

**The
BigLife
group**

social businesses
and charities

Manifesto

April 2005



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Phone: 0161 834 6300
www.thebiglifegroup.com

What is The Big Life Group?

Why is our voice important?

The Big Life group is one of the leading social enterprises in the North of England, with a turnover of £7m in 2004. We work in and with dozens of communities and thousands of individuals in Manchester, Leeds, Sheffield and Liverpool.

These individuals aren't just recipients of services – they are integral to the future of the company. They train with us and we place support around them to get them back into work and move them on to the next stage of their life.

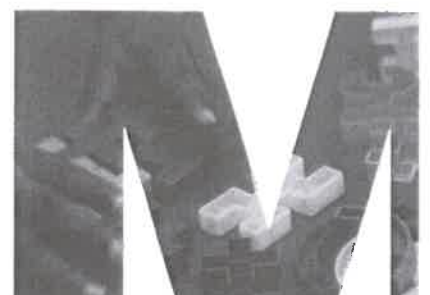
We have established an effective, professional group of charities and social businesses – businesses that invest all profits back into services that train, employ and support the communities in which they operate. We aim to create economies and social wealth in all the areas that we work.

We manage our group rigorously and competently, but because we value our social outputs (how much we help the people we are working with) as much as making money, our profits are invested back into the group to develop the range of services on offer to people.

Many of the people we work with feel that they have very few choices and little control over what happens to them. But we believe that every individual has something to offer and the capacity to change, so we will accept that people make mistakes and may need support to move on.

We believe that individuals who feel they are valued will be responsible for themselves, their families and their communities.

We are aiming for a future in which all businesses recognise the wider contribution they can make to the communities in which they operate, and every voluntary organisation or social business is run in a professional and business like way.



The Big Life group focuses on:

1. Homelessness

The Big Issue in the North is a magazine sold by people who do not have a permanent place to live and are therefore classified as homeless. The magazine started in the 1990s as a response to the large number of people sleeping rough due to one or more crises in their lives. Big Issue in the North vendors buy the magazine and sell it at a fixed price to make a profit. This provides them with a chance to earn a legitimate income and start to get their life back on track.

The Big Issue in the North Trust offers every vendor a unique package of support to help them move away from homelessness for good. The support is designed to help people kick drugs, get healthy, get a house and enough skills to hold down a regular job.

2. Community Resources

These are centres based in locations convenient to local people, established as the result of a locally identified need to improve services. The centres run childcare, health services and projects to help people with mental health or other problems. Centres include the Kath Locke Primary Care Centre (the first NHS facility in the country to be managed by a non statutory organisation), and the Zion Centre, in the Hulme regeneration area, Manchester, run by Big Life Services.

The management of facilities is provided by Northern Solutions, a social business that provides first class caretaking, cleaning and landscaping services, employing vulnerable people.

3. Children and Families

The Big Life group has set up and manages a series of schemes that provide first-class family services in areas where they have been missing. These include nurseries, children's centres, supported housing and training and employment opportunities in childcare. Businesses include: Aisha Childcare; Summergrove supported housing for families whose parents have previously used drugs or alcohol; Childcare Training and Surestart Longsight.

4. Holistic Health

The Big Life group provides a range of complementary health and Self Help Services as a response to a growing need to provide new ways of tackling problems that come from living in poverty, poor housing, lack of employment or experience of addiction or abuse. We are contracted to provide primary care services to Manchester residents and to staff from local authorities. Services include: massage, counselling, homeopathy and therapeutic art sessions.

5. Employment and Training

Big Life Employment provides employment and training for people of all working ages who have struggled to enter or stay in the jobs market. It offers personal development and life skills to help people get ready for work and to stay in work. These include confidence building, welfare rights and skills development. Big Life Employment was runner-up in the 2004 Guardian Public Service Awards, for Diversity and Equality. It was one of the most successful agencies in the country at moving people from black and minority ethnic communities into employment.

6. The Big Life Company

The Big Life Company is the holding company for The Big Life group of social businesses and provides corporate services to the group. This includes Human Resources, Research, Development, Corporate Administration, Campaigns and communications.

The Big Life Company is contracted to provide support to a range of other agencies that work to promote social justice.



What's in this manifesto?

1. Families

Children at Risk
Children's Centres
Childcare

2. Housing and homelessness

3. Employment and Training

4. Drugs

5. Community Resources

6. Social Enterprise



This manifesto is not a list of demands or a wish list.

It is our advice to you - those who have the power to make a difference. It is our pledge to work together constructively to ensure that by the end of the next term of government, thousands of people's lives will have changed for the better.

We represent many years of experience and expertise working with children, young people and adults facing poverty, mental distress, homelessness, drug or alcohol addiction, poor health, and other complex problems.

We know that we cannot change the world overnight, but it is our intention to make sure that we do everything that we can to make it a better place for the people we work with.



The Big Life group urges the Government to:

■ **Ensure that by 2010 single homeless people have access to good quality, supportive housing schemes and that they work with homeless people and agencies to deliver this.**

■ **Review funding and services for vulnerable adults and children to ensure that by 2010 funding and Government agencies are joined up to provide effective support for families to stay together.**

■ **Ensure that by 2010 vulnerable people such as drug users and people with mental health needs are provided with funded packages of support to enable them to develop skills for life and work.**

■ **Review public sector procurement policies to ensure that every contract for every service is handled in a timely and business like way.**

■ **Ensure that by 2010 a percentage of all statutory contracts are tendered to social enterprises.**



Families Children at Risk

Background

The creation of the Children's Minister and 'Every Child Matters' is a step in the right direction in improving the life chances of children whose lives are affected by poverty, exclusion, parental substance misuse, mental illness and homelessness.

There is still a lot that needs doing. Evidence shows that children who are living in families affected by drug misuse are at much greater risk of continuing in a cycle of deprivation and exclusion (Hidden Harm: Responding to the needs of children of problem drug users, Advisory Council on the Misuse of Drugs, 2003).

The Big Issue in the North's own research shows that 25% of vendors have experience of the care system during their childhood. The Big Life Company has used opportunities provided by the 'Supporting People' programme to develop new services for vulnerable parents.

Issues

Government funding still provides for adult services separately from children's services, but there is little provision for working with whole families.

This approach results in significant funding obstacles for projects such as Summergrove, The Big Life group's supported housing scheme for families in which the parents have been through drug treatment. Many of the children receive support from social services, but not if they are staying with their parents in such a project. As a result Summergrove receives funding for adults from Supporting People and Drug and Alcohol Action Teams (DAATs), but has to scrape together funding for therapeutic work and support for children.

The most vulnerable families could be helped within housing schemes but 'Supporting People' is very over subscribed and is targeted at adults. As a result opportunities for further developing new schemes for families is very limited.

Targeted funding for disadvantaged families is primarily through the Surestart programme, which focuses on neighbourhoods rather than particular vulnerable groups. Although funding is provided through Surestart programmes for groups such as drug-using parents, it is a general spread of resources. Rather than all Surestart programmes meeting all needs, some should specialise in particular services, for example working with drug using parents. The Drug and Alcohol Action Team (DAAT) funding for children is often used on general preventative educational programmes, and DAATs do not currently join-up funding at a local level for families affected by drug or alcohol use. In addition, there is no regional commissioning for specialist services, such as Summergrove, which end up having to try to liaise with multiple DAATs across a region.

Recommendations

Drug and Alcohol Action Teams (DAATs) should be responsible for joining up commissioning services at a local level for children of people receiving drug treatment services.

Surestarts and children's centres should have a formal role in commissioning and providing specialist services to children with complex needs.

Targets should be set for DAATs to improve the social, educational and employment outcomes of children of drug users.

A new lead commissioning arrangement should be implemented for DAATs to commission specialist family services.

Existing Supporting People programmes should be reviewed and amended at a national level in order to enable them to offer more provision for families, not just for individuals.



Families Children's Centres

Background

The Surestart programme has been targeted to provide support to communities in the poorest areas of the country that have been most deprived of appropriate services. Surestart has demonstrated some real successes. For example, the Surestart Longsight programme in Manchester is a flagship centre. It will be the first to deliver the Government's new services through the Children's Centre initiative.

We welcome the plan to make Surestart part of mainstream provision through rolling out children's centres in every neighbourhood. We also welcome the new role of Children's Minister, as it should create a momentum to join up education, social services, pre-school and health services.

Issues

Local authorities vary in terms of how far they have embraced the role of a facilitator, rather than that of a provider. Local authorities have taken the lead in the roll-out of the Children's Centre programme, which has resulted in much of the information and planning taking place with internal providers rather than engaging the expertise of the independent sector. The vast majority – 63 out of 81 in our area – of the new Centres are delivered by a statutory organisation, such as a local authority or primary care trust.

The extension of the children's centre initiative to all neighbourhoods needs to include protection for existing Surestart resources to ensure that they continue to reach the neighbourhoods most in need until after 2007. We are concerned that the roll out of the Centres with standardised core services will dilute the focus of resources to people with complex needs. This would result in a widening of the inequalities that Surestart has striven to overcome.

The plan to employ qualified teachers to manage children's centres does not recognise the breadth of expertise that Centres will provide in social services and health, as well as education. The Centres will need managers with broad generic skills to ensure that they are effective.

The way that services are going to be commissioned, with the local authority leading the process, is a potential issue. The effectiveness of children's centres is limited by the district commissioning model, that is now being adopted, where a local authority acts as the lead and co-ordinates the participation of a range of agencies from local groups and primary care trusts to further education colleges. Children's centres would benefit from being able to play the role of independent contractors that, like GPs, are able to purchase the services they need for their local populations.

Recommendations

Local authorities should be given targets for sourcing children's centre developments from the independent sector.

The National Compact for the voluntary sector should be used as a model for developing compacts between local authorities and social businesses. These would deliver key government programmes (such as children's centres) and would involve social businesses in planning through meaningful engagement and effective partnership.

All Surestart funding should be ring-fenced to each existing programme and new resources should be focused on the new children's centres. This would offer an increase in services to a wider geographical area whilst preventing the dilution of services to existing families. At the end of each current Surestart programme, a thorough impact assessment of each community needs to be undertaken, and if necessary, a continuation or development of the programme needs to be funded.

A national forum for independent providers should be established. This would inform the Government on policy initiatives and give equal weight to the views of the independent sector and local authorities.

Develop locality based commissioning for children's centres which includes representation from the independent sector.

Lead roles in children's centres should be offered to a range of professionals.

There needs to be clear and transparent procurement routes to increased opportunities for a range of providers to tender and deliver children's centre services.



Families Childcare

Background

The Working Families Tax Credit (WFTC) has been very positive at opening up opportunities for more people to make use of childcare. The Neighborhood Nursery Initiative together with the WFTC has enabled social enterprises to deliver childcare in communities that previously would not have been able to sustain private nursery provision by providing capital and revenue subsidies.



Issues

Subsidies to providers of high quality childcare from the Neighbourhood Nursery Initiative is important and should be continued. However, if it is opened up to the private sector, it should be linked to quality outcomes and salary levels. Some private sector providers have expressed concern that they are unable to compete on wages with public sector/social enterprises. However, The Big Life group believes that the value of paying a public sector rate of pay for the job is a pre-requisite for the delivery of quality childcare. We are concerned that the private sector will drive down standards and pay in order to achieve a profit in areas that have traditionally small profit margins. Childcare needs to be a valued function and this needs to be reflected in the pay scales and job roles.

The creation of children's centres could put current childcare provision at risk. Local authorities need to ensure that the new services complement existing provision rather than undermining it.

There is currently a loophole with the Family Tax Credit, whereby parents can register children for places and then withdraw them once they have claimed the credit. This is very disruptive to both children and the childcare provider and works against the provision of quality childcare.

Recommendations

Capital and revenue subsidies to develop nurseries in targeted areas should be continued, but should be directed towards organisations that provide additional social benefits, such as local employment and training, public sector equivalent salaries, and effective childcare practices.

Parents should be required to demonstrate ongoing use of childcare in order to claim family tax credits.

Local authorities should ensure that the Children's Centre development complements existing nursery provision and does not undermine it.



Background

Since 1997, the Government has invested in the eradication of rough sleeping through the Rough Sleepers Unit. There has also been a concerted effort to reduce the number of families in bed and breakfast accommodation. Both these areas have seen some successes. The Government's latest homelessness statistics show the number of households living in bed & breakfast accommodation has fallen by 28% in the last year (Statutory Homelessness: England third quarter 2004, ODPM – Reference reduction in rough sleeper and numbers of families in B&Bs). In addition, the Supporting People Programme, launched in 2003, has successfully separated the provision of support services from housing benefit, and has helped ensure that local authorities assess the housing support needs of vulnerable people. In December 2004, the Office of the Deputy Prime Minister announced an additional £90m investment in hostel accommodation.

Issues

Insecure housing is still a major problem for some sections of our population. The Big Issue in the North annual vendor audit 2004 showed that 74% of vendors had slept rough in the previous twelve months. Vendors are predominantly young white males with substance use problems, and continue to be stuck in a cycle of temporary housing. The quality of temporary accommodation for this group is often very poor. The Big Issue in the North Vendor Audit showed that 10% of vendors didn't stay in hostels because of fear of violence or because of the quality of the accommodation.

For this client group, homelessness is not about lack of housing. It is more a reflection of their inability to maintain an independent lifestyle. Current temporary accommodation does not adequately provide them with either a safe place to stay or the type of support they need to move on.

A quarter of vendors of The Big Issue in the North have spent time in local authority care, and 71% say they were involved in the criminal justice system prior to becoming a vendor. Working with this group to change their lives requires a package of drug, alcohol and mental health support, as well as housing, training and employment services. Organisations such as The Big Issue in the North provide services to help vendors move away from crime, but this type of work is not funded and needs to be recognised and rewarded.

Research undertaken for Crisis by the London School of Economics shows that homeless people are thirteen times more likely to suffer a violent assault than a member of the public. Contrary to popular belief, most of this violence is carried out by the general public, not other homeless people (Living in Fear; Violence and Victimization in the lives of single homeless people, Crisis, 2004). The Government survey into Anti Social Behavior showed that one in ten members of the public objected to seeing people urinate on the streets. The Crisis research shows that one in ten homeless people have been urinated ON. This research reinforces the vulnerability of this group of people and that further action is needed to protect them.

Funding from the Supporting People money is in high demand and opportunities for developing new schemes can be limited. In addition, the Programme has not put in place sufficient quality controls that adequately assess the quality of support offered.

Recommendations

The Government should target the planned investment of £90m towards quality accommodation where appropriate support is provided for the clients mentioned above. Examples of good practice such as Times Square, in New York – an innovative housing and support project for a mix of people including vulnerable people and those on low incomes, key workers and artists – have been explored by Crisis and The Big Life group, but currently funding for such an initiative is not available.

Local authorities need to resource their Supporting People departments to ensure that they can introduce quality standards in to their contract arrangements, and develop effective contract compliance arrangements. This will help drive up the quality of accommodation.

Supporting People needs to review existing schemes and invest new resources to develop further schemes for this client group.



Background

In its report – Breaking the Cycle (Office of the Deputy Prime Minister, September 2004), the Government assesses its record of tackling social exclusion. It identifies people with complex needs (people with mental health issues, drug problems, homelessness and involvement in crime) as a group whose needs have not been addressed. In addition, there are now clearly identifiable Black and Minority Ethnic communities who continue to be excluded from employment. Long-term unemployment due to sickness and disability remain the primary reasons for people not working.

The Government's supported employment schemes have made a significant contribution to helping people return to or enter the labour market for the first time.

Programmes such as the New Opportunities Fund have invested considerably in opening up Information Technology access to excluded communities. Job Centre Plus, New Deal and Step Up programmes have been good at creating employment opportunities for people with complex needs. The Learning Skills Councils Next Step initiative has also been good at engaging people who have below level two (GCSE equivalent) qualifications.

We have significant expertise and experience of working successfully with people with mental health needs, drug users, Black and Ethnic Minority communities, and ex-offenders through our business, Big Life Employment. In just two years, we have successfully recruited 284 people, who had been excluded from mainstream opportunities, into supported employment schemes. Of these, 210 went into mainstream employment.

Issues

Government employment programmes, such as New Deal, have enabled a significant number of people to return to employment by offering supportive environments for people to develop skills and confidence. Although Big Life Employment has one of the best rates in the country for successfully moving people from supported employment to permanent employment (73%), for many people who have complex needs, the six months time limit in supported employment is too short.

The current arrangement is to contract supported employment programmes through large regional contracts. This means that smaller social enterprises that are able to engage and understand the needs of specific communities are unable to tender. As a result, the larger agencies who are appointed then sub-contract to smaller agencies, creating an unnecessary tier in the contracting process and reducing the money available for client work. In addition, Job Centre Plus has continually missed its own timescales for tendering services – it is not uncommon for timescales to fall behind by up to a year. There does not currently seem to be any monitoring or penalty system in place for monitoring performance in this area.

With the lowest rate of unemployment for 30 years – 3.1% – those who remain outside the jobs market are often people with the most complex needs. In order to help this group move into employment, agencies will have to tackle some of the wider problems they face. Unfortunately, the current funding arrangements mean that employment programmes are not able to fund the services needed, and NHS Health Trust funding is focused on delivering clinical interventions rather than social programmes.

For some people – particularly people with drug addictions, mental health needs or people who are homeless – the Supported Employment programme is not appropriate (as identified in the Building on New Deal draft specification). People with these problems are not ready to enter a structured programme, and require concentrated project work to engage them and build up their skills.

Unfortunately all Learning Skills Council funding is now directed towards level two qualifications (GCSE equivalent) and does not fund this type of work. Likewise the New Opportunities Fund has paid for new IT suites, but ongoing running costs and tutor costs are linked to the achievement of structured vocational courses and so it also cannot be used to fund work with this client group.

Current benefit arrangements also work against people with disabilities such as mental distress, or drug addiction engaging in meaningful training or volunteering opportunities. Since these conditions can be unpredictable – for example a person maybe able to work three days a week for two months, but then not at all for another three months – the Government needs to adjust the benefit system so that people with these complex problems can still take up work, voluntary or paid, without losing benefit entitlement or tax credits.

Government-funded training and employment opportunities, including teaching English as a second language, exclude people who migrate to Britain and apply for leave to stay. This continues to isolate them and exclude them from the job market.

Recommendations

Government should continue to run supported employment programmes, but should develop opportunities to offer extended support to people with the most need. The current length of an intermediate labour market placement is only six months. For people with complex needs this needs to be extended to at least a year.

Funding needs to be made available to engage people in non-vocational training to build their confidence and help them develop a structure to their lives prior to them entering supported employment.

Government should join up Health and Employment funding and make it available for working with people excluded from the labour market due to a range of complex problems. Programmes need to offer a wide range of services tailored to the needs of the individual.

Government should review benefit arrangements to ensure that people with complex needs feel positive about taking up voluntary or paid work without it prompting a review of their condition or the loss of benefit and/or tax credits. Currently loss of benefit is too severe. The benefits system needs to be more flexible to reflect the complex needs of individuals. Government should work with disabled people, expert groups and advocates of people with complex needs to find positive solutions.

Government needs to abolish residency restrictions on people accessing funded training programmes.



Background

Since 1997 the Government has invested in expanding drug treatment services and is due to increase this investment still further. There are 54% more drug users in treatment now than there were in 1998 (Tackling Drugs. Changing Lives – Keeping communities safe from drugs, Drugs Strategy Progress Report, 2004). In the past two years a number of interventions have been developed from a criminal justice approach, including Drug Treatment and Testing Orders (DTTOs) and now the Drug Intervention Programme. Harm reduction programmes have continued to be delivered including needle exchanges and access to screening for HIV and Hepatitis has also been developed

Issues

There is little evidence currently to show that coercing people into drug treatment is effective at stabilising, reducing, or assisting them to become drug free. The Audit Commission review of the effectiveness of Drug Treatment Orders, showed that 72% of people did not complete the programme (The Drug Treatment and Testing Order; Early lessons, Audit Commission, 2004).

Prescribed methadone programmes continue to be the main form of treatment for people addicted to opiates. This is despite the fact that methadone is more addictive than heroin and harder to detox from. There continues to be a shortage of residential detox facilities and waiting lists can be long.

Crack cocaine use has escalated over the past three years and yet services for stimulant addicts or poly drug users (people who use more than one type of drug) continue to be scarce. Nearly 60% of vendors of The Big Issue in the North said they had used crack in the four weeks prior to the audit.

In our experience, addicts have to demonstrate their commitment to detoxing, usually by waiting and reducing their illicit drug intake prior to being admitted. The Wintercomfort judgement, where hostel and centre workers who were imprisoned for allowing drug use on the premises, has continued to deter agencies from providing safe environments for current drug users to live. This needs to be addressed if we are to provide easy access routes for drug users to take control of their lives.

There are very few residential detox or residential rehabilitation services for parents and the children of drug-using parents. Evidence shows that children of drug users are at greater risk of becoming users themselves. "Substance misuse at an early age is strongly associated with both parental drug use and associating with a delinquent or drug using sub culture," Fergusson, D.N. and Lynsky, N.T, 1998, cited in *Hidden Harm; Responding to the needs of children of problem drug users*, ACMD. Yet there is no specific intervention targeting support to this group. There is an urgent need to develop targeted support for the children of drug users.

The Big Life group's Summergrove project, offering 24 hour support to families when parents have previously experienced drug or alcohol misuse, is one of a kind in the country. However, it is hampered by the fact that it does not fit the current service models of either a rehabilitation unit, or a residential care home. This causes Drug and Alcohol Action Teams and social services difficulties when trying to fund it.

Rehabilitation support – once someone has exited a residential programme, or has completed a community detox – is very scarce. Supported housing funding has developed some initiatives in this area, but not enough.

Recommendations

Government should join-up funding for adults and children to ensure that services can be provided to meet the needs of families.

Government should continue to review the effectiveness of engaging drug users through criminal justice interventions and re-direct resources as necessary.

Government should invest in more innovative residential detox programmes and develop services for whole families that focus on the future, rather than on past mistakes.

Government should consider the barriers to accessing services and explore opportunities for widening the range of options. For instance, providing supported accommodation for current users, accommodation for people to reduce reliance on illicit drugs prior to detox, residential detox and rehabilitation, and supported accommodation and employment post rehabilitation.

Government should clarify the risks and liabilities so that agencies are encouraged to provide facilities that will lead to a reduction in harm, such as injecting suites and accommodation for current users.

Government should invest in more services for stimulant and poly drug users.



5 Community Resources

Background

The government has invested in turning around the worst estates in Britain, with key use of the the Single Regeneration Budget (SRB) programme and developing the New Deal for Communities. The National Strategy for Neighbourhood Renewal outlined a programme that could bring hope to many people living in the most deprived areas in Britain. It described the need to involve local people in regeneration, to work in partnerships with local businesses and invest in the infrastructure. It outlined the case for quality design and planning, and the development of public services to meet the needs of all the communities.

These themes are well known to The Big Life group, which has its roots in community regeneration. The Government's commitment to work with local communities to develop effective services and solutions has been very welcome. The Active Communities Unit, the development of the Compact Arrangements between local authorities and the voluntary sector, and the involvement of communities in local strategic partnerships are examples of where the Government has delivered on this commitment.

The New Opportunities Fund Healthy Living Centre Initiative has provided funds to support local communities to tackle their own health problems, enabling them to be in control of delivering services.

Issues

Regeneration programmes are still time limited and often cease long before communities feel the job is done. Current funding streams encourage local authorities to re-focus their attentions on the next most deprived area, as continuation funding for regenerated communities does not exist. A good example of this is in Hulme, Manchester, where large areas of undeveloped land seem to have become a sign of the future. The new community has limited resources to develop itself, as all funding vanished with the regeneration programme.

The Government's attempts to support local community initiatives to run and manage their own facilities and services are often undermined by national programmes and initiatives. For instance, the Local Investment Finance Trust (LIFT) was set up by the Department of Health as a solution to getting private sector investment into inner-city deprived estates to build health centres. Due to the way that it has been rolled out, LIFT has excluded the involvement of local people, as decisions are taken remotely and with little participation of communities.

In 1997 the Kath Locke Centre became the first non-statutory organisation in the country to manage an NHS facility. The centre has been successful at engaging local people to develop new services and improve health. An estate with the worst dental health in under five year-olds, now has one of the first Personal Medical Service dental services. Starting with no registered patients in 1997, the practice now has nearly 3,000 registered patients and specialises in providing drop in services and services for people who suffer from anxiety.

The local NHS Trust's diabetic nursing team had struggled for years to reach the African Caribbean community. In response the centre has supported the development of the Sugar Group – a self help group of over 40 women meeting twice weekly. Despite the success of the centre, it has not been rolled out as a model of working in communities by other health trusts. Public sector agencies still seem reluctant to use a diversity of providers and to put local communities in control.

There has been variable success with Healthy Living Centres funded through the New Opportunities programme. One of the main difficulties has been identified as the rapid change in personnel involved from statutory agencies during the time between centre's being initiated to the time they are up-and-running. This change in personnel leads to a lack of understanding by statutory partners and initiatives becoming isolated and seen as outside of the NHS provision. There is also a pressure on Healthy Living initiatives which are managed by primary care trusts, to deliver on national targets, rather than focus on health-promoting, community-led initiatives.

Recommendations

Areas undergoing regeneration should have continued investment and focus over a number of years. The current arrangements have too short time limits. Areas that have undergone regeneration in the recent past should be revisited and an impact assessment of the sustainability of the regeneration carried out. Lessons learned could then inform the next stage of the sustainable communities programme.

Initiatives from all regional, national and local government departments should have to demonstrate how they are engaging and working with local people, offering opportunities for local and smaller providers, including social enterprises, to put local people in control.

As part of the implementation of the National Service Framework (national targets) on Long Term Limiting Illness, the Government should assess the impact of community-led centres of best practice, such as the Kath Locke Centre and Bromley by Bow, on improving the health of people with complex needs. Support should be given nationally to replicate these models of working, alongside the roll out of the Expert Patient Programme.



Background

The Government support for social enterprise and recognition of the contribution that social enterprises can make to regeneration and sustainable communities has been very positive. The creation of the Social Enterprise Unit has begun to raise the profile of the sector. As a result, most regional development agencies and local authorities have strategies that refer to the need to develop the sector. In addition, the Government's support for community development finance institutions (CDFIs) and other finance initiatives such as the Phoenix Fund, have provided valuable opportunities.

Issues

We continue to support the role of voluntary sector and community groups, which make significant contributions to communities. However they cannot always be self-sustaining and income generate through business activity. There is a danger that a hierarchy of organisations is created, whereby only those most able to self-finance are valued, or organisations are pushed to become social enterprises, when actually they are not suited to it.

Despite the theoretical recognition of the contribution that social enterprises can make, most of the current procurement methods disadvantage smaller local organisations. The tendering processes are often very lengthy, the contract size very large and social outputs are not valued.

As a result, social enterprises cannot often compete to deliver local services to local communities. There can also be a vast gulf between the stated policy of local authorities and health trusts and the reality of working and supporting social enterprises. For instance, whilst charities can receive rate relief of up to 80% from most local authorities, social businesses are often liable to the full amount.

European state aid rules (which prevent unfair competition through the provision of subsidies to individual companies) often act as a barrier to local authorities, government offices and regional development agencies supporting the growth of social businesses.

National programmes delivered by different government departments often create systems that work against local involvement and contracting. For instance, the LIFT (Local Investment Finance Trust) set up to develop health facilities in run down inner city areas, has developed multi million pound private/public partnerships which tie up all the development, operational and facilities management services, and ensures they are contracted to the LIFT private sector partner.

Whilst the independent sector is being urged to become more business like, the same emphasis does not seem to be developing in the public sector, where it is an exception rather than the rule to have contracts agreed, and where they are, they are often not signed or legally enforceable. Local authorities often pay contracts in arrears of up to three months, making them difficult to deliver for smaller businesses without large cash reserves or assets.

In some public sector contracts, bidding organisations are specifically prohibited from making a profit, which means that it can be very difficult for new organisations to build up enough cash reserves to operate efficiently. Where social businesses have developed from charitable organisations, their assets are often tied to the charity, and cannot be used to develop the business.

Most of the public interventions to support social enterprises are focused on small organisations that are just starting out, not on established organisations that have a lot to offer in terms of expansion. There has been a proliferation of business advisors offering support with business planning and training on how to do payroll, but very little to help larger organisations grow and increase their social outputs.

Most government contracts of any size (Supporting People, Surestart) now insist on professional indemnity insurance of £10 million. This can incur premiums in the region of £26,000 per annum, which is prohibitive to smaller social enterprises.

Despite all the focus on social enterprise there is still a lack of understanding of the sector. The Big Life group was turned down for a grant from a development agency because it did not think that an individual could own a social enterprise. In another case we tendered for a new deal for communities contract to deliver a social enterprise, only to find that the regeneration team actually wanted a community enterprise – a business owned by the local community in that regeneration area.

Recommendations

All Government initiatives from every department should have to demonstrate how they are offering opportunities for local businesses as well as smaller providers – including social enterprises – to compete for contracts

Public sector procurement should be tightened up to ensure that every contract for every service is handled in a timely and business like way. This includes signed enforceable contracts, provision for profit, and where necessary support for cash flow.

The Government should direct some of its social enterprise funding to support the public sector in developing a better understanding of the social enterprise sector and how they can work with it. Resources should also be focused on supporting larger social enterprises that may have more success at achieving more social outputs.

Rate relief should be offered to social businesses.

The Government should lobby in Europe to bring about a change in the state aid rules that will facilitate the support of social enterprises through European funding.

