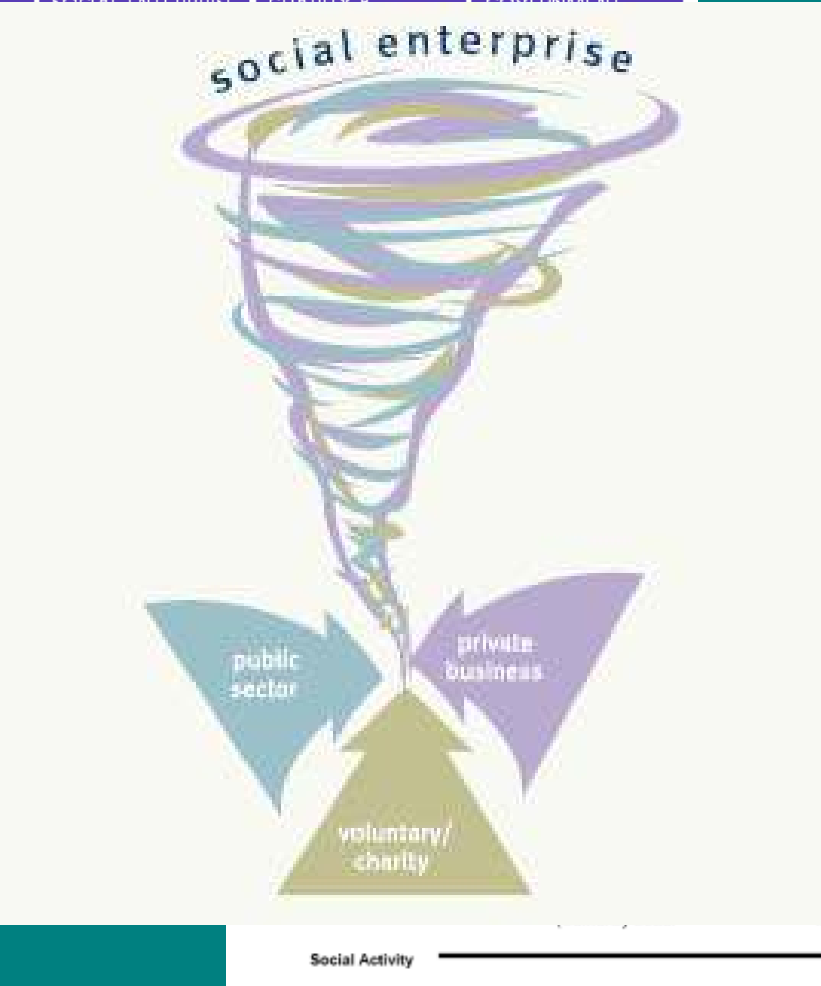
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SOCIAL ENTERPRISE IN A WIDER CONTEXT



Source: Social Enterprise Coalition



1.1 ENTERPRISES CONTINUUM- A CLASSIFICATION

	For Profit		
	Commercial Social	Commercial	
ng Assoc Mutuals Credit Unions		Shareholder	Soletrader SME
peratives	Family owned	Ethical	Co Ltd G
(wardly Social)	(Outwardly Social)		Inwardly Social)
	Social Activity → Economic Activity		

Source: Crossan et. al., 2005

Community Interest Companies



Companies Limited by Guarantee or Shares



Industrial and Provident Society



Group Structures and Charitable Status







The Best Procurement Programme

3 year research and capacity building project led by Social Enterprise East Midlands (SEEM)

Aimed to increase the ability of social enterprises to bid for public sector service contracts

Aimed to improve public sector's use of purchasing power to pursue economic, social and environmental objectives

Today's Seminar:

- Summarise BEST Procurement Programme research findings and support interventions
- Present the stories of BEST Procurement Programme public sector partners
- Interactive scenario – community benefit and specification writing

Hopefully, you will gain:

- A clearer understanding of social enterprise and the (added) value of procuring from such organisations.
- An understanding of the results of the BEST Procurement Programme and how they may be applicable to your own work.
- A basis for exploring further how added value can be incorporated into specification writing/ the procurement process.
- Be aware of further resources that can help you.



How can I contract with the public sector?

Why do I find it hard to win public sector contracts?

How can we improve our social and environmental performance?

How can I buy from a social enterprise?

What can be done to help both sides enter into a more productive procurement relationship?

Will this Benefit the Economy and Society Through (BEST) Procurement?

Research Process

Literature Review

Information Gathering

In-depth Interviewing

Evaluation

Dissemination

RESEARCH FINDINGS

Key themes from literature review:

- Definitions
- Health/ care
- Poverty
- Social returns
- Barriers
- Policy context

Information gathering

- Number and nature of social enterprises in the East Midlands

RESEARCH FINDINGS

Key areas of assistance sought by social enterprises:

- Materials promoting social enterprise to the public sector
- Introductions to public sector as a purchaser
- Assistance with researching opportunities
- On-line learning tool
- Assistance with identifying a unique selling point
- Guidance in planning and costing contracts
- More information on e-procurement
- Peer-to-peer sharing of experience

RESEARCH FINDINGS

Overall, social enterprises need:

- Support during their formative years
- Help in communicating aspects of their organisation
- A means to demonstrate a professional organisation that can be trusted and is itself sustainable
- Appropriate management and marketing skills and budgeted business plans
- The ability to work in partnerships, alliances and possibly mergers in order to be able to compete

RESEARCH FINDINGS

- All organisations are directly affected by legislation or funding regimes.
- Social enterprises can provide value for money.
- Recognition of value-added benefits.
- Procurement – positive and negative.
- Understanding procurement – responding to tender/ influencing a process.

SDRC Research has helped inform the partnership of the needs and experiences of social enterprises

- Training course for SEs in responding to tender
- Individual assessment of SE needs
- Assistance with organisational change leading to contracting/ selling
- Diagnostic for new ideas
- Assistance with marketing an SE to the public sector
- Contract finder service
- Equality of employment service
- Support for replication/ franchises
- Specialist support for social firms and BME SEs

PUBLIC SECTOR PARTNERS IN BEST: Northamptonshire County Council

Background

- £260 million of influential spend
- 16,000 suppliers
- Economic development team – support and strengthen local SE sector
- Meanwhile...procurement team looking to meet government guidelines
- BEST brought together Economic Development and Procurement



PUBLIC SECTOR PARTNERS IN BEST: Northamptonshire County Council

Actions Instigated during BEST

- Monitoring and measuring SEs as suppliers
- Training for procurement professionals
- Sustainable procurement workshops
- 'Earning Solutions' events for social enterprises
- Simplification of pre-qualification questionnaire
- Production of guide for social enterprises wishing to sell to the council
- Launched Source Northamptonshire website
- Developed specification writing training



PUBLIC SECTOR PARTNERS IN BEST: Northamptonshire County Council

Learning from BEST

- Developing county-wide policies and strategies
- Rolling out sustainability training to all staff
- Further training for specification writers
- Weighting community benefits

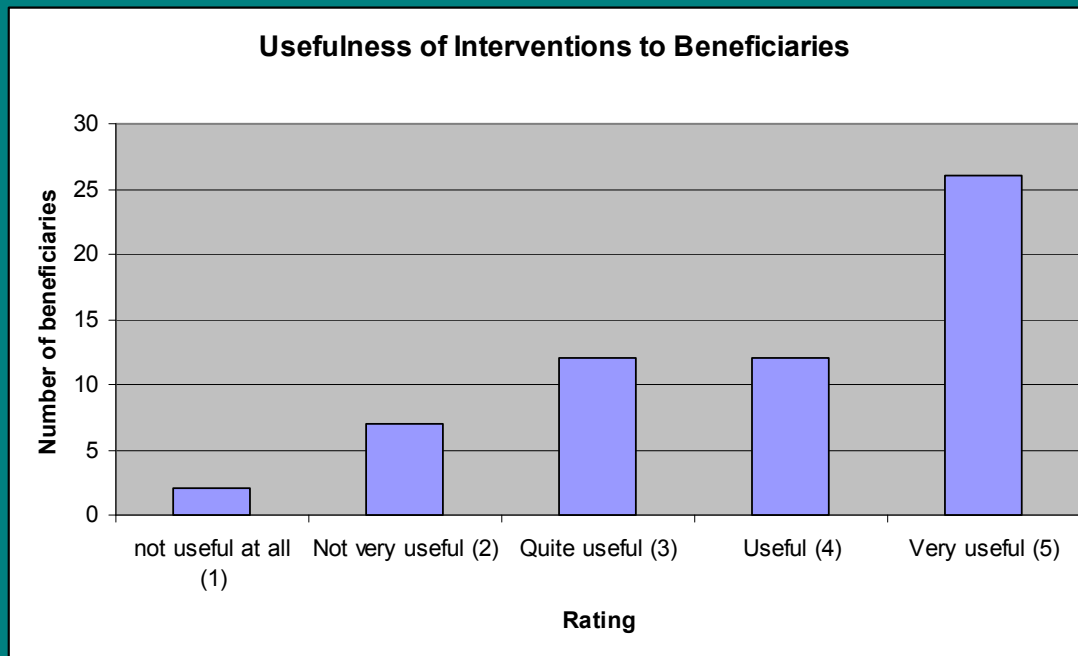


PUBLIC SECTOR PARTNERS IN BEST: Nottingham City Council

Actions Instigated during BEST

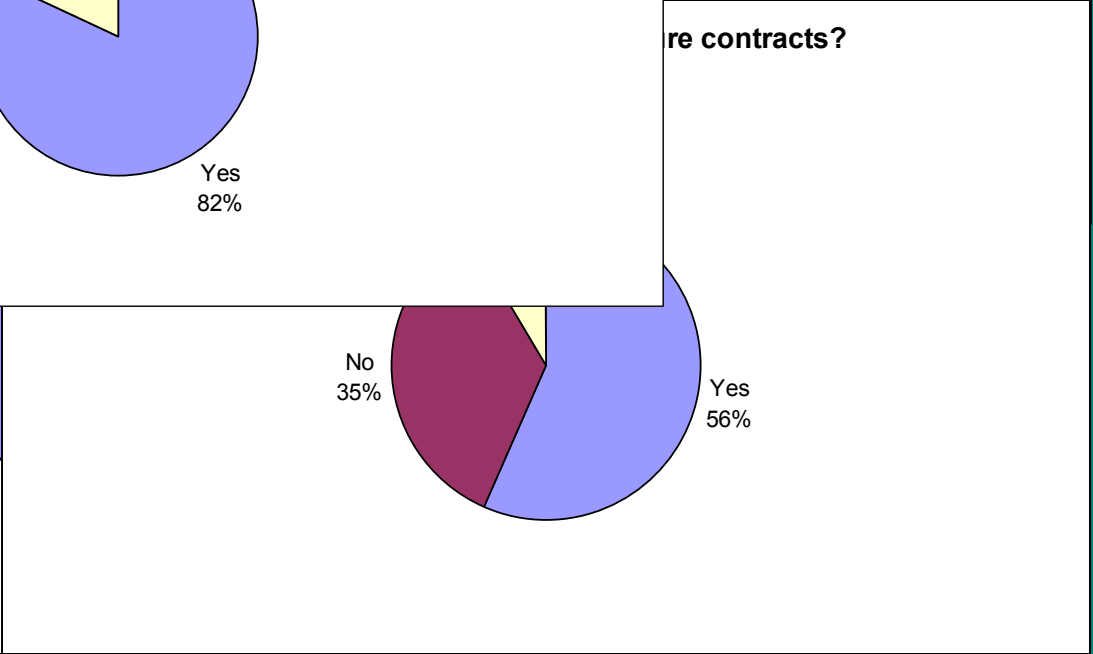
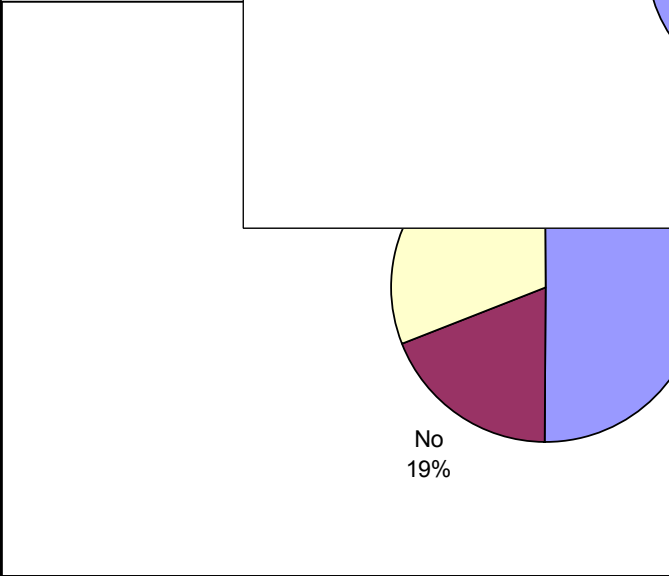
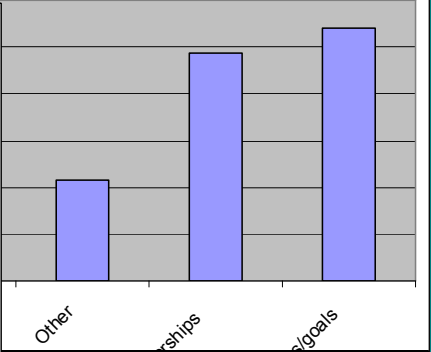
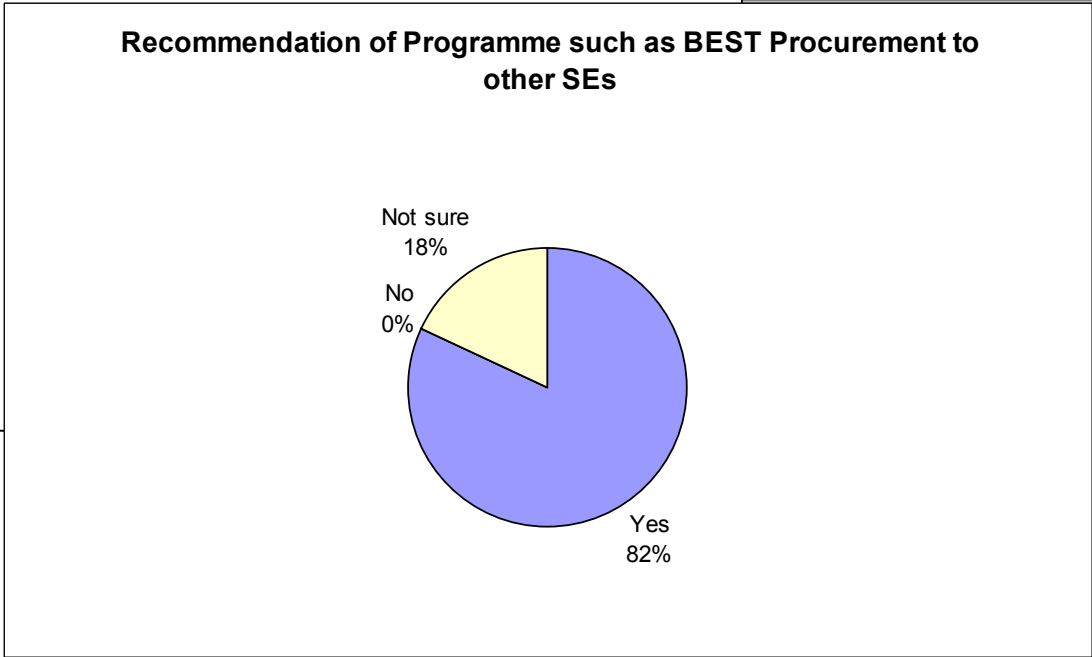
- Changes to the procurement process – incorporating notions of sustainability into PQQ
- Promoted the ‘community mark’
- Improved their 3rd Sector Compact
- Looked at innovative ways of working with a variety of groups
- ‘How to do Business with a Council’ – a guide for suppliers and contractors





Has BEST Procurement Programme made SE more Competitive?

Change Following Participation in BEST Procurement



COMMUNITY BENEFITS

ESE Benefits – Economic, Social and Environmental

Northamptonshire County Council Example

Economic

- Web ordering system
- Savings of £120,00 per annum used to improve community or council services
- Many employees living within the council area

Social

- Employs local people
- Trains local people

COMMUNITY BENEFITS

ESE Benefits – Economic, Social and Environmental

Environmental

- Offset CO2 emissions
- Pro-actively choose environmental products
- Implemented a recycling scheme

Actions to support delivery of further community benefits

COMMUNITY BENEFITS

Can you think of any more ESE benefits?

The Bike's the Business Case Study – identifying community benefits

Achieving Community Benefits – specification writing

The Bike's the Business Case Study

1. The courier using a bicycle as a means of transport

Economically, the service is cost neutral. Local jobs have also been created, supporting the local economy.

As the rider is exercising and meeting with clients as part of the job, **social** benefits are delivered quite naturally!

The **environmental** benefits are delivered by reduced pollution and reducing the strain on the road network by using smaller vehicles.

2. The organisation being a local workers' cooperative, employing local people and using community leadership

Social benefits are delivered through the socially inclusive nature of a co-operative. The ownership is shared so that all employees have a vested interest and influence in the success of the company.

The **economic** benefits are driven by employing local people.

The Bike's the Business Case Study

3. The service being cost neutral

Purely **economic**, although allows all of the benefits to be delivered!

4. Delivering a more efficient courier service

It could be argued that a more efficient service could be defined by the delivery of any of the ESE community benefits compared to an equivalent service not delivering them.

However, in this context, efficiency could be defined as delivering **social** and **environmental** - better delivery performance to customers whilst using less energy.

The Bike's the Business Case Study

5. Reducing the amount of traffic in the local area by one seventh

All ESE benefits are delivered in this aspect: **environmentally** there is less traffic, which means less pollution; **socially** there is less traffic for other road users to compete with; **economically** you are allowing easier access to local businesses, improving the opportunity to benefit the local economy.

Achieving Community Benefits – specification writing

1. Take a few moments to think of some requirement statements that would be appropriate to direct suppliers towards delivery of Community Benefits in this specification
 - Comply with relevant environmental policies and use environmentally approved materials
 - Demonstrate active support for the Authorities' Community Strategy, which encourages Suppliers to provide relevant economic, social and environmental community benefits
 - Demonstrate performance improvements over the life of the contract to deliver economic, social and environmental benefits, including but not limited to: more efficient methods of working, better training for staff and reduction of materials / cost of materials

Achieving Community Benefits – specification writing

2. In order to be able to evaluate supplier responses, you will need to have decided what percentage weighting you would give to Price, Quality and Community Benefits? Think about the weighting you would apply to these three factors, and your reasons. Make a note of your weightings

There are no 'right' answers to what weighting to use. This is something that the stakeholders on each project must agree. What is important, however, is that there is a logical basis for the weighting that can be presented if the process should be challenged.

As an example, the basis for evaluation of the tender responses could be as follows:

Price: 40%

Quality: 40%

Community Benefits: 20%

The justification here is that the cost structure of all of the potential tenders will be similar, so the only difference would come in profit and methodology. Methodology would be picked up through the quality assessment, so community benefits become an important differentiator.

Achieving Community Benefits – specification writing

3. How would you want to review the delivery of Community Benefits in these meetings? Pause for a moment to think of a process.

Meetings will be held bi-annually and on an ad-hoc basis to review the performance of the contract and the Contractor's proposals on the delivery of economic, social and environmental improvements

Achieving Community Benefits – specification writing

4. What community benefits do you feel it would be appropriate to include in your evaluation criteria?

What percentage of your turnover is re-invested in the Authorities' community?

What percentage of your employee's income is re-invested in the Authorities' community?

What percentage of your turnover is given to training?

What is the VOC content of the cleaning materials you use?

What is the anticipated level of CO2 emissions you will use performing this contract?

Are you able to handle electronic invoicing?

What is the ethnic mix of your organisation?

Do you provide appropriate protective clothing to your staff?

Achieving Community Benefits – specification writing

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ADDITIONAL RESOURCES:

Specification Writing for Community Benefits: www.specification-writing.info

Measuring Added Value: The SROI Primer, <http://sroi.london.edu>

SROI UK Network www.sroi-uk.org

BEST Resources: www.seem.uk.net

Social Enterprise and the Public Sector – a practical guide to law and policy

Dissemination Workshop Reports – social entrepreneurs and public sector employees discuss procurement and the third sector

Social Economy Scotland Resources: www.socialeconomyscotland.info

Better Value – purchasing public services from the Social Economy

Better Value Case Studies – the Social Economy delivery public sector contracts

Making the Case – a guide to social added value