

Developing Success Criteria for the introduction of Social Enterprises in the North East Prisons Cluster – an Action Research Project – Summary Findings Phase 1

The NOMS North East Prisons Cluster has commissioned Social Enterprise Research & Innovation Foundation (SERIF) to advise on the development of success criteria and scorecard framework to inform the selection and development of social enterprise projects. This best practice briefing summarises the findings from Phase 1 of the action research project based upon interviews and desk research conducted between October and December 2012.

Context

1. Social enterprise is seen as a policy priority for NOMS both as a test-bed for new approaches to reducing re-offending and as a means of reducing the delivered cost of target outcomes.
2. The North East Prisons Cluster covers a wide range of custody provision from short stay / high turnover prisons to high security / long stay prisons, as well as a women's prison and a young offenders institution. It therefore offers a promising context within which to assess the potential contribution of and, where appropriate, to trial different social enterprise models.
3. The current NOMS ESF CFO programme is designed to stimulate the development of new social enterprise initiatives. This will add to the pressure on the prison estate to respond to opportunities for partnership development and collaboration in social enterprise.
5. The North East Prisons Cluster has therefore resolved to develop a strategic response to enable it assess social enterprise initiatives and their potential to deliver against target outcomes. This will enable it to prioritise and target resources on those proposals which hold the greatest promise of delivering social and economic benefit to serving offenders, to NOMS, and to the wider community.
6. SERIF is a research body committed to sharing best practice. It is planned that summaries of the learning from each phase of this project will be published and made available on the SERIF website.

Scope of Phase 1

The aims of Phase 1 were:

- to identify, through a series of semi-structured interviews with prison staff, the key criteria for the successful implementation of social enterprise within the North East Prisons Cluster;

and, based upon those interview findings,

- to propose a Scorecard Framework to support the initial appraisal, prioritisation and development of social enterprise business ideas.

Findings

There is a growing appreciation amongst prison staff of the potential contribution social enterprise can make within the context of working prisons. This contribution will most often be evidenced in the development of 'softer' employment skills amongst offenders. Other benefits are expected to be found in the contribution to safer prison communities and to the restorative justice agenda.

Within the North East Prisons Cluster a wide range of social enterprise ideas and opportunities are in play. Most interview respondents were enthusiastic about the benefits that social enterprise can bring.

This was tempered by an acknowledgement that:

- a) Prison service staff on their own lack the business and commercial expertise to evaluate these project ideas
- b) Any enterprise seeking to operate within the prison context will face a number of challenges and risks which will need to be factored into the project plan, and to ensure that enterprise has the required resilience and resource backing.

There is also a degree of impatience to move from talk about social enterprise to project delivery.

Defining Characteristics of Social Enterprise

Social enterprise is perceived as business activity with an overtly social (as opposed to commercial) purpose. Most interviewees described the social purpose as being directed towards the rehabilitation of offenders (employability skills, self esteem, citizenship). Some saw the social aims within a broader charitable context (eg community payback).

Most understood social enterprises as being 'market led', and therefore the training and employment for offenders would be expected to be relevant to employment prospects beyond the gate.

Opportunities for Social Enterprise

This question stimulated a flow of ideas and gave a platform for the enthusiasm felt by many of the interviewees.

✓ Adding value to skills training identified through the curriculum review

Social enterprises may either help to provide a wider market for the products (eg hospitality and catering, woodwork, horticulture, recycling) and/or enhance the quality of learning/improve employability skills by adding a 'market focus' to a workshop activity.

✓ Making better use of latent resources within the prison

Social enterprise may be able to 'fill the gap' by opening up a market and generating purposeful activity (where the scale of the opportunity may not be viable for a commercial partner) to make better use of workshop space or land within the prison. Such activity would contribute to NOMS objectives of working prisons and a safer prison environment.

✓ Building stronger community partnerships 'through the gate'

Social enterprise was perceived as having a positive contribution to make in terms of strengthening community partnerships, contributing towards restorative justice and providing a platform for drawing more business skills into the prison.

✓ Creating opportunities for intra-prison trade

Social enterprise can provide a mechanism to allow trade to flow between prisons for mutual benefit (eg can a resettlement prison with many offenders out on ROTL provide a market outlet for products manufactured in other prisons?).

✓ Creating a virtual Business Centre

Some prisons are housing offenders with higher skills who are serving long sentences. Can a joined-up approach to social enterprise tap into those skills to create a 'virtual Business Centre' within the prison system (perhaps using Virtual Campus) to support social enterprise activity with marketing and production planning, book-keeping and management accounting etc?

Implicit in the ideas discussed were two different models of social enterprise:

- a) Social enterprises developed within the prison (therefore owned and controlled by the prison) drawing upon external partnerships and expertise to build and sustain a successful business model and the external market
- b) A contractual arrangement whereby an externally-based social enterprise contracts with the prison to source and sell goods made by prisoners (substantially similar in nature to a ONE3ONE contract)

The expected benefits /additionality of social enterprise

a) to the offender journey

- ✓ enhanced development of 'soft' employability skills
- ✓ exposure to the 'real world of work' in a prison environment¹⁾
- ✓ opportunity for skills progression by designing the workflow around the learning needs of offenders
- ✓ opportunity to apply/develop higher level business skills
- ✓ opportunity to engage offenders marginalised by the existing workshop regimes
- ✓ enhanced self-esteem through purposeful activity with a social purpose

The possibility of linking social enterprise with jobs on release, the development of citizenship, contributing to restorative justice and opportunities for peer mentoring were also mentioned.

b) to delivering NOMS target outcomes

- ✓ safer prison communities because more prisoners will be engaged in purposeful and fulfilling activity
- ✓ enhanced resettlement prospects and reduced re-offending through improved employability skills
- ✓ a financial return helping to reduce cost per prisoner
- ✓ restorative justice/community payback

The partnership benefits of social enterprise (bringing new/additional skills into the prison) were also mentioned

c) to equality & diversity

- ✓ the greater emphasis upon the 'job' as a vehicle for learning/personal development as opposed to meeting a set production target, and thus
- ✓ the opportunity to design the workflow to draw in workers who might otherwise be excluded and/or who find the workshop environment hostile
- ✓ helping to tackle low self-esteem through making products which others will value and want to buy
- ✓ a greater recognition of the link between satisfying work and positive mental health
- ✓ the opportunity to measure/record 'distance travelled' for offenders, not just qualifications obtained

- i) Some interviewees commented that social enterprise might not be perceived as the same as a 'real job', and may therefore be a turn-off to offenders

Any social enterprise seeking to operate within the prison system must satisfy the following **essential** criteria

- ✓ an understanding the prison demographic and the regime requirements and a good fit between regime requirements and operational needs of social enterprise ⁱⁱ⁾
- ✓ market readiness – a ‘real’ market for the products and an ability to start trading
- ✓ a sound financial model backed by financially solvent partners - ie a project which will pass due diligence
- ✓ thorough risk assessment – business risk, financial risk, operational risk, reputational risk (public acceptability)
- ✓ capacity to deliver - does the business model take into account the capacity constraints of the prison and does the social enterprise partner have the capacity to contribute the skills and resources which the prison cannot provide?
- ✓ resilience as the response to business interruptions for reason of security, prisoner movements, etc
- ✓ clearly defined roles and responsibilities – a ‘Head of Terms’ between prison and social enterprise partner

*The main **challenges** likely to be faced by social enterprises seeking to operate in the prison system*

Interviewee responses were mostly context specific, reflecting the nature of particular prisons and the types of offenders housed there.

Capacity & Skills

Staff numbers are reducing under the *fair and sustainable* programme. Even where there is goodwill towards the aims of social enterprise, there may not be the capacity in time and business acumen to steer a project to success implementation. There is also a concern about the loss of experienced prison staff as numbers are cut.

Resources and Workspace

Some prisons have excess capacity. Others have limited workshop space, and there may be competing demands for the use of facilities (eg ONE3ONE contracts).

Prisoner Workforce and Length of Sentence

Social enterprise projects may prove harder to develop in contexts where the average length of stay is short – less reliable workforce numbers, need for constant re-skilling [On the other hand it was noted that if social enterprise was embed both in longer stay and resettlement prisons, some skills learned in the longer stay prison may be transferrable]

Knowledge & Understanding of Social Enterprise

Social enterprise is a woolly concept. Can it be communicated clearly and succinctly to prison staff and offenders? Is the business purpose sufficiently clear?

- ii) It was observed by some that the prison service needs to adopt a ‘positive’ approach to regime risk: ‘*How can we safely accommodate this type of activity?*’ as opposed to ‘*That proposal does not fit with the present regime*’

Resilience

Will the social enterprise prove to be sufficiently resilient to cope with the constraints and interruptions to business operations which are an inevitable consequence of the prison context? Will the financial model have enough ‘slack’ to absorb production setbacks?

Prison Rules

There are not only the necessary regime restrictions to be accommodated but also rules affecting prisoners’ wages and public sector procurement rules when it come to purchasing tools and supplies.

Scale

Are social enterprise projects likely to achieve sufficient scale to warrant the investment of staff time and resources required for them to be successful?

[On the other hand a) some small scale social enterprise projects can satisfy ‘niche’ requirements within a prison, and b) the nascent idea of a social enterprise network operating across several North East prisons allows for meaningful scale when the impacts of the individual projects are aggregated]

Inertia

There is substantial inertia within the prison service. Although competition and other policy reforms are bringing about change, nonetheless social enterprise may struggle to take root within a conservative and sometimes cynical staff environment.

Need to show results

There has been a good deal of talk about social enterprise, but the North East has very little to show for it. There is a need for some results soon if the idea is to have credibility

*The main **risks** to be addressed when introducing social enterprise into prisons*

- ✓ lack of project resilience (unable to sustain viable trading within a prison environment)
- ✓ reputational risk (impact upon reputation of the prison if a high profile social enterprise fails); negative implications for other social enterprise pilots)
- ✓ financial risk (insufficient financial resources to underpin project until profitability is achieved)
- ✓ partnership failure (the social enterprise partner fails to deliver against obligations)
- ✓ workforce risk (the workforce does not have the skills/fails to meet the production targets; setting up prisoners to fail)
- ✓ market risk (the expected market demand for a product fails to materialise; the social enterprise is unable to adapt to changing market requirements)
- ✓ leadership/policy change (a change in prison personnel/policy makes social enterprise no longer a desirable activity to host in a prison)

Proposed Scorecard Framework

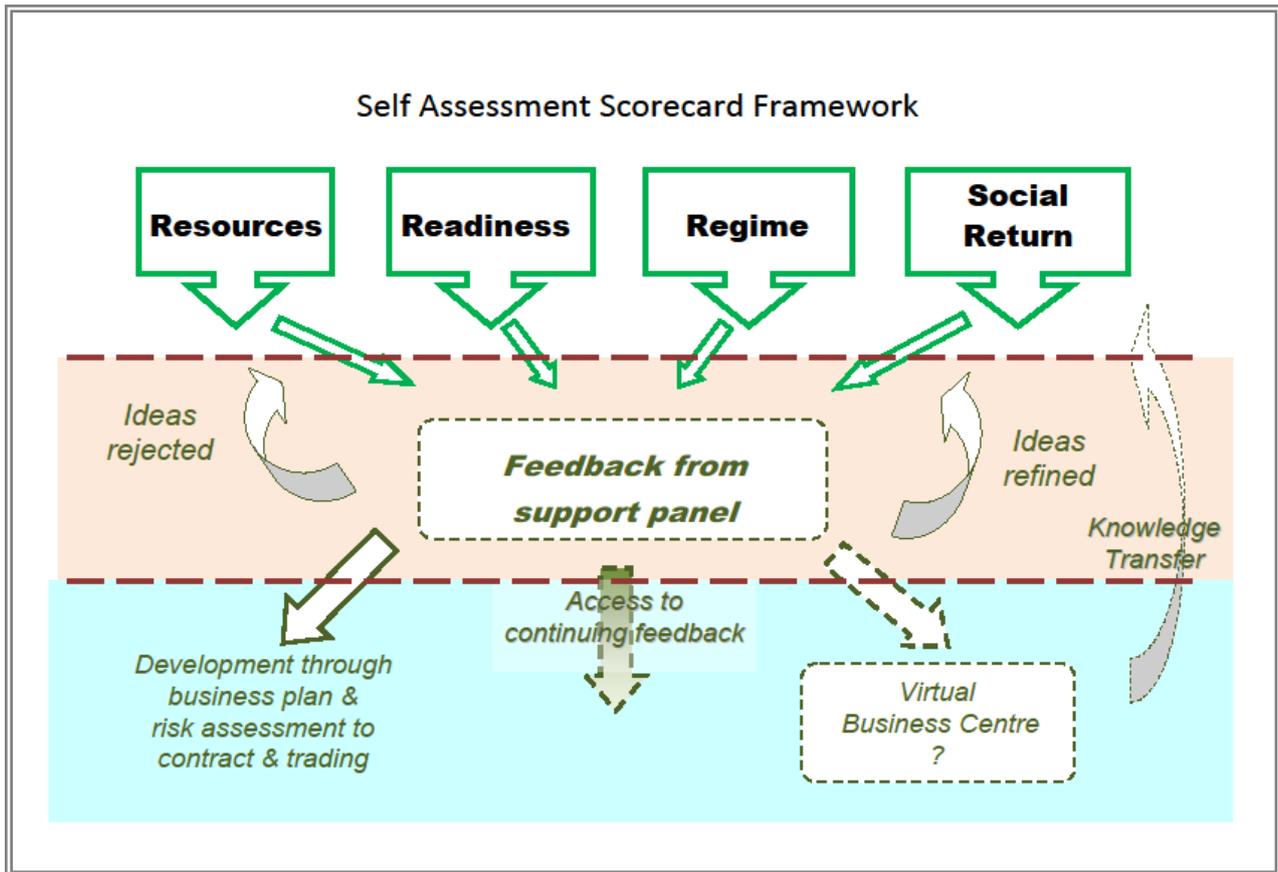
A draft Scorecard Framework has been developed in response to the interview findings. Based upon a traffic light system it has been designed to offer the best fit with the evidence gathered in interview. It will allow project sponsors to self-assess their own project proposals.

The Scorecard addresses the completeness of the social enterprise project proposal against the headings: **Resources, Regime, Readiness, and Social Return.**

The Scorecard will be refined and validated as part of Phase 2 of this project, working alongside identified social enterprise champions within the North East Prisons Cluster.

Further findings will be published upon completion of Phase 2 of the project

Fig 1



About the Social Enterprise Research & Innovation Foundation

The Social Enterprise Research & Innovation Foundation (SERIF) champions socially enterprising approaches to the rehabilitation of offenders, and the diversion of those deemed at risk from offending behaviour. SERIF will work with civil sector organizations, the Criminal Justice System and academia to improve the quality and effectiveness of interventions.

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Evaluation and knowledge from frontline delivery

