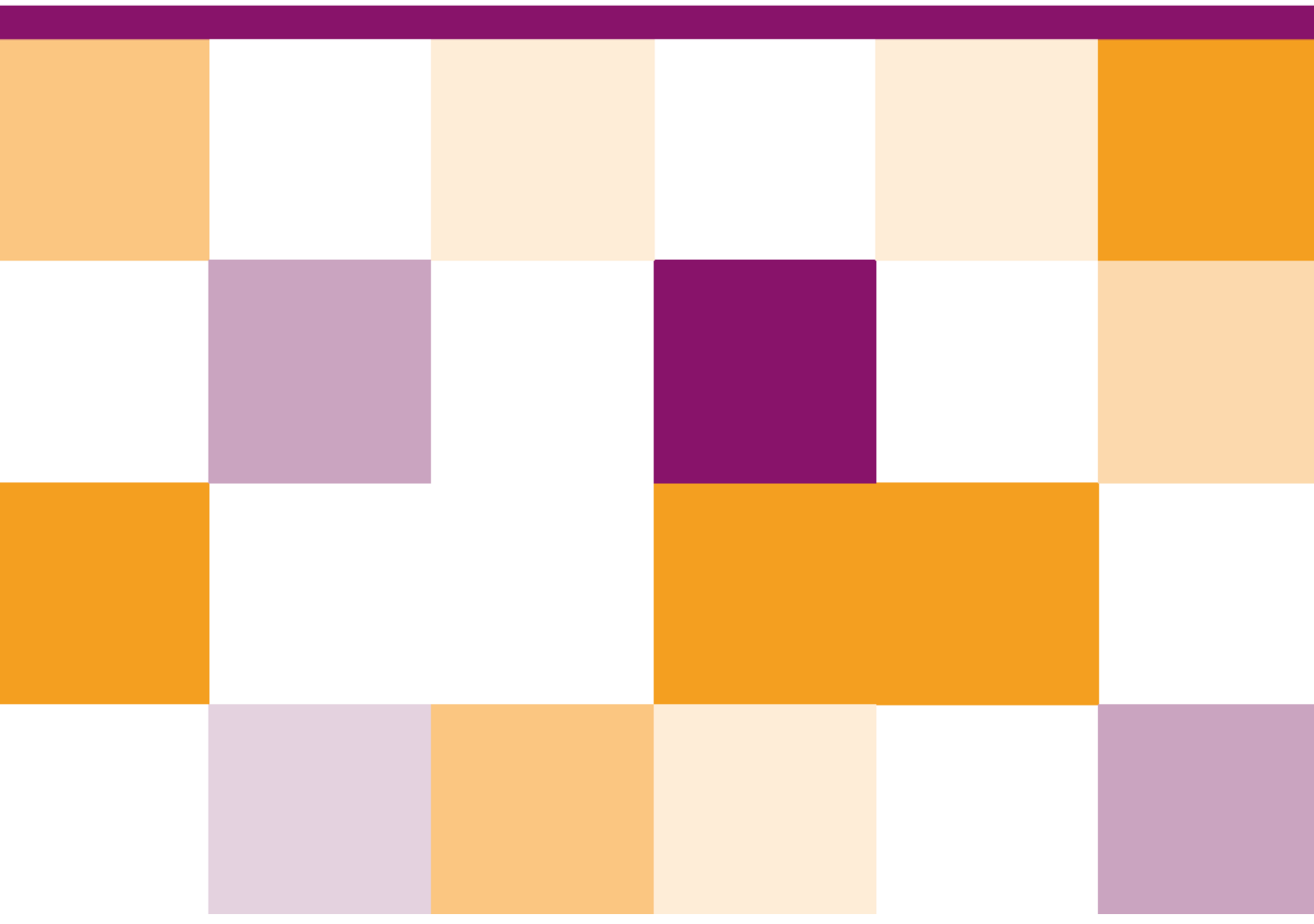




CabinetOffice
Office of the **Third Sector**

ENTERPRISING SERVICES

Eight case studies which demonstrate how social enterprise can help government deliver its objectives



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THE YOUNG **Y** FOUNDATION

FOREWORD

Civil Servants are facing new challenges everyday. In order to continue delivering public services effectively it is essential that we harness the dynamism and enterprise of the market. The Prime Minister has declared that "we have shown that social justice and competitiveness are not mutually incompatible, but two sides of the same coin".

The move towards enshrined entitlement for every citizen to access the services that they need, combined with the challenging 2007 PSAs, makes a bold statement about the relationship between the strategic state, entrepreneurial public services and the empowered individual.

Improving productivity and performance will ensure successful delivery of these vital and challenging targets. More than ever in the current economic climate, I am certain that the key to achieving this is creativity and innovation.

At their best, social enterprises embody all of these factors: they are innovative; entrepreneurial; concerned with aligning the needs of the individual with those of society; and social justice is their guiding principle.

We must look to the case studies outlined in these pages for inspiration. They clearly demonstrate how social enterprises can help us to deliver against the PSAs. Now we too must be imaginative, dynamic and open to new ideas. Because it is our job – mine and yours - to be bold, responsive and innovative, now and in the future.



A handwritten signature in black ink that reads "Gus O'Donnell".

Gus O'Donnell, Cabinet Secretary



A handwritten signature in black ink that reads "Angela Smith".

Angela Smith, Minister for the Third Sector

INTRODUCTION

The 2007 Comprehensive Spending Review announced 30 new Public Service Agreements (PSAs) setting out Government's ambitions for improvement in key service areas. With new economic challenges, growing expectations of citizens about the services they access, and an increased emphasis on the beneficial connections to be made between empowered citizen, entrepreneurial public servant and strategic state, the challenges to delivery never shrink. Delivering these priorities and the vision of service transformation requires government to develop new capabilities. In particular, it needs to be able to:

1. develop new delivery models that **provide joined-up, personalised services** which meet the increasingly complex needs and rising expectations of citizens;
2. find ways to ensure all citizens can **access the public services** they need equally, thereby improving outcomes for everyone;
3. where this is difficult, explore channels which will enable us to meet the needs of those government finds **hardest to help** to create a fair society; and
4. **influence individual choices** to meet the challenge of delivering outcomes that are a result of individuals' decisions rather than inputs or processes within the control of public services.

Social enterprises can contribute to the development of these capabilities in a number of ways. The case studies which follow demonstrate how they have done so in practice.

Social enterprises operate with a simple, but compelling, model. They **generate** an income as a sustainable business trading services or goods, and **use** that income to advance explicit social and/or environmental objectives.

Social enterprises are businesses with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners¹.

The key to identifying a social enterprise is through its socially and/or environmentally oriented business model, which can manifest itself in a number of ways. For example through:

- **Direct provision of a service which helps meet their objective.** For example: Turning Point provides holistic health and social care services for those in need.
- **Selling goods and services to customers while working towards their objectives behind the scenes.** For example, Fifteen, a group of high end restaurants established by chef Jamie Oliver, provides young people with training and opportunities to which they would not otherwise have access.
- **Or a combination of these two.** For example: Baywind Community Wind Farm focuses on supplying clean energy and is owned by communities who benefit from the profits generated.

These are just a few examples. Social enterprise is an umbrella term encompassing organisations that vary in size, sources of funding, activities, geographic scope and legal structure. In the UK, social enterprises include development trusts, co-operatives, social firms and charities with trading arms. They can take a number of legal forms, including Company Limited by Guarantee (CLG), Community Interest Company (CIC) and Industrial and Provident Society (IPS).

¹ This is the definition agreed by the sector and used by Government since the publication of the first social enterprise strategy in 2002

1 Offering joined-up, personalised services

In “Working Together”, Gordon Brown sets out Government’s vision for personalised public services:

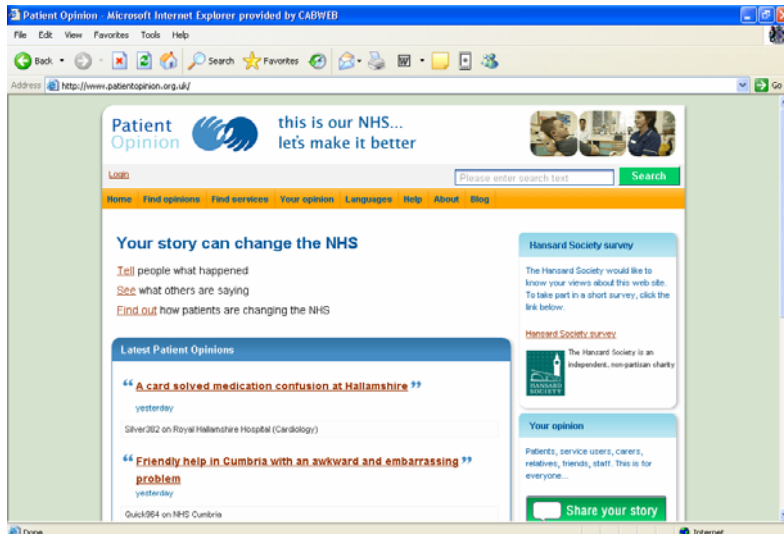
“We will put people first by placing power in the hands of those who use our public services. This will mean personalised services and greater choice - with personal budgets helping people choose the specific care they most need, education and training tailored to the needs of individuals, police services that respond to local priorities set in monthly neighbourhood beat meetings rather than national targets.”²

This vision, coupled with the cross-government nature of the vast majority of the outcomes sought in the 2007 PSAs, will require much greater co-ordination across departments and between levels of government, partner agencies and frontline public service professionals. This level of complexity, combined with the difficulty of some of the outcomes sought (such as multigenerational unemployment or reducing childhood obesity – PSAs 8,12), add to the challenge of meeting these goals.

Social enterprises tend to be customer- rather than service-oriented from the outset. There are many examples where they have acted to join up services to community and individual needs. These can provide valuable intelligence on the design and delivery of connected solutions. They can also act as effective delivery agents for joined-up services.

² “Working Together: Public Services on your side”, Cabinet Office (March 2009)

**Turning Point's
Connected Care model**
harnesses the knowledge
and skills of local people to
work collaboratively with
the local authority to join-
up the way that support
and services are delivered.



Patient Opinion's involvement in
health care using "Web 2.0"
technologies empowers patients and
their families to share their
experiences, while providing health
service managers and clinicians with
valuable customer insight.

Offering joined-up, personalised services by...

... making the connections for service users

What is the delivery challenge for government?

Some of the most vulnerable people in society are the target groups of a number of government priorities ranging from combating drug and alcohol addiction (PSA 25) to improving skills or employment prospects (PSA 16). Their needs are multiple, complex and overlapping and there are numerous challenges to delivering better outcomes for these groups:

- securing holistic services can require complex co-commissioning and management arrangements across departments;
- the complex needs of individuals in these groups can vary from community to community and individual to individual, making it hard to identify the right mix of integrated services at a national, regional, or local level;
- service users can be mistrusting and unwilling to have their details shared between services, even if it means having to access each service separately.

How can social enterprise help overcome the delivery challenges?

Social enterprises tend to focus on the needs of their beneficiaries, whether individuals or a whole community. Some social enterprises have been delivering multiple services to vulnerable individuals for many years and as such have a track record in joining-up services.

- Social enterprise with experience in this area can offer government valuable insight into the needs of target groups and effective joined-up approaches;
- Social enterprises' business models both require and enable them to be more flexible than other service providers. They must rapidly adapt their services in response to differing needs of customers. They can have fewer restrictions over funds and more flexible governance than public organisations or charities;
- Independence from government means that social enterprises can overcome any mistrust of 'the state' and can share relevant information between services.

Turning Point specialises in delivering health and social care solutions. They serve over 200 locations nationally, are targeting deprived areas. Their reflection on the challenges in delivering multiple services is insightful:

“Imagine trying to get your car fixed after a crash and finding that you have to take it to a different garage to fix each part. One to change the brake cables, another to fix the windscreen, a third to change the tyres. Even worse, each garage is in a different area and none of them shares information so you have to repeatedly explain the problem and fill out separate forms at each visit. It sounds bizarre, but people with serious health or personal problems frequently suffer similar experiences when trying to get help”

- Turning Point’s social enterprise business model has allowed it to generate surpluses and plough these back into the business. Coupled with 40 years experience, Turning Point has been able to use this to innovate services such as the “Connected Care” model for community-led commissioning.
- The “Connected Care” model enables communities to have a direct say in the health and social care services needed in their area, assesses how the community perceives existing services and what they want in the future. Turning Point is currently working in nine geographical areas working with PCTs, local authorities and communities to implement “Connected Care”:
- In Hartlepool, the delivery model for the “Connected Care” service is a community-led social enterprise managed by local residents and community organisations. The social enterprise helps people to access services and provides a range of low-level support services, which focus on maintaining independence. This model enables commissioners and government to have a better understanding of the breadth and depth of health and social care needs within a local population, including the most marginalised groups in the community. It also delivers greater trust and accountability between services and local communities and introduces areas for service development.

Website: www.turning-point.co.uk

Offering joined-up, personalised services by...
... enabling users to make informed choices

What is the delivery challenge for government?

Through personalised services government aims to put spending power in the hands of the service user, enabling them to put together their own package of care, based on their own needs. Personalised budgets are already being piloted in some areas of health and social care (PSAs 18, 19) and government aims to expand this into other PSA areas. Ultimately this approach aims to drive up the quality of public service as providers compete to deliver services.

A big challenge to delivering this vision is providing users with access to the information they need to be able to make empowered choices, and to service providers to enable them to improve the services they offer. This can be challenging for a number of reasons:

- gathering and making information about quality of services can be difficult and costly both for customers and the service providers;
- service users want independent information to make effective choices; and
- service providers need unbiased, representative information about services to improve their delivery.

How can social enterprise help overcome the delivery challenges?

The social enterprise model can help tackle these challenges in a number of ways:

- through their business model, social enterprise can generate funding for parts of service delivery where public sector organisations cannot;
- independence from government and commercial interests can also mean that services they provide are more trusted by users; and
- users can be more open and honest with them about their needs and views. Their independence also enables an open, unbiased dialogue with government, unrestricted by funding relationships.

Patient Opinion is a social enterprise running a website that allows patients to share experiences of local health services with others, including the relevant local service providers and commissioners. Using the web, Patient Opinion overcomes many existing challenges to honest patient feedback in the following ways:

- Patient Opinion has taken traditional NHS approaches to gathering feedback towards those used in the commercial world (in industries such as banking, retail, travel and utilities). It provides service users with a quick, convenient, responsive way to give feedback, while protecting their identity, and the site shows publicly whether feedback is heard and acted upon.
- More than 7,000 comments about a range of services have been posted and almost a million pages are viewed each month. Since 2006, Patient Opinion has been able to sustain itself by providing tools and support to hospitals and PCTs wishing to engage with their users online.
- Patient Opinion is enabling a more patient-led NHS, and there is evidence of some organisations improving services as a direct result of feedback from the site. For example, Hull Royal Infirmary changed its procedures for MRI scanning after online feedback from patients.

The exponential growth characteristic of consumer sites in the commercial world is mirrored in Patient Opinion. There are over 100 organisations participating and they have achieved a four-fold increase in NHS organisations' subscriptions in the past year. Over 95% of submissions are published, with postcode analysis, suggesting they come from a wide cross-section of society. They have also begun to expand their remit to include mental health trusts, hospices, community health services and residential care for older adults.

Website: www.patientopinion.org.uk

2 Enabling access to public services

A recurring theme in the 2007 PSAs is improving outcomes for everyone with some emphasis on the young (PSAs 10, 12, 13, 14) and older people (PSA 17). Government has committed to ensuring equality of access to good quality education, employment (PSA 8) health (PSA 18) and care services (PSA 19) for everyone.

“World class services promote a fairer society – this means that they actively reach out to all, regardless of wealth, background, gender, ethnicity or assertiveness. A core purpose of world class services should be to reduce inequality; not to tolerate second rate services or significant variations in service quality between different locations.”³

The expectations of the 21st Century citizen in the way they access their public services are changing. People want to be able to access services the way they can buy music or speak to their bank, at a time and place which suits them. Taking the service to the citizen, rather than expecting the citizen to come to the services, in an affordable way, is one of our newest challenges.

Ensuring equality of access is even more challenging. To achieve this, the appropriate infrastructure to connect people with each other and with services to support their needs, whether that be IT, transport (PSA 5) or physical infrastructure, particularly in deprived or rural areas, is vital. Getting this right also improves our ability to drive economic growth and raise productivity (PSAs 1, 7).

Government has in the past sought ways to draw in the private sector to support public service delivery and infrastructure development where sole public investment is not possible, and/or where private investment needs encouragement. However, there are still areas where the market is not sufficiently profitable to secure private interest. **This is an area where social enterprise has been seen to thrive.**

³ “Excellence and Fairness: Achieving World Class Public Service”, Cabinet Office (August 2008)

East London Food Access (ELFA) supports community health and well-being through the provision of fresh fruit and vegetables to residents on housing estates across Hackney.



www.broadband-uk.coop

CBN
**COMMUNITY
BROADBAND
NETWORK**

The **Community Broadband Network** is a co-operative that brings valuable broadband infrastructure and services to communities in which many Internet Service Providers (ISPs) have found it unprofitable to invest.

Enabling access to public services by...

... taking the service to the citizen

What is the delivery challenge for government?

Many of the 2007 PSAs, especially those which focus on health and wellbeing (PSAs 17, 18, 25), focus on encouraging individuals to take responsibility for themselves in order to prevent the need for them to access more costly services later. However, attracting people to use preventative services is even more challenging than attracting them to make use of available services and support once their needs change. Successfully overcoming these challenges will require services to be:

- Accessible, in a way which fits in to the daily lives of the target groups;
- visible, enabling potential users to see how easily others are using them;
- affordable, even in areas unattractive to potential private sector suppliers.

How can social enterprise help overcome the delivery challenges?

With the right business model, social enterprises have the potential to go further than both public and private sector. Without the restrictions that come with responsibility for public money, or the pure profit motive, social enterprises can be more flexible about their geographic location, and the level of services they offer:

- Where they are embedded in a community, they can understand and overcome the specific geographical or other barriers which prevent services being integrated into the daily lives of those they seek to serve;
- Ties to their local community can also mean news of the services they offer and the benefits it brings can be more easily spread;
- Social enterprises can have greater flexibility to situate themselves geographically where public or private sectors may find it difficult.

ELFA is a social enterprise and network of co-operatives, projects and organisations helping to improve and promote access to fresh fruit and vegetables. Formed in 2001, ELFA works in partnership with local agencies to promote healthy eating and runs a number of services and projects including delivery of fresh fruit and vegetables to schools and nurseries, co-ops, work places and events. They currently provide services to 10,000 customers a year.

- Like many other social entrepreneurs, the founders of ELFA saw inability of the private sector to serve housing estates with fresh produce as a business opportunity. Driven by their social mission to improve the health and well being of communities, they recognised that by bringing the service to the consumer, they could make it easier for those living in deprived areas to integrate healthy eating into their lifestyle.
- Situating themselves physically in the centre of the estates where they work, they have become highly visible to the residents there. They have been able to capitalise on private sector principles of location, coupled with knowledge of the local community, to raise their profile, and their profitability.
- Conventional food delivery services simply cannot compete on price and quality to such communities without the cross subsidy of public sector contracts to deliver local community health actions. In addition to supplying much higher quality fresh produce at equivalent local retail prices, they contract with local PCTs and Councils to supply fruit to nurseries and schools, as well as delivering fruit to local businesses and workplaces. This combination of income and distribution enables them to find economies of scale, making the social enterprise self-sustaining without the need grants or donations.

The success of this social enterprise has won it the status as one of the Innovation Exchange's "Next Practice" practice projects. Through this, Cabinet Office and DH funded programme, ELFA is working with business consultants on the development of their service offer for other local authorities and PCTs in England – under a new brand - Freshwell.

Website: www.elfaweb.org.uk

Enabling access to public services by...

... empowering dispersed communities to work together

What is the delivery challenge for government?

In Digital Britain, the Prime Minister made it clear that:

“Only a Digital Britain ... will secure the wonders of an information revolution that could transform every part of our lives.”⁴

Government is committed to improving access to IT and technology skills to enable the development of world class, modern services demanded by all and accessible by all (PSAs 8, 10, 18, 19). This also plays direct role in driving up productivity and economic growth (PSA 11, 7). Digital Britain also notes several obstacles facing those “off-line”. Britain’s average broadband speed is one of the lowest in Europe and many parts of the country have little or no access to broadband. This undermines universal access as well as equality of opportunity for businesses and individuals. Government and the private sector struggle to invest in infrastructure when:

- the likely return on investment may make any commercial investment in infrastructure unviable in remote areas; and
- the need to maximise profit and return on investment may mean that costs are prohibitive or that choices for customers are limited, even when traditional commercially provided services are available.

How can social enterprise help overcome the delivery challenges?

The community co-operative model offers a viable solution to infrastructure investment, particularly in services that are traditionally supplied by the private sector. Mutual investment and a strong collaborative focus provide a unique way to tackle the challenges set out above by:

- Sharing the costs of initial investment amongst members, and the benefits they bring can be returned the community.
- Empowering communities to make the best choices for them, affordably.

⁴ Digital Britain, DCMS (June 2009)

The Community Broadband Network (CBN) is a co-operative that supports, promotes and develops community-owned broadband schemes in remote, rural and urban districts suffering from deprivation and social exclusion.

- Originally focused on provision to remote districts that were too costly to interest large telecoms providers, CBN responded to the challenge by developing a co-operative model that could deliver reliable internet provision, by sharing the costs of initial investment amongst members, and returning profits to the community. Overall, CBN helped more than 100 projects directly and connected 200 promoters throughout Great Britain during 2003-2005.
- CBN has developed next generation broadband solutions that can scale to virtually any size of community, whether it is a rural market town, an urban regeneration zone, or a small new development. The ongoing effect is that communities are refusing to wait for the major telecoms companies to invest the £30bn required for nationwide fibre access and are taking up the challenge themselves.

In 2007 CBN started developing a series of projects with public, private and community sector partners. Early in 2009, the Communications Consumer Panel of telecoms regulator Ofcom identified 40 next generation broadband schemes around the UK, 50% with CBN involvement. Digital Britain, explicitly recognised the role of community-based next generation initiatives with funding to create a new organisation – the Independent Networks Co-operative Association (INCA) – sponsored by CBN. INCA's role is to enable local projects to act in a unified way.

Website: www.broadband-uk.coop/

3 Improving outcomes for those “hardest to help”

The 2007 PSAs also indicate a continued emphasis on fairness and equality of opportunity and outcomes. Whilst ‘floor’ targets have been set in previous reviews, the balance in the 2007 set is more focused on addressing disparities of the most disadvantaged groups (PSAs 9, 11, 16). This has traditionally proved more challenging than raising average levels. Most recent thinking focuses on providing a guaranteed minimum service level for all, increasing the challenges for delivering services to those “hardest to help”:

"We know the argument for public services has got to change so we have been developing a strategy that takes public services away from a target culture to giving people rights and entitlement to core public services."

Liam Byrne, Chief Secretary to the Treasury, June 2009

Social enterprises share government’s aims of improving outcomes for those most disadvantaged and disempowered in society and are often formed by those communities themselves. As such they can offer insight into what works and deliver services more effectively by capitalising on the trust they have developed with their communities through engagement and meeting their needs where others have failed.

Hill Holt Wood provides innovative education, training and employment preparation services outside the classroom as part of its Solutions 4 curriculum, which relies on engagement with the environment and the local community.



West Whitlawburn Housing Cooperative is a resident-owned former council estate that has transformed itself from an area of high crime and poor quality housing into an attractive place to live.

Improving outcomes for those government finds hardest to help by...

... developing innovative solutions

What is the delivery challenge for government?

The majority of PSAs focus on improving outcomes for the whole population; however some groups have also been identified as requiring particular attention. These include young people from low income and disadvantaged backgrounds (PSA 11) and socially excluded adults (PSA 16). Improving their outcomes can be especially challenging when:

- conventional services have failed, causing those who have experienced them to become disengaged;
- there is public suspicion or little sympathy with the target groups, making re-integration for people excluded from society even harder; and
- tailored services for the most disadvantaged can be costly.

How can social enterprise help overcome the delivery challenges?

Where there is public scepticism about the virtues of private companies providing services, social enterprises can provide an alternative to public provision. In common with the traditional voluntary sector, strong local relationships can generate trust more effectively. This can mean they are more successful in delivering services to those government finds hard to help:

- The business model underpinning social enterprise means they can be more flexible than traditional public or voluntary sector services constrained by the restrictions associated with public funds. This means they can be more unconventional in their response to the needs of disadvantaged people.
- The local nature of many social enterprises means that they are better able to influence local communities and demonstrate their impact.
- The entrepreneurial and innovative nature of many social enterprises means they often generate additional public value through the way they design and deliver a service, improving their value for money against other options.

Hill Holt Wood is a social enterprise based in a Lincolnshire woodland providing innovative education, training and employment preparation services for excluded school-children, young offenders, unemployed or otherwise disadvantaged young people. They have contracts with the LEA and LSC to deliver training and education services and with the local District Council to manage their countryside services. Any surpluses generated are used to enhance the services offered. The young people using the services have some say in this. For example, this year some of it is being used to provide Aikido classes within the curriculum.

- Hill Holt Wood (HHW) takes a highly unconventional approach to education: they employ 21 “Rangers” to deliver ‘outside the classroom’ training as part of its Solutions 4 curriculum, which relies on engagement with the environment and the local community. Attendance and work-related output are rewarded financially, whilst extreme misbehaviour does not automatically result in expulsion. HHW’s positive progression of young people on the LSC’s Entry to Employment programme (i.e. entry in to further education or education with training) was 65% last year, compared to the national average of 47%.
- HHW’s transformational achievements with the area’s most disengaged youth have won it support from across the community, reflecting the impact that their services have across all areas of their students’ lives. Local police have reported a reduction in youth crime, while colleges have re-defined their entrance criteria to reflect the quality of HHW’s graduates. The environmental and social benefits of HHW’s have also generate significant support from the local community and challenged stereotyped views of their target group.
- Hill Holt Wood’s services go beyond their funding remit to reflect a genuinely ‘triple bottom line’ through mutually dependent social, environmental, and economic goals. By quantifying the net impact of its activities on the community, HHW has challenged the way services are commissioned in its locality. Using the Local Multiplier tool (LM3) it has shown that for every £1 of funding, £1.30 is returned to the local community. This has encouraged local authorities to increase HHW’s contract.

Website: www.hillholtwood.com

Improving outcomes for those government finds hardest to help by...

... sharing the problem and the solution

What is the delivery challenge for government?

Government wants to enable individuals and organisations to create strong, attractive and economically thriving communities and neighbourhoods (PSA 21). In doing so, it aims to ensure that local people and organisations are empowered to make the best of their communities and overcome their own difficulties. The challenges to delivery of these aims in deprived communities include:

- where residents have little or no personal stake in their own home, let alone the neighbourhood, the incentive to engage in efforts to improve the area is reduced;
- individuals may lack the skills, knowledge or confidence necessary to initiate or coordinate improvement efforts; and
- local problems may be so varied and complex that individual efforts seems futile. This may be combined with a culture dependency, developed after years of being 'told' rather than asked.

There are a number of PSAs where collective community action can become part of, or be, the solution. Including making communities safer (PSA 23), raising productivity (PSA 1) or securing a healthy natural environment (PSA 28).

How can social enterprise help overcome the delivery challenges?

Achieving social and environmental outcomes, in addition to economic returns, is a strong motivation for many to engage with social enterprises – whether as owners, employees, volunteers or users. Community co-operative models are particularly suited to mobilising motivation, with their emphasis on collective ownership, democracy and equality. This can help reach government objectives by:

- harnessing a business based, cooperative approach which gives a personal, and sometimes financial, stake in the resolution of a problem;
- maximising the value of a communities' collective skills and local intelligence; and
- bringing the problem and its resolution within the grasp of the community, overcoming any sense of individual futility and reversing a culture of dependency.

West Whitlawburn is a housing co-operative in south-west Glasgow. It was formed in 1989 when the housing stock was transferred to the tenants from local authority control. Forming a co-operative has transformed the estate:

- When tenants became landlords they took a personal stake in turning their neighbourhood around. Like other social landlords 94% of their income comes from their housing stock; unlike others, they are able to collect more than 99% of their rents in a year. The co-operative set up a thriving community centre that employs local residents and provides community activities, including a gym; regular health classes; out-of-school care; a GP referral scheme; an IT suite; a community café and a community radio station. The West Whitlawburn Housing co-operative also encourages contractors working on their developments to provide training and employment opportunities to residents.
- While individually they may not have held the skills and confidence to manage the estate or negotiate funding streams, collectively they were able to harness the full capabilities of the community. For example, since formulation they have accessed over £41m in grants from Scottish Homes / Communities Scotland / Scottish Government and the co-operative now owns 544 residential properties with 100 new homes currently under construction.
- Co-operative members are directly involved in efforts to improve their estate. The co-operative has demonstrated that collective action is much less 'futile' than individual efforts. A first move was to install over 100 CCTV cameras and quickly reducing crime and drug dealing on the estate.

The co-operative provides residents with a real stake in the future. This is exemplified by the dramatic drop in turnover from 27% in 1989 to only 12% in 2008. The co-operative enabled the community to transform their estate from one characterised by high crime and poor quality housing to a desirable place to live.

www.wwhc.org.uk

4 Influencing individual choices

A key feature of the 2007 PSA targets is a much greater emphasis on outcomes directly driven by individual perceptions and choices. These PSAs require government to find ways to encourage people to help tackle climate change (PSA 27), develop new skills (PSA 2), make healthier choices (PSA 12), save for retirement (PSA 17), to reduce fear of crime (PSA 23) and improve peoples' attitudes to other communities in their neighbourhoods (PSA 21). Successful delivery will mean:

- empowering people by helping them make more informed choices;
- identifying the drivers of choices, behaviours and perceptions; and
- employing a wider range of levers to affect the changes sought.

Social enterprises are often born from a community's identification of a common unmet need, followed by the development of an innovative solution to address that gap. They can hold valuable intelligence on what will work and are trusted by their communities. They can hold the goodwill and credibility necessary to inform their communities, challenge negative mindsets and behaviours and create alternative possibilities and expectations.

Little Angels is a highly successful peer-to-peer support service for new mothers which has dramatically increased breastfeeding rates in disadvantaged communities where other approaches have struggled



Baywind Co-operative Wind Farm is a community owned wind farm in Cumbria which has empowered locals to take an active role in tackling climate change, while providing income for the co-operative members.

Influencing individual's choices by...

... using role models within the community

What is the delivery challenge for government?

Government objectives which seek to redress disparities in outcomes for poorer or younger people rely in part on finding ways of encouraging them to make culturally difficult or personally unpalatable choices. For example, research indicates that breastfeeding helps reduce health inequalities⁵. Barriers to encouraging young mothers and those from poorer backgrounds to breastfeed are similar to those faced in reducing child obesity or smoking during pregnancy (PSA 12). These include:

- individuals in these groups not feeling services are culturally relevant to them;
- these individuals not trusting 'the state' in the way they do their peers⁶: they may feel patronised or their motives misunderstood; and
- individuals who have been supported to adopt positive practices often revert back to harmful behaviours once support ends.

How can social enterprise help overcome the delivery challenges?

At their best, social enterprises can bring together the best of the private and community sectors. They can draw together motivated individuals into organisations independent of government and take an entrepreneurial approach to the use of assets available to them. These characteristics can uniquely place them to help with the challenges outlines above. For example:

- Many social enterprises offer services designed by the community, making the delivery model more culturally sensitive and thus more effective.
- The social enterprise business model means they may be able to go further and be more tailored in their support than public sector based services.
- Social enterprises provide a viable service model to use peer role models who can help overcome feelings of being patronised or mistrust.

⁵ Care Quality Commission www.cqc.org.uk

⁶ "Reaching Out: An Action Plan on Social Exclusion", Social Exclusion Task Force (Sept 2006)

Little Angels provides peer-to-peer breastfeeding support to new mothers in six PCTs including some of the most deprived local authorities in England. Under NHS and Local Authority contracts they spend time with mothers before the birth to discuss breastfeeding and offer their services. They run ante-natal clinics, contact all new mothers within 48 hours of discharge and provide them with a named contact, 1-to-1 home visits, and 24 hour telephone support until they stop breastfeeding. They also run community and hospital based support groups. Little Angels have a proven track record of increasing breastfeeding rates in deprived areas, from 20% to 49% for 6-8 week olds and from 4% to 27% for 7-9 month olds. They have identified several success factors:

- All of their staff and volunteers are mothers from the local area and, therefore, have in-depth knowledge, not only of breastfeeding but of the issues that are affecting the mothers locally. In their own words:

“We can offer information and support all we like, but if we don't recognise the issues that may be preventing breastfeeding, it's a non starter. In [Blackburn with Darwen] we have a high percentage of ethnic minorities. So 20% of our staff are from the same cultural background. This immediately breaks down barriers”

- They have developed a relationship with Royal Blackburn Hospital (a UNICEF recognised Baby Friendly Hospital) which enables them to capitalise on their shared ethos in promoting breastfeeding. They have created seamless links between NHS and Children's services and those of Little Angels to create holistic integrated support for all pregnant women and new mothers in the area.
- The paid peer-to-peer nature of Little Angels means that they are more effective in supporting young mothers from disadvantaged backgrounds than other services. Little Angels records breastfeeding data at 6 and 17 weeks and 6, 7 and 9 months and when solid food is introduced. The nature of the relationship between staff and the mothers means they are more open about the challenges they face and the reasons why they stop. This provides invaluable data on the barriers, continually improving their effectiveness.

Website: www.littleangels.org.uk

Influencing individual's choices by...

... giving people a stake in protecting their future

What is the delivery challenge for government?

Government objectives which depend upon influencing people to make a significant change in their lifestyle require us to find new ways to turn disincentives into incentives. Taking PSA 27 on climate change as an example, persuading domestic energy users to reduce their energy consumption and promote renewable energy sources is difficult because:

- the 'rewards' of energy consumption are immediate whilst the benefits of energy-saving or clean generation are longer-term;
- the 'sacrifice' is personal whilst the benefits are shared globally; and
- the scale of the problem may make individual efforts seem negligible.

The challenges above are not unique to PSA 27. Persuading people to develop new skills (PSA 2) or save for retirement (PSA 17) are also challenging in this way.

How can social enterprise help overcome the delivery challenge?

The co-operative approach to business allows for mutual ownership and democratic control. When this is combined with a socially enterprising idea, it can be a powerful way to engage communities. They can generate buy-in and active support for new, sometimes even complex, solutions to difficult problems by:

- creating short-term financial or community rewards;
- engaging an entire community in the resolution of a problem through collective ownership and involvement in the effort to tackle it, challenging the notion that individual action has little impact; and
- generating economies of scale which deliver shared financial rewards or public value that could not be realised at the individual level.

Baywind Cooperative Wind Farm was the UK's first renewable energy co-operatives. Citizens invest in the enterprise and the money is used to buy wind turbines. The co-operative currently owns six wind turbines in Cumbria with the capacity to generate enough energy to power 1700 homes. Baywind has over 1300 members, of whom 40% live in the local area. The profits are distributed among the members of the co-operative, invested in local environment projects and education and contribute to Energy4all. Energy4All, established in 2002 to help communities around the UK own a stake in renewable energy schemes, is owned by the co-ops it creates. It has raising over £13 million through the 7 co-ops it has so far helped create.

At the heart of Baywind's success is its co-operative model. For each of the challenges above, the co-operative model creates powerful incentives on residents to change their behaviour. For example:

- During the first ten years, members have received an average annual financial return of 5.5%. - providing clear financial rewards realisable in the short term.
- Through developing a model where they can share the rewards of their collective efforts within their community, people can see the benefits much closer to home.
- By engaging an entire community in the resolution of the global issue of rising carbon levels they can generate economies of scale in their impact on clean energy generation which could not be realised at the individual level, challenging the notion that any individual action will have limited impact on global warming.

Through creating this respected co-operative, Baywind promotes awareness of the issue of climate change and provides a simple practical way for individuals to play their part in reducing climate change. This tackles apathy and indifference and creates more subtle incentives for behaviour change by replacing government advice with a collective community ambition.

Website: www.baywind.co.uk

FIVE STEPS TO TAKE NOW

1. The **Office of the Third Sector (OTS)**, part of the Cabinet Office, works to support government efforts to engage effectively with the third sector. It provides advice and support to government departments considering strategies and practical applications which utilise social enterprise solutions to tackling our hardest problems. Contact Katharine Purser on 0207 276 6097 or e-mail: katharine.purser@cabinet-office.x.gsi.gov.uk
2. The Social Enterprise Coalition (SEC), with OTS, run a **Social Enterprise Ambassadors programme**. Through this and their members they can put government officials in touch with social entrepreneurs who operate in your area. Call SEC on 0207 793 2323, see www.socialenterpriseambassadors.com or e-mail: ambassadors@socialenterprise.org.uk.
3. **Co-operativesUK** is the membership organisation for all types of co-operative enterprise. It works to promote and develop the co-operative economy. Co-operativesUK can advise on how co-operatives can help deliver public services and government objectives. For more information contact Giles Simon on 0161 246 2941 or giles.simon@cooperatives-uk.coop
4. Many government departments are developing social enterprise strategies, often as part of their wider work with the third sector. All departments have a **Third Sector Champion** and a Third Sector Liaison Officer who can put you in touch with others already working with social enterprises. Contact Maria Nyberg on 0207 276 6048 or e-mail: maria.nyberg@cabinet-office.x.gsi.gov.uk
5. Office of the Third Sector also runs a **commissioner training programme** for public sector commissioners interested to learn more about how to effectively engage with third sector organisations to develop and deliver public services. For more information contact John Marshall on 0207 276 6056 or e-mail: john.marshall@cabinet-office.x.gsi.gov.uk

2007 Public Service Agreements

1. Raise the productivity of the UK economy
2. Improve the skills of the population, on the way to ensuring a world-class skills base by 2020
3. Ensure controlled, fair migration that protects the public and contributes to economic growth
4. Promote world class science and innovation in the UK
5. Deliver reliable and efficient transport networks that support economic growth
6. Deliver the conditions for business success in the UK
7. Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions
8. Maximise employment opportunity for all
9. Halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020
10. Raise the educational achievement of all children and young people
11. Narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers
12. Improve the health and wellbeing of children and young people
13. Improve children and young peoples' safety
14. Increase the number of children and young people on the path to success

15. Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief
16. Increase the proportion of socially excluded adults in settled accommodation and employment, education or training
17. Tackle poverty and promote greater independence and wellbeing in later life
18. Promote better health and wellbeing for all
19. Ensure better care for all
20. Increase long term housing supply and affordability
21. Build more cohesive, empowered and active communities
22. Deliver a successful Olympic Games and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport
23. Make communities safer
24. Deliver a more effective, transparent and responsive Criminal Justice System for victims and the public
25. Reduce the harm caused by Alcohol and Drugs
26. Reduce the risk to the UK and its interests overseas from international terrorism
27. Lead the global effort to avoid dangerous climate change
28. Secure a healthy natural environment for today and the future
29. Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals
30. Reduce the impact of conflict through enhanced UK and international efforts

