SUBMISSION FROM THE WISE GROUP

UNDERSTANDING THE SCALE & GROWTH OF SOCIAL ENTERPRISES & EMPLOYEE OWNED BUSINESSES IN SCOTLAND

1. The Wise Group has been transforming lives through social enterprise in Scotland and the north east of England since 1983. We make a positive difference to people, communities and society by helping customers gain new skills and employment, reducing re-offending, regenerating communities and tackling fuel poverty. We have a clear understanding of the type of support customers need and have a proven track record of providing both innovative and high quality services. The Wise Group delivers results by working in partnership closely with government, local authorities, other social enterprises and private businesses.

2. The Wise Group currently employs over 200 members of staff delivering services across Scotland and north east England. We operate in three key markets – employability & skills, sustainability and community justice. In 2015, we supported over 50,000 households with the energy savings, supported 1,300 people on benefits into work and delivered skills development for over 800 people. We worked with over 1000 people released from prison through the mentoring services. Our activities resulted in 224 tonnes of waste being diverted from landfill and over 141,000 tonnes of carbon dioxide being saved.

Employability & Skills

3. The Wise Group delivers a range of services to help people on benefits access jobs by delivering contracts for government, subcontracting and through other funding sources. We have a strong reputation and capacity to deliver successful employment services at scale in Scotland and north east England. We also deliver a range of skills development and training programmes for customers that align with other business areas.

Community Justice

4. The Wise Group has been pioneering innovative approaches to the delivery of through care and mentoring services for the last ten years with significant evidenced success. We have pioneered peer group mentoring through the employment of people that have previous prison or other relevant life experience. We are the market leader by share, coverage and scope of delivery of mentoring for prisoners on release in Scotland.

5. The Wise Group delivers the largest national mentoring programme, New Routes, for young male short term prisoners on release from all 13 Scottish prisons funded by the Scottish Government reducing re-offending change fund. We are developing a model for continuing and extending the mentoring services beyond the current funding to 31 March 2017.

6. In 2015, the Wise Group began delivering community justice services in England, through the Transforming Rehabilitation contract in the Durham and Tees Valley and a mentoring service. We have programmes operating currently in every prison in Scotland and the north east of England.
Sustainability

7. The Wise Group delivers the Home Energy Scotland advice line which is funded by the Scottish Government and managed by the Energy Savings Trust. We provide this service in Strathclyde and Central regions which covers 11 local authority areas. We also provide an in-home energy advice service in locations throughout Scotland through partnerships with local authorities. We work in partnership with Zero Waste Scotland to deliver the national re-use phone line, community advocate and volunteer programmes.

8. Since 1983 the Wise Group has used energy efficiency projects as a way to create training and work opportunities for people furthest from the labour market. For example, in South Lanarkshire we deliver home energy advice through traineeships and 95% of the trainees subsequently get sustained jobs in the sector.

Key Areas for Growth

9. The Wise Group believes we will achieve growth across all the areas within the business. We have identified opportunities and funding which align with Scottish Government objectives. We work with an extensive partner network to increase reach, capacity, flexibility and responsiveness. As the Wise Group grows it will continue to take a collaborative approach by working with partner organisations including close relationships with smaller social enterprises which we can help access funding to deliver innovative local services within joined-up larger programmes.

HEARING EXAMPLES OF INNOVATION FROM BUSINESSES

The Wise Group Culture

10. The Wise Group has worked over a number of years to develop a constructive culture, where people, creativity and quality are valued. The Wise Group culture involves people in decision-making, continuous improvement activities and generating new ideas. This approach was acknowledged by Quality Scotland in 2015 by the EFQM Recognised for Excellence 5-star award.

11. This approach is embedded in daily practice and endorsed by the Leadership Team. A range of formal working groups exist where staff can contribute to the direction, improvement and creativity of our services. These range from environmental management, staff consultation forum, a staff charity fund, ICT steering group, and a social group. Groups are cross-departmental and involve members of staff at various levels and across a range of geographic locations.

12. Additional delivering excellence sessions focused on the review and improvement of a specific area, project or cross-cutting topics such as customer feedback processes. Internal evaluations are completed to learn what works and how lessons can be applied in both existing and new service delivery. Staff, partners and customers contribute to evaluations to capture a range of views, experience and ideas and provide balance.

13. Lessons learned and good practice are communicated internally and used by the business development team in the design and implementation of new services. Staff support business development through consultation during the development of new services.
14. The Wise Group is an innovative developer of new services and we value commissioners who provide sufficient time through the tendering process for consultation with staff and customers. Services based on consultation are more likely to result in programmes which are valued, more impactful and address root causes. The Scottish Government and Big Lottery Fund are good examples of such funders.

15. We also appreciate funders who embrace the value of social impact, continuous improvement and service evolution. The Talent Match contract funded by Big Lottery Fund encourages a test and learn ethos and embrace the learning process. This programme relies heavily on the involvement of staff, partners and stakeholders to both design and develop the service but also to ensure effective operations.

Assessing the Sources of Funding & Support Available

16. The Wise Group has been in operation since 1983 and is a registered charity and company limited by guarantee. We have grown to become one of the largest social enterprises employing over 220 individuals throughout Scotland and the NE of England with turnover in 2015 of £16m. The size and scale of the organisation in itself can act as an inhibitor to current funding, investment and support.

Funding, Support & Investment Specifically for Social Enterprises

17. There is a considerable support infrastructure for social enterprises in Scotland. This includes support from Social Enterprise Scotland, Senscot, Social Enterprise Networks, Firstport and Social Investment Scotland. However, it is our experience that a disproportionate amount is focussed on start-up social enterprises and this tends to reinforce the view that social enterprises are local microbusinesses. There has been a welcome recent focus on supporting small social enterprises to grow. There has consistently been less attention on supporting growth in larger social enterprises despite the significant potential for additional impact.

18. The support that is needed is business growth support which understands the needs of more mature or larger social enterprises. Small easily accessed investment for innovation and growth available at affordable rates and support to access public and private sector contract markets.

19. The Wise Group, as a large social enterprise is in a good position to support other smaller organisations in the social enterprise sector meaning that investment in larger organisations will have a positive impact on smaller organisations.

Support to Promote Awareness & Understanding of Social Enterprise

20. There appears to be low public awareness and understanding of social enterprise. Our experience is that there is patchy awareness and understanding among public bodies. Of those who are aware of social enterprises there are a number of misconceptions. These include social enterprises tend to be heavily grant dependent, closely related to the public sector or very small with a local or single-issue focus.

21. We challenge the misconception about the breadth of activity and the potential for social enterprises to have large scale social impact from sizable, non-grant dependent,
independent trading social enterprises. Additional support to raise awareness of social enterprise is vital. A national approach to achieving this should be led by Social Enterprise Scotland to increase understanding among the public, procurement officials, public sector employees, business support services, and private enterprise employees.

Support to Grow Through Contracts with Public Bodies

22. The Wise Group has a diverse business model and also includes a wide range of offers to private sector companies including a £3m recruitment service for employers. Public sector contracts however are the main sources of income. The business development team has many years of experience of bid writing and understanding the processes involved, which helps overcome some procurement issues. However generally there are barriers to growth for many social enterprises.

WHAT PUBLIC BODIES ARE DOING & SHOULD BE DOING TO ENCOURAGE THESE BUSINESS MODELS

23. Contracts with public bodies are a major source of trading for Scotland’s social enterprises. Contracting with social enterprises improves outcomes, impact, community benefit and can reduce costs in some instances. It is a means for social enterprises to increase their social impact and invest in new activities. We have a number of successful relationships and excellent experience of procurement with public sector bodies but also routinely see tender opportunities which could be ideal opportunities for social enterprises but where poor public sector procurement practices work against increasing contracting in the sector. Typical examples include, unrealistic tender submission deadlines of one to three weeks, procurement non-compliant with ESF funded programmes, poorly constructed statement of requirements, lack of time to form a compliant social enterprise partnership bid, lack of opportunity to challenge procurement irregularities and TUPE requirements including unidentified final salary pension liabilities.

24. It is unclear if the changes to procurement regulations in 2016 will resolve these issues as many of them stem from the capacity of procurement officials. Steps that can be taken by procurement bodies include investing in local capacity for procurement, involving experienced third sector providers in the design of specifications, avoiding very short procurement exercises or using complex smaller lots for procurement. The Scottish government public social partnership model encourages partnership solutions which can include small local social enterprises alongside those with wider capacity and experience could be used more frequently as an alternative to costly procurement processes.

Laurie Russell
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