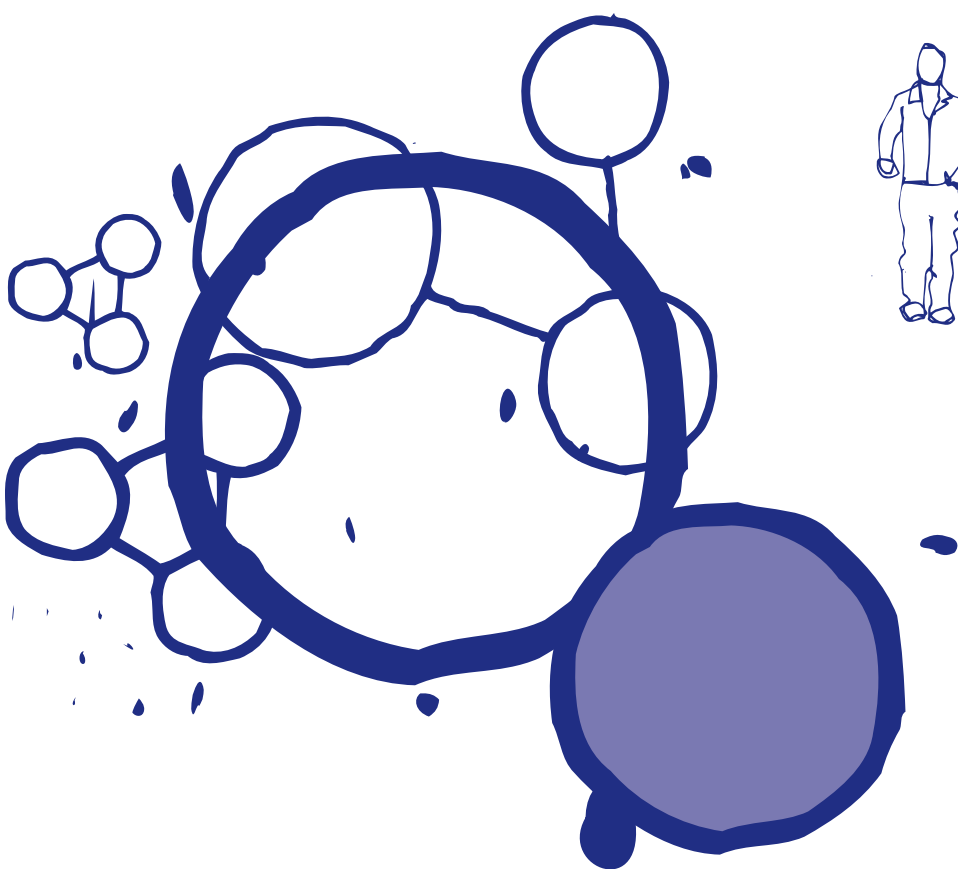


**The
Big Life
group**

**Business
Plan
2007/2012**

**BUSINESS
CHANGING
LIVES**



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1. Executive Summary

The Big Life group was launched in April 2002 with the mission to Change the World. Since then the group has succeeded at growing social businesses and has created opportunities for people who have had a raw deal in life to change their lives. Turnover of the group has risen by approximately £5m over the first five years and it has developed a national reputation for groundbreaking new services and opportunities.

Key Successes:

- >> Provided 2,565 people with training, of whom 698 people achieved accredited qualifications
- >> Helped 450 people into supported employment, with 60% subsequently going into permanent employment
- >> Designed and built two new centres worth £3million
- >> Won or been runner up for nine awards
- >> Achieved MATRIX training accreditation
- >> Employed over 250 people, 39% from BME communities

Growing five new social businesses at the same time was a big risk and diluted the available resources. These businesses were also largely grown without the use of external investment, which made the task harder. The social business market is, by its nature, harder than the private sector or charitable sector, as it combines a need to make a profit and social objectives, which can have

competing demands. New businesses in these areas need to have support and investment to make them viable independent businesses in the longer term.

Key Lessons:

- >> The group sometimes subsidised a service or business that was not making a profit and focussed undue staff time on it because it had a strong social impact
- >> The group needs to build a stronger business planning function, which balances risks and attracts external investment
- >> Finding the right skills has also been difficult. Whilst some external support was sourced, there may be the opportunity to utilise more
- >> In order to deliver its mission, the IT infrastructure of the group needs investment

In the next five years The Big Life group will build on what it has achieved by focussing on improving the quality and profitability of its businesses. It will share its experience nationally and develop case studies and models for replication. It will open up the group to new social businesses which need support and nurturing. It will exit out of markets where it has developed a service, but the mainstream public or private sector is now filling a gap.

The Big Life group structure (see page 7) has proved a strong one for the development of social businesses and it can be built upon. In the next five years we will develop our group membership to enable new enterprises to join the group and purchase support from The Big Life Company. We will develop the brand of the group to reflect different types of membership and create some flexibility for existing brands.

The policy framework in the next five years holds some positive opportunities for the group. It is likely that more public sector procurement will be opened up to the independent sector, leading to a growth in opportunities for social enterprises in the health, social care and families' service areas. We will build on our experience of developing and managing multi-agency buildings and support enterprises emerging from the public sector.

The Big Life group will work to help put people in control of their own destiny and will continue to maximise user involvement in all its businesses. It will support the development of a new user-led primary mental health service and pilot a quality standard in responsiveness to clients' needs. The quality of life measures used across the group will demonstrate the impact of our work, and complement a new social audit.

Social Justice remains high on the agenda of the two main political parties, with recognition

that the most marginalised people are still not being reached by mainstream services. These are the people that The Big Life group works with – people with complex drug and mental health needs, migrant workers, BME communities and people from disrupted families. Championing the interests of these groups will not always be popular, and over the next five years the group will strengthen its services and campaigning around these issues. It will also develop The Big Issue in the North magazine as a vehicle for intelligent debate, and develop its electronic media business.

Social exclusion, migrant workers and skills shortages will continue to be key issues. More employment and training contracts may be locally commissioned offering the opportunity for Big Life Employment to compete against larger national organisations. We will also continue to develop training and work opportunities for people through The Big Issue in the North. The Big Issue in the North will develop its brand to ensure consistency between external perception and mission: to offer an opportunity for excluded people to earn a legitimate income.

The group will build on its successful track record of working with families affected by drug misuse, isolation and social exclusion. We will take on more children's centre services, consolidate our nursery provision in deprived areas and create new supported housing services for families in crisis.

2. Description of the Business

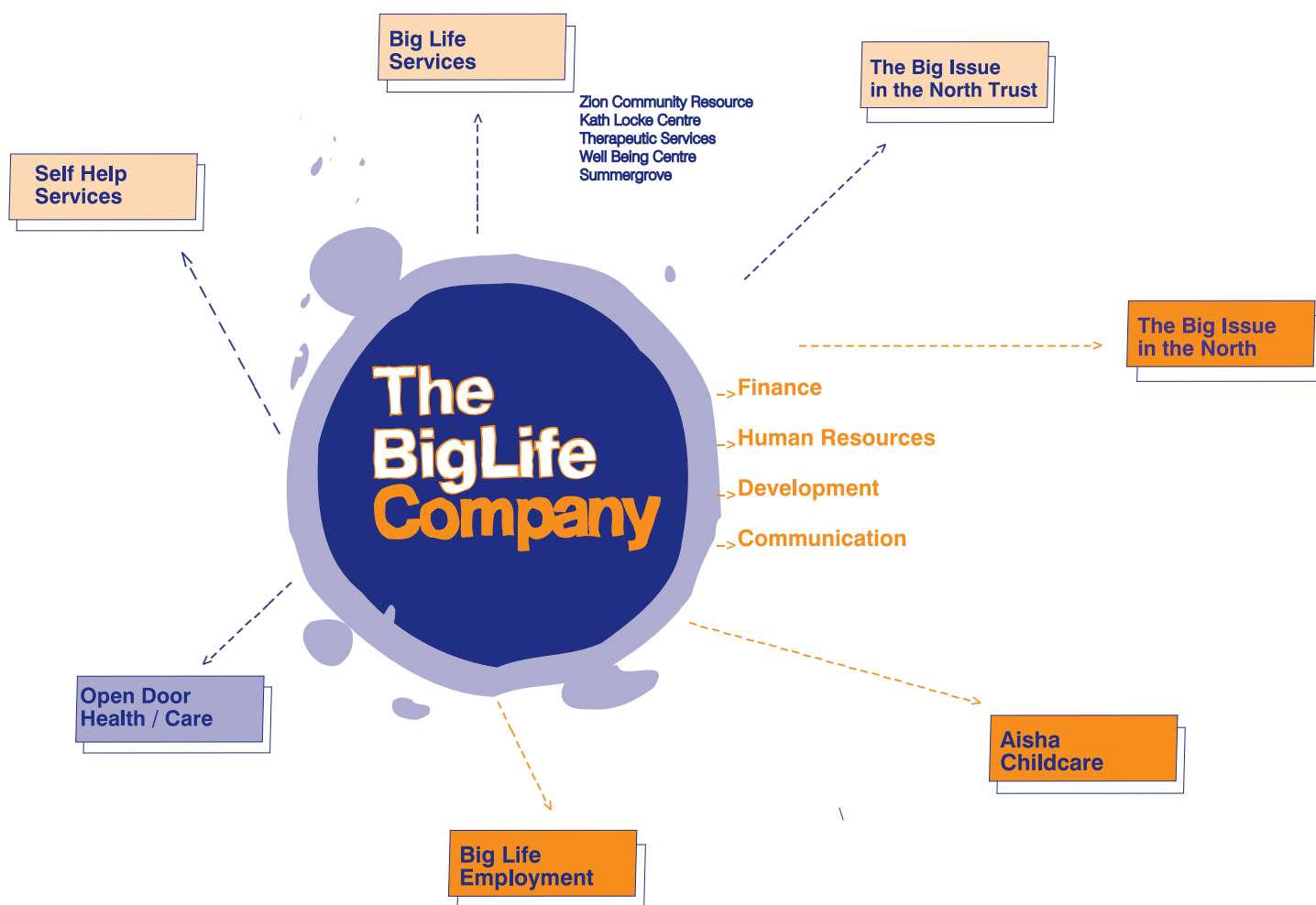
The Big Life group includes five social businesses and three charities. The Big Life Company is the holding company for Aisha Childcare, Big Life Employment and The Big Issue in the North; Open Door is an affiliated social business; and The Big Issue in the North Trust, Big Life Services and Self Help Services are Big Life charities.

One Board of Trustees oversee all three charities. The social businesses are overseen by one board which involves both Executive

and Non Executive Directors. The Boards meet quarterly and receive reports on progress to targets and financial performance. In 2004, following an audit of the governance arrangements, the Boards adopted the standards of the Combined Code of Practice.

An Executive Team made up of the group Chief Executive, Finance Director and Executive Directors oversees the operation of the businesses and charities.





3. The Big Life group Values

To create a better world, we have to challenge our beliefs and practices. We continue to work with the six values, adopted in 2002, through which we can challenge ourselves and what we are doing.

Thoughtful

We will reflect on all that we do. We try to take time to consider how effective we are and how we can be better. We do not want to react to circumstances, but proactively work to achieve our vision.



THOUGHTFUL



CREATIVE



The
BigLife
group

social businesses
and charities



HONEST

Honest

We try to be honest with ourselves and with others. We want to build on our strengths and learn from our weaknesses. We always want to improve.

Inspiring

We want to inspire others to change their lives, their businesses and their communities.



INSPIRING



Creative

We will look for new ways to do things and always question what is 'accepted'. We seize opportunities and look for new solutions.

Courageous

We will do what we think is right for the people we work with. We are proud to be different - but only where difference is needed.

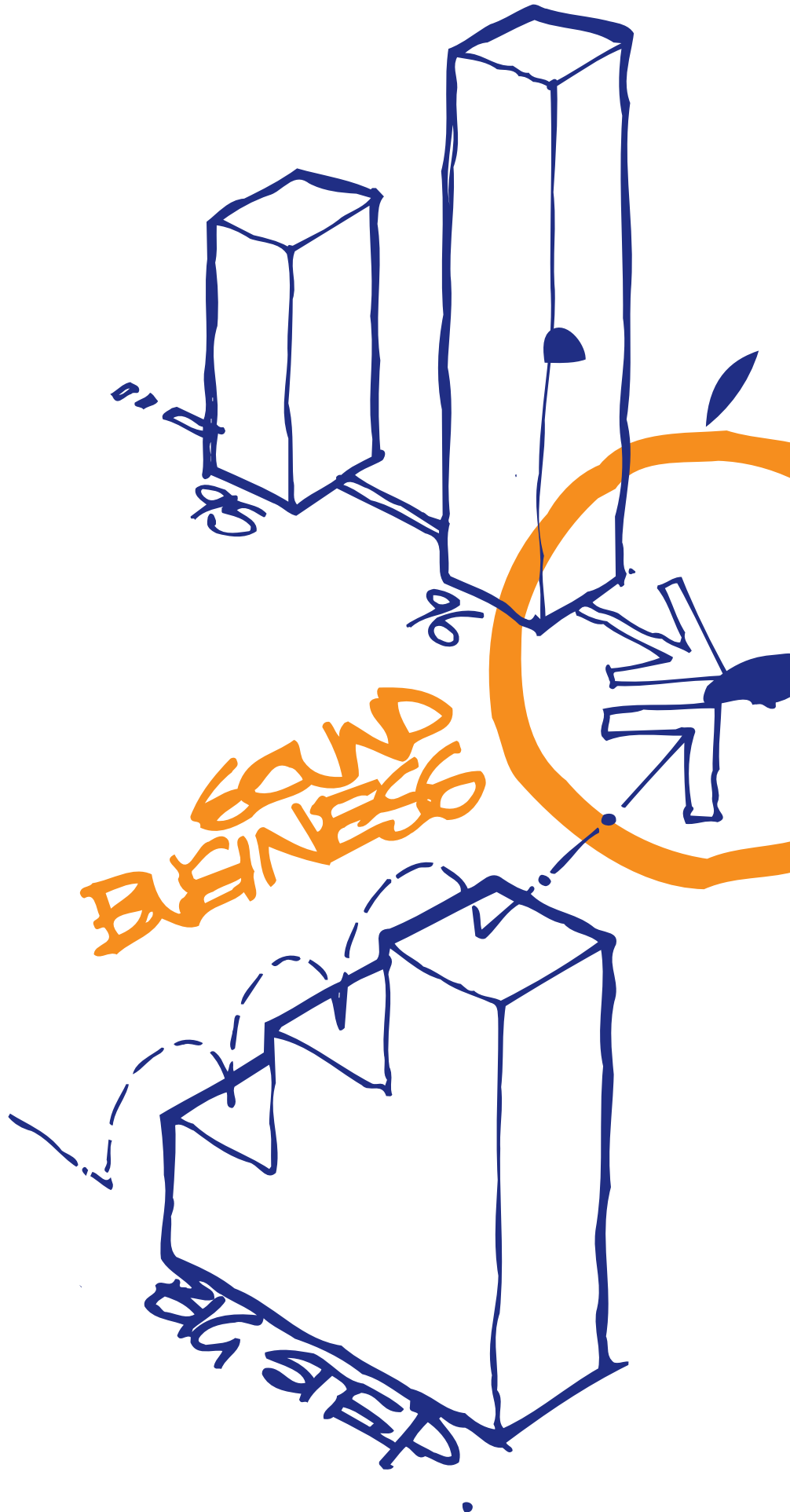
COURAGEOUS



VALUING DIFFERENCE

Valuing Difference

We strive to find the unique qualities, gifts, insights, skills and perspectives that different people offer. Only by embracing diversity can we achieve greater social change.





4. The Next Five Years

Individual Business Visions

In the next five years The Big Life group will build on the work it has achieved by focussing on improving the quality and profitability of its businesses. It will share its experience nationally and develop case studies and models for replication. It will open up the group to new social businesses who need support and nurturing. It will exit out of

markets where it has developed a service, but the mainstream public or private sector is now filling a gap.

Each business within the group has a separate business plan. Below are summaries of their visions for the next five years.

The Big Life Company **Making a success of good business**

The Big Life Company aims to grow successful social enterprises to help people to change their lives.

In the next five years, The Big Life Company will increase the number of social enterprises and charities to which it delivers corporate services. It will develop a new creative Head Quarters which will be used as a resource by all the companies across the group. It will invest in its IT infrastructure to improve the services that it offers.

In order to undertake the business development of the group (a supported housing business, expanded community resources managed by Big Life Services, a new Self Help charity and new social enterprises), The Big Life Company will need to attract investment and develop its marketing, financial strategy and business development services.

Self Help Services **Helping people to help themselves**

Self Help Services provides self help groups and other initiatives to people experiencing mental ill health and/or social exclusion.

In the next five years Self Help Services will establish itself as the first user led primary mental health care service provider in the country. It will provide a comprehensive range of services for people with mild to moderate mental health needs, offering them choice, control and power over their own treatment.

Big Life Services **Helping communities to help themselves**

Big Life Services enables people to live their best lives. It does this by developing health and well being centres that deliver holistic services to improve the quality of life in disadvantaged areas. It enables people to make choices for themselves.

In the next five years Big Life Services will respond to opportunities to develop and deliver more community resources and primary care centres in the North of England. Building on its successful track record, it will bring a community development approach to communities, supporting them to use their own skills to help themselves. It will work with statutory services to ensure their services are accessible to all communities and reduce inequalities. It will demonstrate the value of providing high quality environments in areas or communities which have usually endured the worst.

The Big Issue in the North Trust **Improving lives**

The Big Issue in the North Trust supports vendors of The Big Issue in the North to get the services they need to improve their lives.

In the next five years The Big Issue in the North Trust will build up its public contributions and Friends of the Big Issue supporters, to provide regular income to The Trust and to highlight the needs of the vulnerable people it works with. Along with The Big Issue in the North, it will refresh its brand to reflect the complex needs of the people it works with.

Aisha Childcare

Inspiring lives

Aisha Childcare offers an inspiring environment for children, bringing communities together, celebrating differences and helping families to live inspiring lives.

In the next five years Aisha will consolidate its nursery businesses, recognising the challenge of decreasing subsidies and increased competition. It will expand its delivery of children and families services by responding to opportunities to contract with the statutory sector. It will continue to develop its training programme in all areas of childcare and parenting to offer more opportunities to people to change their lives. Where Aisha has developed a new market for childcare, it may sell on its business in order to attract investment and enable it to develop new markets elsewhere.

Big Life Employment

Achieving aspirations

Big Life Employment is a social business that believes everyone has the potential to achieve their aspirations. It offers a tailored package of support to help people achieve their goals.

In the next five years BLE will support people who have been excluded from society into meaningful training and employment. It will continue to work with people who face the biggest barriers and will demonstrate the effectiveness of a comprehensive quality of life support package. It will expand its IT training; further develop innovative approaches to teaching numeracy and literacy (such as through garden-based projects) and continue to deliver vocational preparation courses. BLE will, through contracting with local commissioners, provide an effective, specialised service in Greater Manchester, which will be used as a model of good practice nationally.

The Big Issue in the North

A good read and a good buy

The Big Issue in the North is an independent, innovative publisher whose mission is to provide a means to earn a legitimate income for people who are marginalised from society.

In the next five years The Big Issue in the North will further develop its role as a sustainable, independent publisher in the North of England. It will attract investment to refresh its brand, reflecting its role as a step into society for people who, as a result of their complex problems, are often on the margins. It will continue to offer an opportunity to people to earn a legitimate income and will open up its business as an opportunity for anyone who is unable to participate in the formal economy.

New Businesses in the group

In the next five years the group will attract health and social care professionals who wish to establish social enterprises within the group structure. It will offer support and encourage the development of social enterprises which can use innovative and creative approaches to tackle inequalities. The group will also build on the success of the Summergrove project, sharing it as an example of effective interventions for families affected by substance misuse. It will develop new buildings and floating support services for families with complex needs.

The group will develop two different levels of membership:

Full membership – social businesses which are wholly owned by The Big Life Company and which describe themselves as a Big Life business.

Affiliate membership – social businesses and charities which purchase services from The Big Life Company through a service level agreement, but have no legal ownership link with the group. These organisations, such as the Open Door project in Grimsby, will describe themselves as a Big Life affiliate.

Group Operational Priorities

Finance

In order to achieve its aims, The Big Life group will need to attract new investment from a range of sources. Learning the lessons from the first five years, it will ensure that all new businesses have sufficient capital investment in their development phase to manage risks in performance. All opportunities for investment including seed capital, venture capital, grants, joint ventures and loans will be explored.

New financial IT systems to improve efficiency and effectiveness will be utilised. Management of financial monitoring will be carried out in each business area through dedicated finance personnel, rather than through a central team, while strategic financial planning and development will be provided centrally through a shared resource.

A process for appraising new business initiatives will be implemented across the group. Through comprehensive risk assessment, the group will ensure that it will balance the investment of resources into low risk, stable businesses which show a reliable financial return and more high risk business developments which have good social returns. It will manage the exit from businesses where the service or product is now being provided adequately by private or public sector providers, ensuring a return for the group. All new contracts will be assessed to ensure full cost recovery using a standard tool across the group.

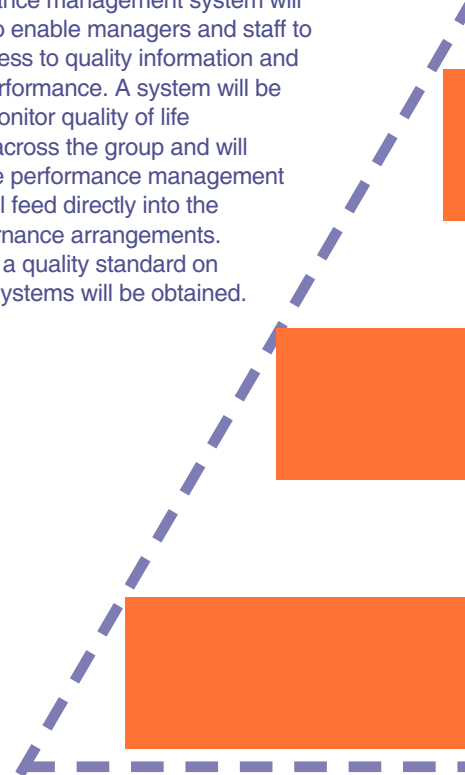
Human Resources

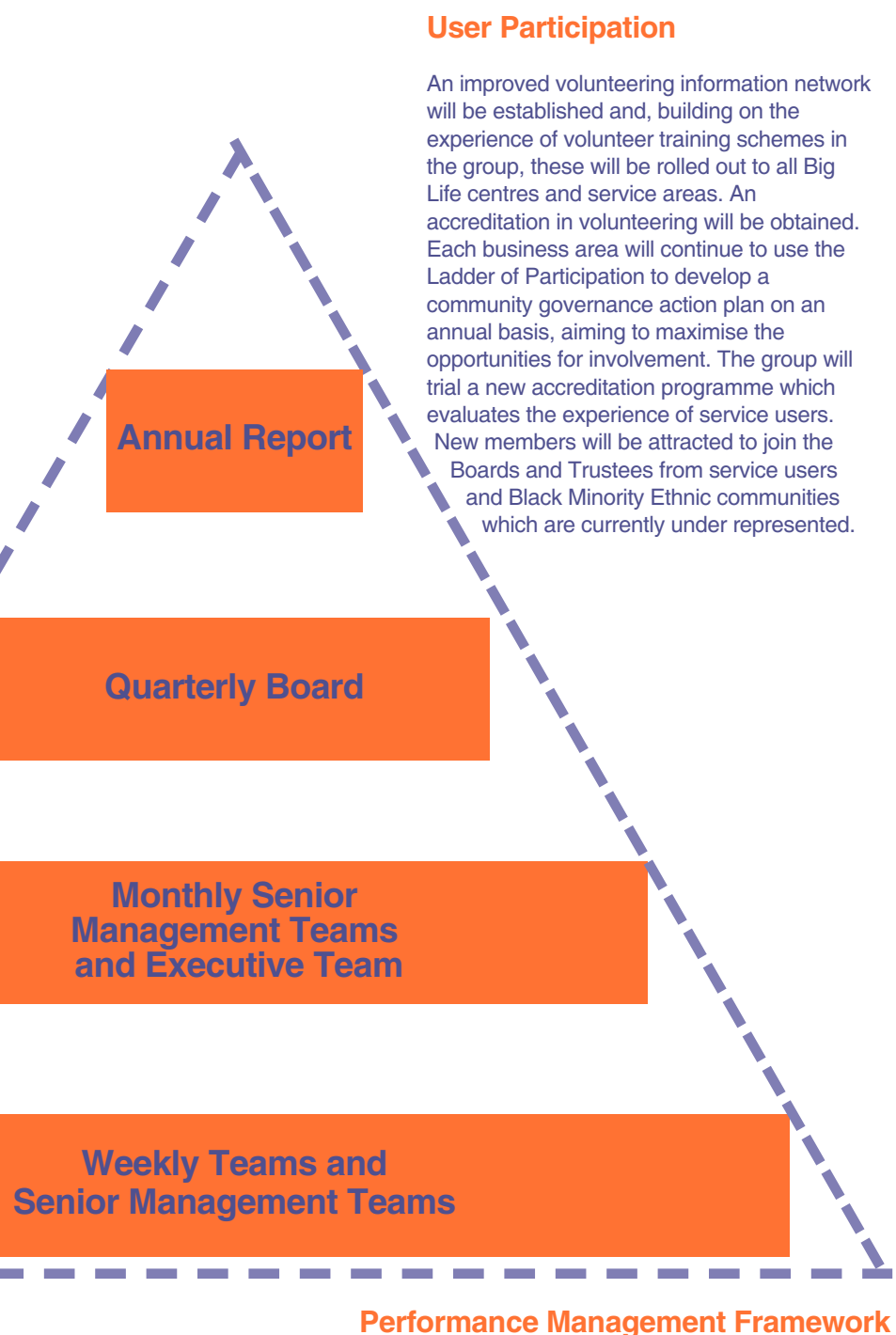
Over the next five years the group will aim to reduce sickness and absence levels to 3% of days lost through sickness. It will do this through providing a comprehensive training programme and delivering support to managers to implement a revised absence management programme. At the same time it

will continue to offer support to staff who smoke, which in 2007 is a higher percentage of the workforce than other similar organisations. The group will continue to focus on local employment and attracting a diverse workforce, and will set targets to improve the employment of disabled people.

The group will explore opportunities for staff to participate in share ownership schemes, enabling them to benefit from good business performance. A new induction programme and Vision and Values programme for staff will be delivered to ensure a good understanding and commitment to the group is maintained. New skills will be attracted to the group in the field of marketing and financial planning.

A new performance management system will be introduced to enable managers and staff to have better access to quality information and feedback on performance. A system will be developed to monitor quality of life improvements across the group and will contribute to the performance management reports. This will feed directly into the corporate governance arrangements. Accreditation in a quality standard on administration systems will be obtained.





User Participation

An improved volunteering information network will be established and, building on the experience of volunteer training schemes in the group, these will be rolled out to all Big Life centres and service areas. An accreditation in volunteering will be obtained. Each business area will continue to use the Ladder of Participation to develop a community governance action plan on an annual basis, aiming to maximise the opportunities for involvement. The group will trial a new accreditation programme which evaluates the experience of service users. New members will be attracted to join the Boards and Trustees from service users and Black Minority Ethnic communities which are currently under represented.

Marketing and Communication

We will implement customer focussed marketing plans in all our businesses to ensure we build strong customer relationships.

Marketing impact will be monitored in those businesses which are customer focused: Aisha Childcare, Big Life Employment, Big Issue in the North and The Big Issue in the North Trust. All frontline staff will undertake marketing training to ensure good customer relations are in place.

In the next five years the group will focus its campaign work at a national and local level, so that it can make a real difference to the lives of marginalised people. The three main areas of campaigning will be to make public procurement supportive to the development of a vibrant social enterprise business market; influence new public policies that reduce social exclusion; and, through partnerships, help public and private businesses change lives.

Staff Training Plan

A comprehensive training programme will be delivered to help achieve group targets, focussing on the areas of skills and training needed by staff to perform their jobs effectively and efficiently.

All managers and PAs, for example, will take the European Computer Driving License course to improve their IT skills while all administration staff will learn at least Basic Computing skills. All staff working with people with drug or alcohol addictions will complete training to ensure the group is compliant with national standards (DANOS).

The Big Life group Targets

Creating Opportunities

We will deliver a menu of opportunities for people to overcome barriers and improve their lives. Opportunities will be targeted at people facing most exclusion and we will tackle discrimination in all forms. We believe everyone has something to contribute and that an exchange of services is an essential part of building self-respect.

225 people participating in the group every year, including:

178 volunteers

47 trainees/students

By 2012, 50% of staff in community services will live locally

By 2012, staff with disabilities will make up 6% of the workforce

3,200 people using services in the group every year, including:

700 vendors selling The Big Issue in the North

500 people accessing counseling or complementary treatments

2,000 people supported through casework (such as IAG, ILM, work placement, QOL, Sure Start placement, Summergrove resident, CCBT, Guided self-help clinic)

70,000 people using our centres or services

80% of people using our services showing an improvement in Quality of Life:

100 clients or volunteers gaining employment

450 clients accessing training

100 people helped to access statutory services (such as a GP or housing services)

Doing Good Business

The Big Life group is in the business of changing lives. In the next five years we will demonstrate that business can be both profitable and provide social benefit. The breadth of businesses within the group will provide a comprehensive range of opportunities to people who traditionally are excluded.

Achieve £8m turnover

The Big Issue in the North £2m

Aisha Childcare £1.5m

Big Life Employment £1m

The Big Life Company £1m

Big Life Services £2m

The Big Issue in the North Trust £.5m

Achieve £240k profit per annum by 2012

The Big Issue in the North £100k

Aisha Childcare £50k

Big Life Employment £30k

The Big Life Company £50k

Big Life Services £20k

The Big Issue in the North Trust £20k

Achieve £350k cash asset

The Big Issue in the North £250k

The Big Life Company £100k

Aisha Childcare and Big Life Employment positive net assets

Bring two new businesses into the group by 2012

Develop one new user led business by 2012

Improving What We Do

We will never be good enough. The people we work with are too important to give a mediocre service to. We will continually work to improve what we do. We will invest in our staff and organisation to ensure that it is as effective and efficient as possible. We will focus on quality, encouraging customer feedback and evidencing effectiveness through research. Over the next five years we will invest in the infrastructure of the group to ensure that staff have the resources they need to deliver an efficient and effective business.

Achieve 4 Quality standards:

ISO9000

DANOS

Uspeak

Investors in Volunteers

Maintain and improve staff commitment to the group's aims and objectives, with 85% saying they would recommend the group as an employer by 2012

All staff to have access to the intranet with 50% accessing monthly by 2012

Changing the World

The Big Life group believes it can make a real difference in the world. We can influence other agencies, government and individuals to do things differently by working in partnership with them. We can use our profile and The Big Issue in the North magazine to raise issues. And we can lead by example. In the next five years we want to make a real difference to the lives of marginalised people by making public procurement open to social enterprise; influencing public policy; and demonstrating how public and private businesses can change lives.

Share the learning and demonstrate the effectiveness of the group's services and business nationally by participating in two national pilots and publishing four evaluations or research papers by 2012

70% of commissioners to recognise the group brand as delivering high quality services to marginalised people in a business like way

Run five campaigns with other agencies which will help tackle discrimination and champion the rights of our client groups; call for the opening-up of public procurement; and influence public policy







5. The First Five Years



The Big Life group was formed from two organisations in 2002: The Big Issue in the North and Diverse Resources. The initial catalyst for change was the decision of the remaining founder of The Big Issue in the North to leave, and her desire to give the business to the Chief Executive of Diverse Resources. Over the next five years the group grew to include five social businesses (The Big Life Company, The Big Issue in the North, Northern Solutions, Aisha Childcare and Big Life Employment), and two charities (Big Life Services and The Big Issue in the North Trust).

The Big Life group's mission is to Change the World. It believes that through developing good business practice it can reduce inequality and social injustice.

Across the group all businesses adopted four key objectives:

- >> **To create opportunities for people to change their lives**
- >> **To do good business**
- >> **To improve what we do**
- >> **To change the world**

Annually, each team has set targets to work towards these objectives and these are reviewed every quarter. A performance management system has been established to report progress throughout the organisation. Whilst this has been, at times, too detailed, it has established the basis for developing a more refined performance reporting system for the next five years

In the first five years the group has:

- >> Helped 450 people into supported employment, with 60% subsequently going into permanent employment
- >> Provided 2,565 people with training, of whom 698 people achieved accredited qualifications
- >> Designed and built two new centres worth £3million
- >> Won or been runner up for nine awards
- >> Achieved MATRIX training accreditation
- >> Employed over 250 people, 39% from Black Minority Ethnic communities

The Big Life group has created opportunities through directly employing people from the communities it works within. In the first five years it created over 100 new jobs within the group and has targeted 30% of them at people facing a disadvantage in the labour market. As a consequence it employs a very diverse workforce with 39% of staff identifying themselves as being from a Black Minority Ethnic group. This diversity within the group is one of its key strengths as it contributes to ensuring that the group's services are accessible to people from all communities.



People

The group have a very committed workforce – the staff survey in 2006 showed that 88% were committed to the success of the group; and 87% get job satisfaction and feel that they are making a difference. This is reflected in relatively low levels of sick leave, which in 2006 was at 3.7% of working days lost to sickness. The group has offered a comprehensive internal training programme to its staff, ensuring that policies and procedures are complied with and that quality services are delivered. In the first five years there were 168 internal training courses, with over 1,300 attendees. The training programme included a Vision and Values course to embed the values of the group. These values were also incorporated into the annual staff appraisal system. In 2005, the group launched a 'Well Being' pack for staff, offering access to smoking cessation, exercise, subsidised therapies and postcards for sending rewarding messages to colleagues.

As the organisation has grown, the Human Resources risks have also grown. The larger staff team means that some staff are less loyal to the business, leading to higher staff turnover and sickness levels, and a greater risk of legal action. Although good HR practice has mitigated these risks, it will not eliminate them. The comprehensive staff training programme offered across the group has been both a good motivator to staff and a method of managing the HR risks. There is a tension between the need for central control and monitoring in order to manage risks and the independence of the

businesses within the group. This has been largely overcome by the line management structure which is hierarchical and reports to the Executive Directors. However, levels of satisfaction are lower within the smaller business areas, or where there are a lot of part time or sessional staff, who have difficulty attending group sessions.

Clients

In 2005 the group introduced three tools for service users to measure their quality of life. A database has now been developed so that in future years the group will be able to measure the impact it has had on the quality of life of all its clients. The quality of life tools work alongside a comprehensive assessment toolkit which was rolled out across the group in 2007. This assessment works for people accessing services and is compatible with the national Children's Assessment Framework and the Drug Testing and Treatment Agency requirements.

Brand

A strong brand has been created for the group and the individual businesses. Nationally the group is recognised as one of the leading social businesses in the country and has been used as a case study in a number of publications. Communications within the group has improved year on year, with the production of a monthly internal newsletter – the Big News - and a staff intranet. The group achieved 1,350 media stories in the first five years with an equivalent advertising value of £1.4m.



Campaigns

Until 2005, most of the lobbying and campaign work undertaken by the group focussed on responding to press enquiries, and due to the high profile of The Big Issue in the North, this focussed primarily on homelessness. In 2005 a more proactive approach was taken and a campaign strategy developed. In May 2005 the group launched its first Manifesto, which it circulated to all MPs and parliamentary candidates standing in the general election.

Three major campaign themes were then developed: raising the needs of single homeless people, social enterprise as a solution for primary care and the benefits of social enterprise generally. A number of events, conference talks and fringe meetings were undertaken to promote these issues. As a result of this work the group is now known for more than just the single issue of homelessness and is approached by a range of media, umbrella groups and decision makers for views about a wider range of issues including primary care, nursery development, employment and social enterprise.

Group Structure

Since The Big Life group was formed in 2002, at least two other social businesses have developed into a group structure. This is in line with Government policy and national

research which has promoted the benefits of merging organisations and creating group structures.

For The Big Life group, the group structure has presented both advantages and challenges. Initially the diverse nature of the individual businesses meant that it was difficult to describe succinctly. The formation of the group structure enabled it to be easily described as 'a group of social businesses and charities working together to create opportunities for people who have had a raw deal in life'. At the same time it enabled each individual business to develop its own specialist brand within the group. However, managing the multiple organisations and ensuring compliance with statutory regulations has sometimes created more work.

The Big Life group has very diverse sources of income and requires excellent financial systems to manage, monitor and report on financial activity. This has presented a number of challenges. In 2005, after a long recruitment process, a new Finance Director was appointed from the private sector bringing new rigour to the financial management.

There is a tension between the central costs incurred to maintain standards, develop and manage the businesses, and the demands for investing in the businesses directly. In 2006, following a cost cutting exercise, costs of



corporate services were cut by £130k per annum. In the first five years financial savings have also been made on rationalising contracts and in procuring insurances across the group.

There has been some evidence that the group provides more assurance for potential contractors and enables smaller businesses within the group to win contracts. In the competitive world of tendering that Aisha Childcare, Big Life Employment and Big Life Services now operate, the need to provide adequate assurance through Pre-Qualification Questionnaires is essential. Feedback has also shown that the brand of the group is now helping assure the quality of services offered.

However, for parts of the group that rely on charitable grants, the group size can be an obstacle as it can appear too large. In addition the group structure can seem confusing to grant making bodies.

The group requires additional IT infrastructure that smaller organisations may not need: such as an intranet, shared access to a server and maintenance of a complicated website, for example. These have been seen as additional costs by the businesses which didn't have them before.

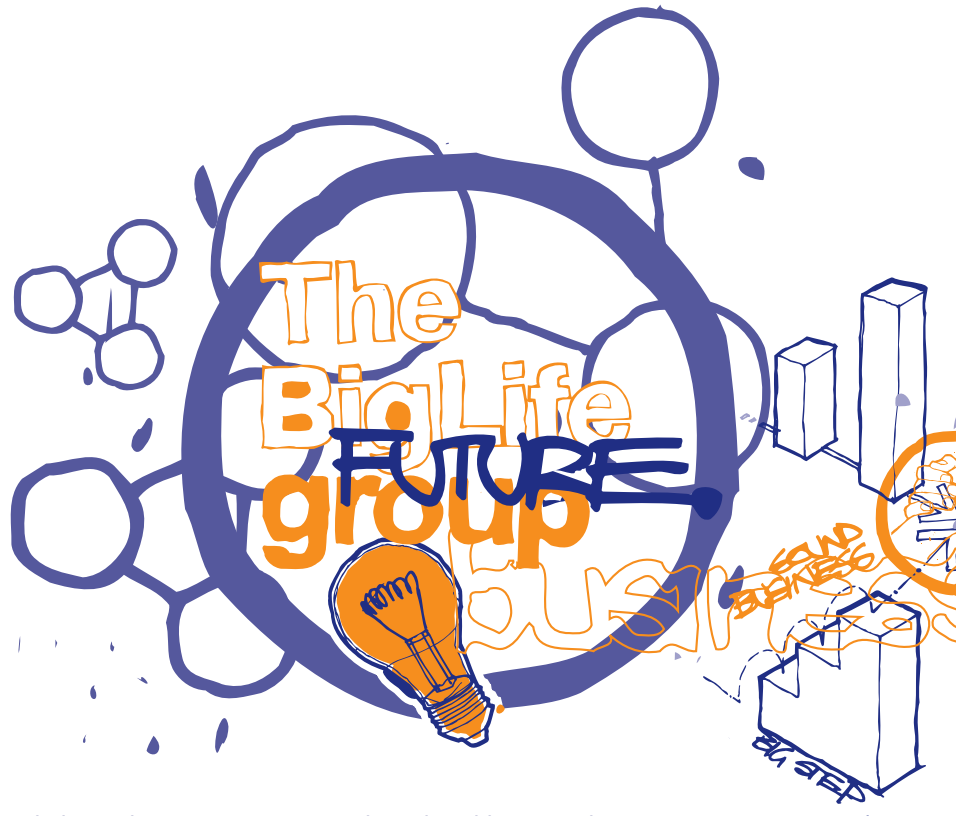
Growing New Business

In the first five years the group have grown the following new social businesses and services:

The Big Life Company
Northern Solutions
Aisha Childcare
Big Life Employment
Summergrove

These businesses and services built on existing projects within the old Diverse Resources organisation. This approach of building on areas of expertise and taking opportunities as they arose, had been the main growth strategy of Diverse Resources, and had proved effective. However, the constraints of building new business without external investment meant that this was often a high risk strategy.

The Big Life Company oversees the strategic development of the group and provides corporate services across the group (HR, Training, Communications, Finance, IT, Research, Development, Central Maintenance, Governance). External support has also been bought in to fill gaps in project management, legal advice, HR, Campaigns, Marketing, Brand Management and Design. In addition some external advice and support has been gained through secondments (Police Commanders) and through statutory bodies (Business Chamber). The turnover of



the business has varied over the years according to where projects and services have been based. In 2006 The Big Life Company annual turnover was a little over £1.6m.

The corporate services team have made great strides in developing the group and ensuring operational standards are achieved. New HR policies have been developed and reviewed. A central HR reporting system has enabled the group to monitor key indicators: staff turnover and retention, sickness and absence, and diversity. Staff surveys are also carried out bi-annually, enabling businesses to identify areas for improvement.

Financial systems were upgraded with a move to a single software package for financial accounting in 2005, and improved presentation of management accounts in 2006. However, in the early development of the business it proved difficult to recruit and retain a suitably experienced finance team and to find the business development expertise.

Northern Solutions was a facilities management organisation which provided caretaking, cleaning and landscape maintenance across the group and to external clients. In 2002 it had two external contracts worth £12k and over the next three years it attracted additional contracts from four other voluntary organisations, achieving an external trading income of £40k.

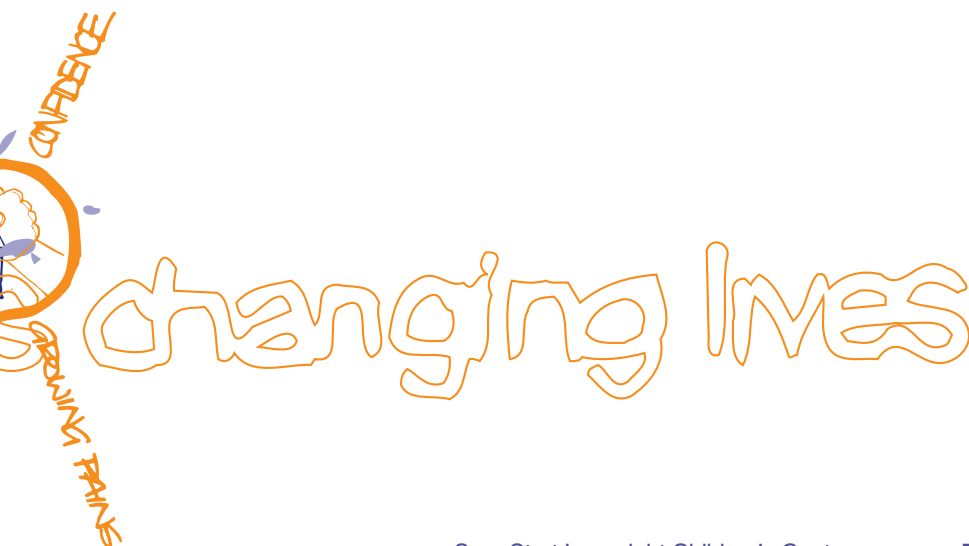
The business was based on the premise that a central team would achieve economies of

scale and enable external contracts to subsidise internal contracts. In reality the facilities management market is so competitive that the external contracts were not profitable, and the overheads of running the service were effectively met internally, driving up the cost within the group. Attempts were made to improve the competitiveness of Northern Solutions through developing partnership arrangements with established facilities management companies, but joint tenders were unsuccessful. The lack of financial resources to invest in tendering also hampered the development of the business.

Whilst the business provided great opportunities for people returning to work, its workforce often required considerable support, and staff teams sometimes felt disconnected from the centres in which they worked.

In 2005/6, it was decided to make the company dormant and transfer staff back to the centre managers. This reduced costs and improved the quality of the service offered. Two of the external contracts were kept in order to maintain jobs.

Aisha Childcare began as a department within Diverse Resources, offering after school, play scheme and day care in one centre in Manchester. It was established as a company in April 2003. In 2002, it had a turnover of £135k, five years later, its turnover had grown to nearly £1m and it had two day nurseries, three after school clubs and two play schemes. In 2006, management of the



Sure Start Longsight Children's Centre was transferred to Aisha from The Big Life Company.

Aisha aims to offer high quality care in neighbourhoods with little experience of purchasing childcare and provides training and employment opportunities to local people. Over the first five years Aisha successfully trained 90 students and trainees and employed 42 staff.

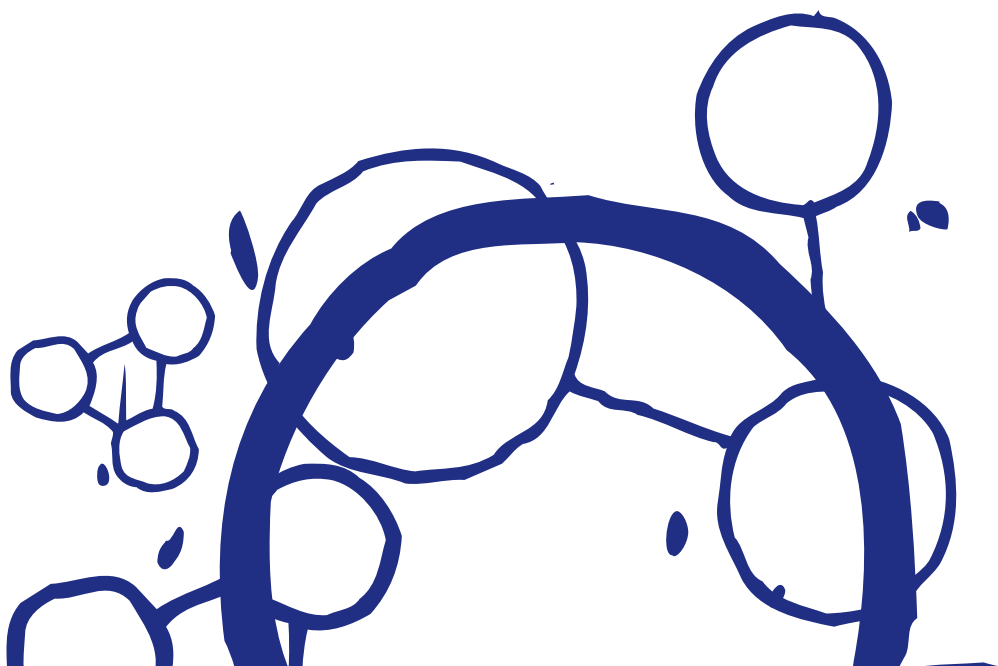
Whilst Aisha has succeeded in its social mission, it has struggled financially. It is not unique in this and the recent national evaluation of the Neighbourhood Nursery Initiative showed that most of the nurseries created under this scheme were not financially sustainable without continuing grant support. Aisha was initially over optimistic about projected occupancy and, in addition, the fixed operating costs in stand alone nurseries meant that occupancy levels needed to be higher in order for the business to be profitable. Initially, there was also a lack of marketing skills, which was addressed by bringing in external consultancy in 2006. The business was grown with limited external investment from capital grants and the Neighbourhood Nursery Initiative.

The existing staff team needed to develop some new skills and a number of staff restructures, in an attempt to make financial savings, led to some demoralisation. The ethos of the group, to support the development of existing staff, was seen to be in conflict with the needs of the business.

Big Life Employment provides information, advice and guidance, placement opportunities, intermediate labour market placements, and training to people wishing to get back in the labour market. In 2002 it had a turnover of £336k and it peaked at £1.3m in 2005. In 2006/7 it had a turnover of approximately £500k (as it did not deliver any Intermediate Labour Market contracts that year). In the first five years, it has won awards for its success in working with very marginalised people (over 50% are from Black Minority Ethnic communities), it has trained 2,600 people, and provided 450 supported employment placements with a 60% success rate of helping people into jobs.

However, the job support market is also highly competitive and the risks of non-achievement of outputs are high. During 2004/5 the big national job agency businesses have moved into BLE's field, competing for contracts to deliver services to marginalised people. As a result, despite being nationally recognised for excellence, BLE has failed to win any mainstream Job Centre Plus contracts and has relied on small Learning Skills Council sub-contracts and dwindling European funding. The competitive nature of the market has meant that profit margins are very tight and the tensions between delivering a high quality effective service and producing a profit have become more acute.

In 2006, BLE undertook a pilot in Leeds to help Incapacity Benefit claimants back into work. Feedback from the commissioners was that BLE was the best performing pilot, but



the contract terms and the barriers to achieving the outputs meant that the contract became undeliverable and BLE exited after six months.

BLE has trialled a job agency and work with the private sector, including a project for getting young men back to work which is grant funded by Ainscough Cranes.

Summergrove is a supported housing scheme for families where parents have undergone a drug or alcohol detox programme. The model was developed in 1999 through a series of focus groups with drug using parents. It was developed in partnership with Maritime Housing Association and is the first project of its kind in the country. Summergrove opened in July 2004 and has helped 40 families and 51 children in its first three years.

As with other new business ventures, the Summergrove project took longer to work financially than had been projected, and it is only projected to be profitable in 2007/8. The project also suffered from isolation from the rest of the group as it is physically distant and employed a team of new staff. Since opening, the number of families who leave the programme early has decreased, demonstrating that the assessment and referrals have become more effective. One of the key success factors in this project has been recruiting senior staff with experience of working with both a complex client group and in supported housing.

Growing Existing Businesses

The Big Issue in the North was set up in 1991 and saw increasing sales for the first ten years. This mirrored the growth of street newspapers across the country. Over the last five years The Big Issue in the North has given an average of 800 people a year an opportunity to earn a legitimate income. It has successfully produced a weekly magazine with a circulation of 32,000 per week, which equates to the national weekly sales of the New Statesman. In addition it has highlighted some key issues which would not have been picked up by the mainstream media, such as the violence committed against homeless people and the victimisation of traveller communities.

For the past five years, The Big Issue in the North has managed the Homeless World Cup England team, with training and support from Manchester United. This has given nearly 500 homeless people the chance to try out for the team and 40 homeless people the opportunity to participate in the international competition.

Sales of the magazine have been affected by the changing needs of the client group and changes in public perception of their situation. The initial client group of The Big Issue in the North were young people, whose housing problems were exacerbated by the changes in the Housing Benefit entitlements. They had a lot of public sympathy. The 1997 Labour Government introduced a new programme of



support for rough sleepers and has in the public estimation, eradicated the need for rough sleeping. At the same time the vendors selling the magazine have changed and now present with more complex problems. Their drug addiction or mental health is often the main cause for their homelessness. These factors, along with the economic decline faced by newspapers nationally, has meant that revenue has fallen from £1.8m in 2002 to £1.4m in 2006.

The response to this declining revenue has been to cut costs and explore new routes for distributing the magazine. The magazine content has undergone a number of reviews, introducing personal ads, TV pages and a broader range of competitions. On the whole however the product has stayed much the same over this first five years.

The Big Issue in the North Trust was set up in 1996 to provide services to the vendors of The Big Issue in the North. It won the largest national grant to a voluntary organisation from the Government's Rough Sleepers Unit in 1998 and continued to develop a comprehensive package of support for homeless people (Big Futures) with the support of two (three-year) national lottery awards. The Trust has established a 'Friends of the Big Issue' supporters group for donors and together with fundraising appeals, this brings in a fairly steady income of £121k per annum.

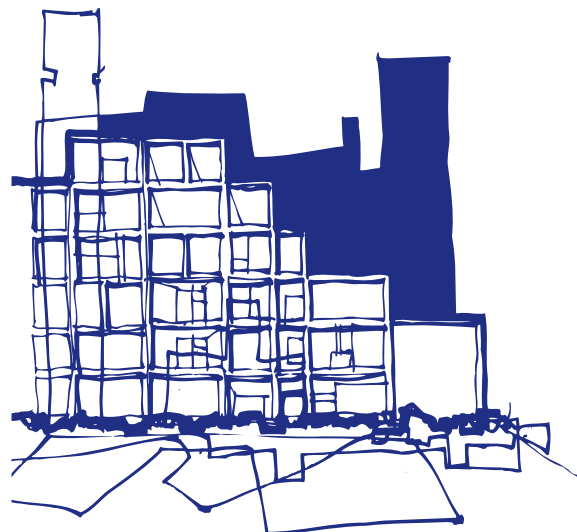
The Trust has been successful at reaching some of the most marginalised people in the

community and helping them access services. However, its ability to sustain these services was severely hampered by the loss of its grant funding, and since 2004/5 it has had to rely nearly totally on income from public donations.

The Trust responded to the changing needs of its clients by developing a new signposting and assessment service in 2005: The Big Life Plan. This built on the lessons of the Big Futures programme. In 2005/6, 487 people were assessed with 251 people being helped to access a GP, for example. However, it has been unable to secure funding to deliver this programme. In 2006 the Trust decided to work in closer partnership with other agencies that could provide additional services to vendors.

Big Life Services delivers self help and community resource centres in disadvantaged communities. It has a turnover of approximately £1.4million, primarily from statutory contracts. It manages the Kath Locke Centre, the Zion Community Resource, the Stockport Well Being Centre and the Summergrove project and it has a Self Help Services team and a Therapeutic Service team. It also manages the bloom Healthy Living project which is contracted to The Big Life Company.

During the first five years, Big Life Services has been the most stable charity in the group (probably due to the contractual nature of the funding, rather than grant reliance).



Self Help Services have expanded over the last five years and now supports around 36 self help groups across the North West. It has participated in the pilot of a new Computerised Cognitive Behavioural Therapy programme for people suffering from depression and anxiety and alongside the National Phobics Society has worked at a national level to influence the provision of mental health services.

Therapeutic Services attempted to use the new group structure to grow its business, but it struggled to manage small projects in other cities. Whilst the team continue to deliver two counselling contracts to primary care centres in Manchester, it has not been able to attract new contracts. The model of using trainee and volunteer counsellors, initially developed by Big Life Services, has now been adopted by statutory agencies, and is creating greater competition in this market.

The bloom Healthy Living Project has successfully met its New Opportunities Fund targets and has carried out quality of life assessments with hundreds of people over the last three years. It has taken an active role in co-ordinating events and employs volunteers

from the local community. It has also worked alongside health professionals to promote healthy lifestyles.

The Kath Locke Centre has been showcased as a national example of how primary care can be delivered and improved by social enterprise. It celebrated its tenth anniversary in 2006 and has continued to deliver high quality services to local people. An average of 35,000 people visit the centre every year.

The Zion Community Resource moved into a purpose built centre in 2001 and is a model of good practice. A new therapeutic garden was developed, providing a restful environment, some food for the café based at the Zion and a training scheme to local people. The garden won a Manchester in Bloom award as Best Communal Garden in 2007. The Zion attracts over 20,000 visitors a year and successfully provides services which meet the needs of all sections of the community without stigmatising them. The centre has a small contract with the Primary Care Trust for its services, but is primarily funded through the service charges it levies against the projects based in the centre.

Stakeholder Analysis




In 2006, The Big Life group asked a range of its stakeholders (commissioners, contractors, partner agencies) to give their views about its work. There was a remarkable similarity between this and internal feedback from managers, which was gained from a similar internal exercise. Overall, The Big Life group is seen as delivering quality services to marginalised people.

All of the external stakeholders felt that the group offered good quality services, with 70% saying that it delivered high quality services. Most managers within the group also felt that the group offered good quality services, although they were often constrained by a lack of resources. All of the external stakeholders felt that the group was courageous; with most saying it was very courageous. An example of this included the campaigning work that had been done in the interests of people we work with. Most managers agreed with this assessment, although some felt that the group was occasionally constrained by funding pressures.

The most disappointing feedback was that most external stakeholders felt that the group was neither business like, nor un-business like. Internally managers expressed a similar view, again feeling that they were often poorly resourced. All external and internal respondents agreed that the group worked with people who have had a raw deal in life, demonstrating that the work of the group is widely understood.

Directors and Trustees of the group were also surveyed. Most of them felt that the staff and Boards had a good understanding of the aims and values of the group, that there were efficient management systems in place and the Boards constructively challenged. Areas for improvement included succession planning at Board level and some skill gaps in the Trustees. Generally, community, user and staff involvement was seen as strong within the group, but that there were, again, some gaps on the Boards of Trustees.





6. External Environment

Social Enterprise

Social justice and social enterprise are key planks in both the main political parties' manifestos. Tony Blair stated that 'In the years to come, I believe we will see more social enterprises, making greater strides towards social justice... We will see social enterprises thrive'.⁽¹⁾ This theme was echoed by David Cameron during his Scarman Lecture: From State Welfare to Social Enterprise.⁽²⁾ Whether or not we have a change in government, it is likely that social enterprise will be seen as a driver to social equality.

In 2006, the 55,000 social enterprises in Britain generated a £27 billion turnover and contributed more than £8 billion to GDP.⁽³⁾ Over the first five years of The Big Life group, there has been a growth of initiatives to support social enterprise, but much of this has been focussed on providing training and start-up support to smaller organisations. In 2006, the Government drove public sector procurement as a route for encouraging social enterprise, but was hampered by interpretations of the Gershon Review, which saw social enterprise either as a means to cutting costs, or as too small to be able to compete. Government will be considering tax incentives for social enterprises and asset transfers from the public sector as key initiatives for the future. Freeing social welfare from reliance on public sector delivery is also a key element of the new Conservative agenda.⁽⁴⁾

Social Exclusion

The last decade has seen 800,000 children and 1 million pensioners move out of poverty, and year on year improvements in educational attainment and life expectancy. Despite this, the Government's research shows that 2.5% of the population still suffer from social exclusion. It is no surprise that these are often the people The Big Life group work with: people with mental health needs, people who have grown up in care and

people with complex problems and chaotic lifestyles.⁽⁵⁾ The Government plans to continue to build upon targeted initiatives and interventions, such as Sure Starts, to focus on families in difficulty. It aims to widen direct payment and case worker initiatives to people with chaotic lifestyles. The Conservative Party Social Justice Policy Review interim report focussed on the link between social exclusion and family breakdown. The report highlights the positive contribution made by social enterprises to supporting families and the need for the state to direct more funding to smaller third sector organisations which can work creatively. Elsewhere there are hints that whilst tax credits will be maintained under a new Conservative government, they will be less bureaucratic and may be spent on childcare provided within the family network.

Under the current Government there will continue to be a promotion of personal responsibility which underlines the Respect programme, combining treatment and services with restriction of rights or punishment.⁽⁶⁾ Although research has shown the Drug Treatment and Detention Orders and the replacement programmes have only been marginally effective (an average of 70% fail to complete the programme and 80% are reconvicted within two years), the combination of enforced treatment and the criminal justice system seems set to continue. Research funded by the Joseph Rowntree Foundation and initiated by The Big Issue in the North Trust showed that enforcement through anti-social behaviour orders and restriction of rights can be a high risk strategy, but combined with good quality service interventions, it can sometimes be effective at leading to a change in behaviour. The Conservative Party have criticised the Government's reliance on ineffective methadone treatment programmes and withdrawal of funding from residential programmes. They have highlighted the need to focus support on chaotic families noting that 'Almost one and a half million children are being brought up by addicts'.⁽⁷⁾

1. Foreword to Social Enterprise Action Plan, Cabinet Office, HMSO 2006

2. David Cameron MP 24.11.06

3. Social Enterprise Action Plan, Cabinet Office, HMSO, 2006, P3

4. David Cameron, From State Welfare to social welfare

5. Reaching Out- An Action Plan on Social Exclusion, Cabinet Office, HMSO 2006

6. Respect Action Plan January 2006

7. David Cameron 'From state welfare to social welfare' 14.12.06

Mental Health

Apart from the creation of specialist Mental Health Trusts, the last five years have seen little change in mental health services. Targeted investment has been made to develop Assertive Outreach Teams who work with chaotic and hard to reach people, but it is still estimated that 10% of the prison population suffer from a mental health problem and are not receiving treatment. Primary mental health services have seen some small investment through Primary Care Trust commissioning, but on the whole remain stretched. Unlike other areas of the NHS, mental health has not seen large financial investments.

In recent years, the Government has attempted to update the Mental Health Act of 1983, but has faced a strong lobby to amend the proposed changes, and opposition in Parliament. Whilst there has been some opposition from the Liberal Democrats and the House of Lords, the two main political parties are likely to support proposed changes. The most controversial of the Government's proposals are the plans to introduce Community Treatment Orders (CTO) which require patients discharged from hospital to co-operate with a treatment regime. Failure to do so would result in people being detained and treated against their will. In addition, there are proposals to revise the current provision that no person can be detained under the Mental Health Act solely as a result of substance addiction, and to abolish the Mental Health Commission, which has traditionally protected the rights of people detained in hospital.

There continues to be a large proportion of Black and Minority Ethnic people using mental health services. According to a 2005 survey, inpatients from the Black Caribbean, Black African and other Black groups were 33 to 44% more likely to be detained under the 1983 Act when compared to the average for all inpatients.⁽⁸⁾

Homelessness

In 1997, the then new Labour Government introduced the Rough Sleepers Unit and through the establishment of Assertive Outreach Teams, Contact and Assessment Teams, investment in hostels, the development of the Supporting People Programme and implementation of a raft of penalties to curb 'street lifestyles', reduced the number of rough sleepers. However, problems still exist with many people who live chaotic lifestyles being stuck in a cycle of prison, drug addiction, homelessness and crime.

The Big Issue in the North Vendor Audits show that the quality of hostel accommodation and the services provided are not always effective at helping people move away from homelessness permanently. Studies have shown that some people are in contact with up to ten agencies at any one time, with no one agency taking a lead in co-ordinating a care plan.

Supporting People was launched in 2003 aimed at providing a better quality of life for vulnerable people and to assist them in independent living. Supporting People now provides housing related support to over a million people, preventing hospitalisation, institutionalised care or homelessness. The Department for Communities and Local Government is developing a national strategy for Supporting People, as funding is currently based on historic allocations, rather than a needs-based formula. The review of Supporting People nationally, shows that it has, on the whole, failed to target funding at the most difficult groups. However funding constraints are likely to lead to a growth towards schemes offering generic floating support rather than specialist accommodation based projects.

8. Count Me In: The National Mental Health and Ethnicity Census 2005 Service User Survey (MHAC)

Employment and Training

In the past ten years the employment rate of marginalised people has increased dramatically in response to Government intervention. However, some key groups still lag behind: ethnic minority employment, lone parents and people on incapacity benefit remain more likely to be un-employed. At a time when the economy is facing growing competition from China, India and Brazil in the technological industries there is a need for a more skilled workforce.⁽⁹⁾ With falling domestic population growth, this skills gap is likely to be met by migrant workers, which are projected to account for 60% of population growth in the next 25 years.

The Labour Government is currently reviewing its Welfare to Work programme and is particularly concerned about the entrenched worklessness of a small section of the community. In line with its Respect agenda, it argues 'You simply can't have a welfare state without consequences'.⁽¹⁰⁾ This review led to proposals to withdraw or limit benefits to certain unemployed people who 'won't work', and introduce new measures to skill up and develop career opportunities for people in low paid employment. The Welfare Reform Bill will introduce a new Employment and Support Allowance to simplify the existing benefit system for people whose health affects their ability to work.

In addition, consideration will be given to the commissioning of services on a city basis and to focus initiatives on people with mild to moderate mental health needs and addictions. The Conservatives argue that the tax credit system creates greater dependence on the state and encourages low pay, creating a new poverty trap. They propose a review of the credit system, making it less bureaucratic and tied into a programme to assist 'every working age adult capable of earning a decent living'.

Childcare

The Government has invested in developing a childcare market, but national evaluation of the Neighbourhood Nurseries Initiative showed that a lot of the new childcare businesses were unsustainable without on-going subsidy. Private childcare providers still face a lot of competition from the public sector and although the Government says that it wants local authorities to contract out, it remains unclear as to when and how this will happen.

Local Authorities and Regeneration

Since 1997 the Government has provided the 88 most deprived wards in the country with additional funding through its National Strategy for Neighbourhood Renewal. This programme focussed on tackling worklessness, crime, health, housing and physical environment. In 2006 the Department for Communities and Local Government was set up to oversee the government's programme of developing sustainable communities. The department oversees the Local Area Agreements which, led by the Local Authority, sets targets across public sector agencies to achieve economic social and environmental improvement. The 2006 Local Government White Paper aims to move local authorities further away from service delivery into a commissioning role, creating a diverse market of providers, including social enterprises. The paper also proposes establishing a fund to provide grants to refurbish buildings that Local Authorities wish to transfer to the ownership of third sector organisations.

With the widening of the European Union, the amount of funding coming into the UK for regeneration from 2008 will be radically reduced. Urban local authorities have responded by developing 'City Strategies', which propose to devolve Central Government budgets and recycle savings made by local initiatives. The Conservative policy review on Social Justice proposes the creation of Social Enterprise Zones where planning rules are relaxed and communities empowered through creating more permissive Local Authorities.

9. Leitch Review 2006

10. John Hutton MP, 18.12.06

Health

The last ten years has seen the largest investment ever made in the NHS and numerous organisational changes. A situation which has led both political parties to promise a period of organisational stability in the future. Health inequalities continue to widen as the health of the better off continues to improve faster than that of the socially excluded. The gap between life expectancy for the richest and poorest in our country is now greater than at any point since the 19th century. It is likely that both political parties will continue to use commissioning and procurement as a tool for change, introducing new players into the health market. The extent to which these are large private sector companies or social enterprises will partly depend on the ability of the social enterprise sector to respond to the challenge and the willingness and ability of the commissioners. The wider introduction of direct payments and case management may open up opportunities for the social enterprise sector.

Charity Reform

The Charities Act came into force in 2006 and following extensive consultation introduced a new organisational form, Community Interest Organisations, which allow social enterprises to register only with the charity commission, without having to incorporate as a company. It also brought in new flexibilities to facilitate mergers between charities to enable them to provide better services to beneficiaries. Currently all of The Big Life group's social enterprises are incorporated and are not registered with the charity commission. The charities are both registered with the commission and are incorporated organisations.

Evidence from the last 30 years has shown a shift in civil engagement, with election turnouts, membership of trade unions and political parties all declining. At the same time there has been an increase in membership of single issue campaigning organisations and there is high public trust and confidence in charities.⁽¹¹⁾

Risks and Opportunities

Strengths	Weaknesses
Committed and loyal workforce	Business appraisal processes
Brand	Sourcing external investment
Diversity of client base	IT infrastructure
Proven track record of working with most marginalised communities/people	Some businesses have weak balance sheets
Internal procedures and governance	Marketing and customer focus
Opportunities	Threats
Opening up of public sector to social enterprise	Losing staff loyalty/commitment as group grows
Expansion of brand through acquisition/partnerships with other organisations	National and large contract procurement favoured by public sector commissioners
Written commitment from all main political parties to social justice agenda	Inability to make businesses profitable due to social nature
Social trend towards public supporting 'issues' rather than joining political parties/trade unions	Losing public support due to championing the interest of unpopular people/communities

11. Power to the People, Power Inquiry, 2006

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