

CASE STUDIES

Better value

The social economy delivering public sector contracts



SCOTTISH EXECUTIVE

Ensuring decent housing
and strong communities across Scotland





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Better value

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Foreword

The Scottish Executive and COSLA are committed to strengthening the role of the social economy in Scotland in public service delivery. At the end of 2005 the Scottish Executive published *A Vision for the Voluntary Sector – the next phase of our relationship* and this year we will publish our social enterprise strategy. Both documents recognise the benefits that social economy organisations can bring to public service delivery and look for ways to increase the amount of services they deliver. This clearly links to our desire for excellent public services as highlighted in *Transforming Public Services: the next stage for reform*, the principles of which are supported by COSLA.

In order to highlight the benefits of purchasing services from the social economy we have also published *Better value: purchasing public services from the social economy*. This demonstrates to public bodies the advantages of contracting with the social economy.

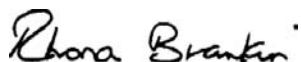
This series of case studies has been produced to demonstrate that social economy organisations are not only capable of delivering high-quality services, but that they are also successfully delivering contracts for the public sector. The case studies clearly highlight the reasons why social economy organisations can deliver excellent public services – this is often related to their knowledge of, and closeness to, their client group and their ability to innovate.

The case studies demonstrate the social, economic and environmental benefits of contracting with the social economy. They show how this is working in practice, across a range of public sector purchasers and in a variety of services from child-care to business development advice.


*continued from
previous page*



They also highlight the positive working relationship that has developed between the social and public sectors. A relationship that, as it develops further, will help deliver better public services across Scotland and help address the disadvantage many of our communities face.



Rhona Brankin
Minister for Communities



Councillor Pat Watters, CBE
President, COSLA

Contents

Alloa Community Enterprise	9
CEiS.....	12
Cornerstone Community Care.....	15
Forth Sector	19
FEAT Enterprises.....	21
GCIL.....	25
ILM Highland.....	27
McSence Group.....	31
Smile Childcare.....	33
Penumbra	36
Renfrewshire Council for Voluntary Services	39
Scottish Association for Mental Health	42
Trans Fife Community Transport.....	45
Richmond Fellowship	48
Workbase Scotland.....	51

Alloa Community Enterprise

TURNOVER £900,000 STAFF 31
 FEATURED CONTRACT KERBSIDE RECYCLING COLLECTION
 COMMISSIONER CLACKMANNANSHIRE COUNCIL
 LENGTH SINCE 2001
 VALUE £400,000 A YEAR

Alloa Community Enterprise (ACE) is the only social enterprise in Scotland operating a large-scale multi-material kerbside collection scheme. The 'blue-box' scheme it provides for Clackmannanshire Council uses specialised vehicles to collect newspaper, glass, cans, plastics and textiles, which are collected weekly and sorted at the kerbside from blue boxes and bags provided to each householder. Residual waste and material for composting are collected on alternate weeks.

The collection started as a 'pilot' project in 2001 and was funded by landfill tax credits. It was originally designed to service 5,000 households, but ended up servicing 10,000. The service was extended across Clackmannanshire in 2005 as part of the local area waste plan.

The partnership has worked extremely well and played a significant part in assisting Clackmannanshire Council to gain a greater than 40 per cent recycling rate – the highest of any local authority in Scotland for consecutive years.

It is one of a number of contracts and service level agreements the council has with social enterprises. The authority recognises that contracting with social enterprises is about more than just straightforward business transactions – there is often added social value to be gained as well as benefits to the local economy.

Alloa Community Enterprise (ACE) is an award-winning business set up in 1984 as a furniture reuse project. It now operates several major collection and recycling services for public and private sector customers, while delivering added social benefits of creating employment for people disadvantaged in the job market.

It was the first company in Scotland to introduce a colour-separated glass collection and multi-



material kerbside collections. It is one of Scotland's biggest collectors of post-consumer glass averaging over 75 tonnes per week from public bottle banks and commercial premises throughout the central belt.

It is also home to Scotland's only processing centre for Novellis, the world's largest aluminium can recycler. Cans from all over Scotland are delivered to the Alloa depot where they are processed before being baled and transported to the company's smelting plant in Warrington.

Lessons learned

“We have never received any revenue funding – only taking grants for capital expenditure. It took us three years to get the local authority to notice us but we've worked closely ever since and this has helped us become a mature, trading organisation. We recognise the importance of delivering a good service and doing exactly what we say we will. For example, we will always respond to an overflowing bottle bank within 24 hours.

“My advice to other social enterprises is to always look for niches in the market. Don't go into competition with the local authority – try to add value to what they want to achieve.”

Tony Cassidy, Alloa Community Enterprise

“The level of service we get from ACE is at least equal to anything we could do in-house or get from a private enterprise. ACE performs on a level playing field and keeps the contract because it does a good job. Local people see a robust, regular and reliable service, they have confidence in ACE and understand that it is a community organisation.

“To help more social enterprises we need to make it easier for them to express the intangibles that they add. There is a real need to get the social gains represented on the balance sheet. But I'd say to anyone that if they are confident a social enterprise can deliver a quality service then they are well worth working with.”

Graeme Cunningham, Clackmannanshire Council

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Workers at Alloa Community Enterprise processing aluminium cans before they are transported.

CEiS

CEiS is a social enterprise that provides specialist business development, support and finance to the social economy. Its specialist staff provide advice on issues such as business planning, access to finance, marketing, and management and organisational development.

CEiS has a loan finance subsidiary, DSL, which supports small business, social enterprises and community groups and it has developed bespoke software

cont p 14 ❖

TURNOVER £1.5MILLION STAFF 66
FEATURED CONTRACT RENFREWSHIRE SOCIAL ECONOMY CLIENT & ACCOUNT MANAGEMENT
COMMISSIONER SCOTTISH ENTERPRISE RENFREWSHIRE
LENGTH SEPTEMBER 2004–MARCH 2007 VALUE NOT DISCLOSED

CEiS runs the contract to deliver Business Gateway support to social economy organisations in Renfrewshire. The contract was put out to tender by Scottish Enterprise Renfrewshire in July 2004 after it realised it did not have the necessary skills or expertise to support the social economy in-house

After consulting with local networks, three companies were invited to tender – two from the social economy and one from the private sector. All three were interviewed and assessed on experience, understanding of the sector, personnel, financial viability, cost, proposed outputs and value for money.

CEiS was able to lever in additional days of support by accessing European Regional Development Fund (ERDF) money and it also demonstrated an excellent knowledge of the client group. Companies that approach Business Gateway are given a ‘health check’ which then determines their needs and eligibility for support. Eligible social economy organisations then undertake a business development review with CEiS staff, which generates an action plan for support. This typically includes help with business planning, feasibility studies, funding applications or providing bespoke training.

CEiS exceeded its targets for the contract – supporting 21 organisations over the first 18 months and developing innovative clustering approaches to help a



Staff at CEIS, the social economy organisation that runs the contract to deliver Business Gateway support in Renfrewshire.

tools for the social economy, including online business planning and an Investment Readiness Tool.

CEiS also manages a number of projects relating to employability, childcare and access to work, but does not see itself as a service delivery organisation. Instead it takes new or existing projects in-house on a temporary basis, aiming to make them sustainable and ultimately 'setting them free' as independent entities. Increasingly CEiS generates its own income by winning and delivering contracts.

number of childcare organisations that individually would be considered too small for Scottish Enterprise support.

The contract was reviewed and extended from its original end-date of March 2006 and CEiS is carrying out research to quantify the impact of its support.

Lessons learned

“We had worked on Scottish Enterprise contracts before, but I think the crucial factors in us winning the contract were our knowledge of the sector and also that we could lever in additional days support using ERDF money.

“It has also helped us access new networks and boost our reputation within enterprise circles. We certainly think our input has helped and we see it as a good basis for keeping the contract and hopefully adding to it in other areas.”

John Hughes, CEiS

“It has been a joy to work with CEiS. It hasn't just met our targets – it is exceeding them. It is even using innovative ideas like clustering smaller organisations together in order to reach even more people.

“Its professionalism and delivery are first rate – the same level I would expect from anyone. But where CEiS excels is its knowledge of the sector – this gives folk confidence in who they're dealing with. We obviously benefit from having its expertise available – but it is also good for our reputation within the social economy.”

Colette McGaughrin, Scottish Enterprise Renfrewshire

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Cornerstone Community Care

TURNOVER £22.5M STAFF 1786
 FEATURED CONTRACT SPOT-PURCHASE SHORT BREAK SERVICES
 COMMISSIONER SOUTH AYRSHIRE COUNCIL
 LENGTH ONGOING VALUE BASED ON AGREED UNIT COST

From its Ayr base, Cornerstone has developed flexible services for both South and East Ayrshire Councils, based around a mix of short break and adult placements, where people with learning disabilities live with a carer in their carer's home. These services are often described as similar to 'fostering' for adults. Typically, service users are leaving an institution and it is a feature of the support that the family of the service user are involved where appropriate.

Flexibility has been a key feature of Cornerstone's delivery. The service originally developed with South Ayrshire Council and was subsequently replicated in East Ayrshire. Following a recent best value review South Ayrshire has decided not to renew the adult placement contract, and instead switched to a spot-purchase arrangement where it buys short-break care from Cornerstone as and when needed based on an agreed price and service specification.

Cornerstone has worked closely with many local authorities, making it an organisation that can adapt to change. This enables it to win contracts through tendering and the organisation prides itself on being entrepreneurial.

Lessons learned

"The key for us is that we need a good partnership relationship with our councils. This does not happen without a good deal of communication and other work so

Founded 25 years ago, Cornerstone Community Care provides services to people with learning disabilities and special needs.

Cornerstone identifies its three main customers as people with learning disabilities whose top priority is to 'be happy in their own home'; their families who prioritise their relatives being 'safe in their own home' and the 12 local authorities with whom Cornerstone has a wide range of contracts.



The five core services Cornerstone provides are: Supported Accommodation and Supported Living, Community Support Services, Adult Placement Service, Employment Service and a Short Breaks & Respite Service. Despite the growth in the organisation and the huge range of people they help (and employ) the greatest achievement Baxter claims 'is helping transform attitudes to people with learning disabilities so they can maximise their quality of life and make their contribution to society.'

that the service user gets the best possible service. This is because all stakeholders are in agreement about the purpose of the contract and how to solve any problems that may arise”

Jill MacSporran, Cornerstone Community Care

“From their inception, these services have been innovative and highly flexible in their delivery and the relationship we have with Cornerstone is a vital part of this. Our regular meetings and the evaluation processes we use have enabled Cornerstone, in partnership with the local authority and NHS, to tailor the services it provides to meet individual need.”

Margaret Bates, South Ayrshire Council

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Cornerstone says that the organisation is based on the concept of 'quality, which translates as efficient and effective services that are fit for purpose'.





Parkview Laundry specialises in cleaning workwear, sports kits, duvets and bedding. Clients include the Scottish Rugby Union, other sports teams and commercial guest houses in Edinburgh.

Forth Sector (Parkview Laundry)

TURNOVER £1.4M STAFF 45 PLUS 70 SOCIAL FIRM TRAINEES
 FEATURED CONTRACT CONFERENCE CLIENTS' BEDDING
 COMMISSIONER QUEEN MARGARET UNIVERSITY COLLEGE (QMUC)
 LENGTH OPEN ENDED VALUE £6,000 A YEAR

This contract operates during the summer when QMUC uses its campus for commercial and academic conferences. QMUC contracts out the laundry service as it has no in-house facilities. It developed a long-term relationship with Parkview Laundry after being disappointed with other providers who failed to meet its needs for flexibility, a proactive relationship, and satisfactory levels of cost, reliability and communication.

The relatively small value of the contract means that no tendering procedure is in place, but both parties stress that their long-term relationship (the contract has been going for seven years) makes the difference. The nature of the relationship cuts paperwork to a minimum with both sides commenting on how friendly and effective the working relationship is.

The fact that Parkview is a social enterprise did not make a difference to QMUC in awarding the contract but the fact that the organisation is value-led is seen as a good thing, particularly as QMUC places a high emphasis on its community engagement and its responsibilities to the wider community.

Lessons learned

“We make sure that the client is happy with the service and everything else flows from there. We are not in competition with large-scale competitors. We are a

Forth Sector is one of Scotland's biggest and most successful social enterprises.

Originally set up as Edinburgh Community Trust in 1981, it now operates seven social firms, one being Parkview Laundry, which provide integrated supported employment to people with mental health problems.

Each business aims to generate sufficient income to ensure sustainability while delivering a reliable quality service to



customers. Individually they are highly successful, and have won several awards for excellence.

Grant funding accounted for 29 per cent of income in 2004/2005. Jane Fox, Parkview's business manager describes the greatest achievement of the business as delivering the values of a social firm. She emphasises that Parkview operates in a competitive market, but the satisfaction in seeing trainees become full members of the team is proof that the social firm model works for all.

niche provider due to the scale of our operation and our competitive edge is that we need to get relationships right. This is important to how we support and care for our trainees and employees. For us it means being flexible and going the extra mile. This a price sensitive market but the satisfaction we get from running this business is immense.”

Jane Fox, Parkview Laundry

“My advice to other commissioners or procurement staff is that you have to see beyond the fact that the business is also a charity. Don't be put off by the unknown or the fact that a social enterprise is not a 'normal company'. Make a deal, judge performance by results and you may be pleasantly surprised by the quality of the relationship that develops. We look forward to a long and continuing relationship with Parkview.”

Gail Glennie, QMUC

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FEAT Enterprises

TURNOVER APPROX £1.2M STAFF 50
 FEATURED CONTRACT SPRINGBACK BED AND MATTRESS RECYCLING SERVICE
 COMMISSIONER FALKIRK COUNCIL
 LENGTH SINCE OCTOBER 2005 VALUE VARIABLE, BASED ON A UNIT PRICE

FEAT Enterprises' newest social enterprise is SpringBack, a bed and mattress recycling service working with four local authorities across Fife and Forth Valley.

FEAT Enterprises collects bed parts destined for landfill and deconstructs them into their various components. It then finds customers who will reprocess the components in new products including industrial carpets and underlay, and various horticultural uses. It is paid monthly by its four local authority clients, based on an agreed unit price for each bed part collected and diverted from landfill. At full capacity the company could recycle over 50,000 bed parts a year and it will employ at least five disabled or disadvantaged people and seven trainees.

This is currently the only service of its kind in the UK. Mattresses are particularly problematic waste – they are bulky, take up a lot of landfill space and 'energy from waste' plants find it difficult to dispose of them efficiently. Because of these difficulties, they have been largely ignored as a waste stream by the private sector.

There are, however, a number of large-volume users of mattresses such as universities, hospitals, the army and prison service currently expressing a major interest in the service. FEAT Enterprises is now working with social enterprises in Glasgow, the Highlands, Wales and Devon who are looking to replicate the service. The private sector has also now started to show a growing interest.

FEAT Enterprises
was established in 1999 and now runs a number of social enterprises which provide employment opportunities to people with a disability or other disadvantage in the labour market.

It operates four-star tourist accommodation, a horticulture and garden maintenance service and a recycling facility. Each of the social enterprises arose from interests and needs within the community and FEAT Enter-





Workers at SpringBack, where mattresses are saved from landfill.

Lessons learned

“I had worked with three councils before so felt able to approach them about delivering the service. In my experience service level agreements do not favour the social enterprise and often are little more than grant agreements. It is important for social enterprises that they establish a relationship of service deliverer and service contractor. If you deliver a good service you should be paid a market price for doing so. Contracts give much greater control to the social enterprise and let you build a customer base and plan for the future. You also have more legal protection, you develop a more equal relationship with clients and you are better able to cope with losing funding.

“More social enterprises need to tender and win contracts on the basis of quality. We know we may never be the cheapest – we may have to send out two guys to a job where a mainstream business will send just one – but we strive to deliver a top-quality service. People will only pay 30p extra for Fairtrade coffee if it is good coffee. It’s the same with social enterprise. The quality must come first.”

Pauline Hinchion, FEAT Enterprises

“We work with a number of social enterprises and try to put in place formal contract arrangements so we both know what level of service is expected.

“FEAT Enterprises has been brilliant. It is always on time and very professional, comparable to the best of our private sector contractors. By establishing and monitoring formal agreements we hope to keep it like that.”

Keith Morton, Falkirk Council

prises has strong partnerships and a good profile in the local area.

FEAT Enterprises has diverse income streams, including many contracts which it operates for both public and private sector clients.

In April 2006, Grangemouth Enterprises Ltd, based in Falkirk became a wholly-owned subsidiary of FEAT adding to the number of social enterprises that it operates.

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GCIL is a support agency providing user-led support and advice for Glasgow's disabled community.

GCIL

TURNOVER £1.4 MILLION STAFF 30
 CONTRACT INCLUSIVE LIVING SOLUTIONS
 COMMISSIONER GLASGOW CITY COUNCIL
 LENGTH JULY 2004–APRIL 2007
 VALUE £430,000 A YEAR

Glasgow Centre for Inclusive Living (GCIL) has a service level agreement with Glasgow City Council to advise and assist disabled people in receipt of direct payments, enabling them to arrange their own appropriate support.

All local authorities have a statutory duty to offer direct payments instead of services where appropriate. Glasgow City Council refers appropriate cases to GCIL to provide advice about direct payments, recruiting or buying support, and managing the support package.

GCIL currently provides support to around 185 people and has advised around 250. The relationship has benefited from mutual learning and good lines of communication between the partners.

Lessons learned

“We value the contract principle as long as it delivers what is needed. It’s important for commissioners to recognise the strategic value in contracting with user-led service providers. It’s about an emphasis on self-determination, community development and user-defined quality, as well as cost.

“We feel that our user-led principles add real value to the way we deliver contracts. We have very committed staff with tremendous expertise and a very low rate of staff turnover.”

Etienne d’Aboville, GCIL

Glasgow Centre
for Inclusive Living (GCIL) was established in 1995 to provide user-led advice, information and support services for Glasgow’s disabled community. Three quarters of its own staff have a disability.

The Centre for Inclusive Living movement was developed to re-define the issue of disability around the idea of the social model – that disability is caused by the barriers disabled people face in their day-to-day lives



and consequently that policy should support inclusive and flexible solutions; for example letting people identify and manage their own support needs.

GCIL has set up services including a housing service with a database of social housing properties suitable for disabled people. It also runs employment and training programmes designed to provide meaningful jobs for disabled people and change organisational culture about employability.

“GCIL is our natural partner for this work – it is the leading local support organisation for disabled people and it provides a range of services appropriate to the implementation of direct payments.

“We assess needs and approve direct payment applications. We feel that because we make the decisions, information and advice on the rights and responsibilities associated with direct payments should be provided independently, and where possible client-led. Independent organisations are able to provide information and support in greater depth than we can.

“We have a learning relationship with GCIL. It helps us improve our understanding of the difficulties or issues that direct payment recipients may face, which in turn helps us to improve our systems for administering direct payments.

“Commissioners and partners both benefit from having very clear agreements about expectations on both sides as well as a clear contract and specific monitoring information.”

Pauline Toner, Glasgow City Council

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ILM Highland

TURNOVER £1.6 MILLION STAFF 38, PLUS 40 ILM TRAINING PLACEMENTS
 FEATURED CONTRACT LARGE WHITE GOODS LANDFILL AVOIDANCE
 COMMISSIONER HIGHLAND COUNCIL/TEC SERVICES WASTE MANAGEMENT
 LENGTH SERVICE LEVEL AGREEMENT 2006–08
 VALUE APPROX £150,000 A YEAR

Based on environmental and waste management programmes such as the Landfill Credit Scheme and the Strategic Waste Fund, ILM Highland collects and reuses or recycles 1,000 tonnes of large white goods from across the Highland region. Goods are kept out of landfill sites and found other productive uses. This contract offers 20 training places and six or seven full-time staff places.

The contract evolved out of several programmes that the council had with social enterprises and community groups. ILM Highland was successful because of its track record in meeting previous targets and the added value of its intermediate labour market (ILM) programmes.

This contract has recently been extended to March 2008, although future work depends on the implementation of the WEEE (Waste Electrical and Electronic) Directive, which will place an onus on retailers to recover the electrical goods they sell. Partnerships to deal with this are still being explored.

Chief executive Andy Dytch says the key features of his organisation are that it is entrepreneurial, focused on creating real jobs, being good at relationships, meeting targets and understanding customer care.

ILM Highland evolved into a social enterprise from a Ross & Cromarty Council initiative and became independent in 1997. It retained its original mission to tackle long-term unemployment.

Chief executive Andy Dytch describes ILM Highland as a sustainable business with funding from Highland Council, the EU and the local enterprise companies supplementing business income.



It aims to increase trading income to 80 per cent of turnover.

The business removes 13,000 large white goods from the waste stream for reuse every year. In addition, 2,500 tonnes of waste plastic is recycled.

Since 1997, its Handyperson service has carried out over 5,000 jobs and a further 900 homes have been insulated. ILM has also delivered training courses for the public, private and voluntary sectors in construction and health and safety.

Lessons learned

“We make a real difference to the Highland economy and environment, are motivated by profit as well as the needs of our trainees, and want to find partners who share our values and present good business opportunities to us.”

Andy Dytch, ILM Highland

“ILM Highland is delivering the contract as expected and our relationship is friendly and professional.”

Councillor Bill Fulton, Highland Council

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ILM Highland provides recycling, insulation, care and repair and construction services. More than half its trainee placements move into full-time employment.



A McSence draughtproofer at work.
The business has been running since
the 1980s.

McSence Group

TURNOVER £5M STAFF 75
 FEATURED CONTRACT DOMESTIC INSULATION AND HEATING SERVICES
 COMMISSIONER SCOTTISH EXECUTIVE/MIDLOTHIAN COUNCIL
 LENGTH ANNUAL
 VALUE £200,000 A YEAR

McSence Heatwise has carried out heating and insulation installation and maintenance work for over 14 years. The business is a sub-contractor on the Scottish Executive-funded Warm Deal programme to improve energy efficiency at home for people on low incomes across Central Scotland and the Borders.

McSence won the contract to deliver part of this work at full competitive tender against private sector providers by ensuring the best price. The main contractor on this programme has recently changed hands, although McSence has been retained as sub-contractor.

McSence also added to its Executive-funded work by winning a tender from Midlothian Council to deliver the same service to other local residents who would not qualify for Warm Deal assistance but who are in need of energy efficiency and fuel advisory services. This contract employs 34 people and has developed as an arrangement where the council can engage a local business already delivering a large-scale contract in the area, thus enabling a competitive price.

The McSence approach is not to identify individuals scattered across Midlothian, but to proceed on a street-by-street basis, using word of mouth to pick up work. It also works with the council, housing associations, the Citizens Advice Bureau and others to pick up additional leads, guaranteeing an efficient and effective service.

McSence was
founded in 1988 with £7,000 collected from local shopkeepers. In 2004/05 it made a profit of over £250,000.

Its six companies provide services in insulation and heating, work-space rental, recycling, security, office and domestic cleaning. McSence aims to establish profitable businesses that will create long-term employment and regenerate the local community.

*Chief executive
 Brian Tannerhill*



says McSence succeeds in highly competitive markets because it has both a commercial culture and strong community links.

The group has public and private sector clients and is experienced at submitting tenders and developing business relationships. It emphasises the importance of recruiting the right people and unusually for social enterprises, McSence has a system for staff bonuses if targets are achieved.

McSence values their standards of contract management and customer care and seeks to build good relations and positive expectations with its partners.

Lessons learned

“The board of McSence is made up of local people who demand that all our businesses create good quality jobs. Our culture here is that we must meet customer expectations and having won contracts, fight hard to keep them by building good relationships and delivering good workmanship.

“We do that by recruiting the right people and paying market rates for their skills and experience. This means we perform well and we also have an internal targets culture for our managers. That keeps us focused and our customers happy.”

Brian Tannerhill, chief executive, McSence Group

“McSence regularly exceeds our expectations and it is very good at ensuring that all aspects of the business are delivered. Apart from the installation work, this includes regular communication with us, timely invoicing and the production of good reports. This means that the council can (statutorily) report to the Executive on the progress with the contract with no problems or delays. In short they make the job easy for us.”

Ray Emmerton, Midlothian Council

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Smile Childcare

TURNOVER £1.1M STAFF 47 FULL-TIME, 34 PART-TIME
 FEATURED CONTRACT SERVICE LEVEL AGREEMENT FOR EIGHT CHILDCARE PLACES
 COMMISSIONER STEVENSON COLLEGE
 LENGTH ANNUAL
 VALUE £47,000 A YEAR

Smile Childcare provides childcare services to students at Edinburgh's Stevenson College. This contract has evolved over five years to meet the changing needs of student parents.

Unlike other providers, Smile Childcare does not sell 'blocks' of childcare which parents may not want. Instead, it provides customised childcare, split between mornings and afternoons depending on the course the parent is taking and hence the parent's need for childcare.

Parents can also choose where their child will be looked after. Over the years, students have increasingly elected to have childcare services as close as possible to their home rather than at the college or in one fixed location.

The contract is for eight places, but because some students need less than a full week's service other students can take up the slack so more than eight children are cared for through this contract.

The contract relationship is built on high levels of trust, flexibility and value for money and is enhanced by the fact that the college also teaches childcare courses and the organisations have a shared ethos.

Smile Childcare
(formerly One Stop Childcare)
 offers flexible, affordable, high quality childcare services.

It evolved from a voluntary sector funded 'project' into an entrepreneurial business through a combination of declining funding and the sustainability agenda for social enterprises promoted by the Scottish Executive.

Its mission is to help people help themselves, whether through getting back to



work or entering education or training.

The childcare market is also important to policy planners and Smile Childcare understands the importance of the back-to-work and training agendas. This is demonstrated by strong relationships with the City of Edinburgh Council and the local childcare partnership.

Lessons learned

“One of the pleasing things about this job is the sense that people now understand that Smile Childcare is a social enterprise. We operate as a business, but we also have very high standards of customer care and a very strong mission to serve our community, parents, employees, customers and of course our children.

“We are a significant player in our local economy and that is also gratifying especially as we are also seen by many of our customers to be better, more flexible and more highly qualified than many private sector nurseries”.

Rosemary Milne, Smile Childcare

“If you deal with a social enterprise it doesn’t mean that the organisation is less of a business than a private sector firm. We are very satisfied with the service and the relationship we have. In fact, the private sector could not provide what we wanted.

“My advice is that you should spend time getting the details of the contract right and invest in the working relationship. We genuinely get what we pay for, our students are very happy and we would recommend Smile Childcare to other colleges who need this service.”

Caryn Smith, Stevenson College

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Children at Smile Childcare. During 2005 more than 3,200 children were cared for by the organisation.

Penumbra

Penumbra is one of Scotland's leading and most innovative mental health service organisations. It provides services mainly to local authorities, with the bulk of its business in East Scotland.

The organisation has a history of innovation and the piloting of niche services, which eventually are seen as models for mainstream provision across the country.

Penumbra was the first Scottish



TURNOVER £7M STAFF 324

FEATURED CONTRACT EDINBURGH CRISIS CENTRE

COMMISSIONERS CITY OF EDINBURGH COUNCIL AND NHS Lothian

CONTRACT LENGTH OPEN ENDED

CONTRACT VALUE £420,000 PER YEAR

The Crisis Centre was developed after a campaign by – and a consultation with – members of a local mental health service users' forum, statutory bodies and service providers, including carers. The centre helps people with mental health problems and deals with social problems rather than psychiatric emergencies.

Services are provided 24 hours a day, seven days a week. They include crisis assessment and interventions, telephone access and helpline staffed by a team of 15 who can deal with relationship, domestic, behavioural, accommodation and other short-term crises as they occur. The service works closely with others to best meet individuals' needs.

Penumbra won a competitive tender. It believes three factors were influential. First, the organisation is known for innovation. Second, could include a 'spare' building as part of its bid tender. Third, and crucially, this new service is a partnership with many bodies who all have an input into policy, organisational development and service delivery. Penumbra demonstrated the experience and capacity to work effectively in this way. It also displayed a degree of humility and a willingness to innovate.

Lessons learned

"This service reflects our innovation and our unwillingness to compete in highly



Although not the biggest mental health service in Scotland, Penumbra has a history of innovation. Many of its services are seen as models for mainstream provision across the country.

mental health charity to provide supported accommodation services in 1985. Now, policy planners and service providers throughout Scotland see these services as essential.

Penumbra has international links and has developed a support and mentoring relationship with ESTUAR in Romania. ESTUAR models itself on Penumbra to bring about change and is making remarkable progress.

crowded markets. We continue to grow because we are willing to acknowledge that we don't know everything and genuine partnership models seem to us to be a way forward. What we like doing is building 'win-win' business relationships and although we are yet to produce social accounts, our record, and our clients, tell us that we add significant value to services for highly vulnerable people."

Nigel Henderson, chief executive, Penumbra

"We have joined with our partners and invested substantial amounts of effort and resources into the consultation, design, development and evaluation of this service. The process has informed our thinking significantly and we welcome the fact that so many of our partners are genuinely empowered in this partnership. The service is at the early development stage but we are confident that with close and effective monitoring, our partners will see their goals realised and that service users, carers and others will benefit from this unique innovation. Penumbra has delivered what is expected of it, and the relationship between all stakeholders is excellent. If this idea is replicated elsewhere in Scotland we will be delighted to have played our part as trailblazers."

Christina Naismith, City of Edinburgh Council/NHS Lothian

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Renfrewshire Council for Voluntary Services

TURNOVER £520,000 STAFF 17
 FEATURED CONTRACT BEFRIENDING SERVICE FOR OLDER PERSONS
 COMMISSIONER RENFREWSHIRE COUNCIL
 LENGTH PLOT PROJECT (MAX 12 MONTHS)
 VALUE £80,000 A YEAR

Renfrewshire Council for Voluntary Services (RCVS) is part of the Equal Social Economy Scotland Partnership and was chosen to pilot a new ‘public-social partnership’ approach to procurement in Renfrewshire. This was designed to develop a new elderly care and befriending service for the local authority’s social work department that would improve the capacity of social economy organisations in the area and increase volunteering opportunities.

Two working groups were set up to develop a service specification based on users’ needs and to consider the best way forward, with the intention of establishing a consortium or collaborative model. This was done in partnership with the prospective providers of the service, the social work department and members of the local social economy partnership. A targeted geographical area – Erskine – was chosen for the pilot and imaginative use of social work funding will help the pilot process.

The contract price and unit cost will be verified through the pilot; and volume, total contract value and tendering clarified through close monitoring and evaluation. Delivery of the service will take place from January 2007.

Lessons learned

“The process in developing the local partnership has been lengthy but has been crucial in ensuring that all providers are on board and working together to develop

Founded five years ago, RCVS is an umbrella organisation for the voluntary sector in Renfrewshire with members varying from small self-help groups to branches of major national charities. It offers other agencies such as Renfrewshire Council the opportunity to consult voluntary groups working in the Renfrewshire area.

It is one of the larger CVSs in Scotland and offers services across a range of nation-





The befriending service run by RCVS has helped older people in the area.

a range of befriending services to meet the needs of socially-isolated older people living in Renfrewshire.”

Ann Cummings

“The support of all the partners and their willingness to engage and contribute to develop a different way of working is invaluable especially as they have limited resources to do this. Negotiating with the council for the procurement of public services through a public-social partnership leads me to believe that more effective services can result and lead to greater sustainability for the sector.”

Janis Macdonald, RCVS

“The council’s economic development division recognises the long gestation period of the project, which mainstream business advisers may feel is too long. However, the environment of the sector is different to that of the private sector and projects do not materialise without a great deal of thought and risk assessment, particularly as public finances are involved, committees and boards of charitable organisations have to be consulted and agreements made for something not attempted in this area before.”

Alan Morris, Renfrewshire Council

ally agreed activities, including: understanding, communicating with and representing the interests of the voluntary sector; providing hands-on support; promoting good practice; working to expand the sector and improve its operations.

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Scottish Association for Mental Health

SAMH is

Scotland's leading voluntary mental health organisation. It operates over 80 care, information and support services all over Scotland and has more than 3,000 service users. Its partners include local authorities, housing associations, health boards, local enterprise companies, JobCentre Plus and other statutory agencies. The organisation also generates income from training and employment services.

TURNOVER £17M+ STAFF 850
 FEATURED CONTRACT BRIDGEWORK (MOTHERWELL)
 COMMISSIONER NORTH LANARKSHIRE COUNCIL
 LENGTH APRIL 2004–2007
 VALUE £184,317 A YEAR

The Bridgework project provides intensive housing support to four men with a history of homelessness and ongoing alcohol issues. The service employs a manager, deputy and six support workers. It was put out to tender by North Lanarkshire Council because it did not have the specialist support available in-house. The arrival of the Supporting People programme encouraged the council's housing department to move away from service level and management agreements to formal contracts.

The Scottish Association for Mental Health (SAMH) put together a very competitive bid, illustrating a high level of commitment, a lot of experience and, crucially, it could underwrite the infrastructure and management costs of the project as a 'loss leader'. The local authority was impressed by the organisation's experience in transitional housing support services and its values.

There have been several positive outcomes. One man regained contact with his family again after a long estrangement; another has started to abstain from alcohol even though that is not an explicit aim of the service. The contract has increased with new staff and additional elements making it a more holistic service with a greater focus on pre- and re-settlement work.

Lessons learned





SAMH successfully tendered to run the Bridgework project in Motherwell.

As the country's pre-eminent mental health organisation, SAMH also has a prominent policy and campaigns arm, working to educate people about the extent and nature of mental health problems, influence national and local policy and tackle the stigma commonly associated with people who suffer them.

“This contract gave us a starting point in alcohol services, which we have developed dramatically since. We have tendered for contracts in Glasgow and been able to bring in learning from our North Lanarkshire work. We have also expanded our work in the local area. We now have four service elements there and have developed a good partnership with the council. It is also useful for us to be able to link practice with our policy work.

“Organisations looking to operate contracts should focus on their relationship with the commissioner. They need be open and honest and ensure that their focus stays on the end users of the service. The good thing is that it is easier to stay like that with a contract – you don't get pulled off course like you can with a grant-funded project as survival becomes less of an issue.”

Lorraine McGrath, SAMH

“To date SAMH appears to have demonstrated its values and principles very clearly. It showed a commitment to joining up services and developing pre-placement and post-placement contact and support. A purely profit-driven organisation may not go that extra mile to ensure service users' needs are still met when they're back in the community.

“It's important for a service commissioner to look beyond the high-level words an organisation uses and see how it actually matches its aims and values with the service that it delivers. That's what impressed us about SAMH, as well as its efforts to dovetail with objectives in the council's homelessness strategy and Supporting People plan.”

Kevin Innes, North Lanarkshire Council

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Trans Fife Community Transport

TURNOVER £0.7M STAFF 35, PLUS TRAINEES AND VOLUNTEERS
FEATURED CONTRACT OUT OF HOURS DRIVING SERVICES FOR ON-CALL GPs
COMMISSIONER NHS FIFE
LENGTH 3 YEARS UNTIL APRIL 2007
VALUE £500,000

Trans Fife Community Transport (TFCT) provides driver attendants to assist GPs working out of hours in Fife. As this contract is worth over £100 000, NHS Fife sent this to tender under Official Journal of the EU Rules. NHS Fife was keen to ensure that everyone who tendered understood their needs in relation to value for money and quality.

TFCT was the existing contract holder, but its bid succeeded on the basis of price and its proven ability to deliver. For the NHS procurement staff, the social enterprise status of TFCT was a bonus but it did not affect their decision as NHS Fife adheres to a non-biased procurement process.

NHS Fife is happy that the contract has been delivered to a very high standard. It feels that the innovative nature of TFCT demonstrates that it understands customer needs. The three 'C's – care, communication and consultation – are regarded as the basis of the contract relationship.

Lessons learned

'Our biggest lesson was to realise that as a social enterprise all our activities carry a cost. Profits allow us to cross-subsidise services which are socially necessary but cost prohibitive and therefore unlikely to be undertaken. This ethos ensures they are supported, an example of our commitment to our community.'

Bill O'Sullivan, Trans Fife Community Transport

‘Procurement officials need to be able to tell if suppliers are impressive beyond the rhetoric of presentations. TFCT satisfy us well on the deliverables but also on the quality of our partnership and relationship. I get good feedback from my colleagues and we would be happy to work with it in the future if it comes up with the right bids.’

John Cowie, NHS Fife

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Trans Fife Community Transport provides driver attendants to assist GPs working out of hours in Fife.



Richmond Fellowship

The Richmond Fellowship
 Scotland is a registered charity and Scotland's largest provider of adult community care services. It supports over 2000 people with various support needs, including people with mental health difficulties, learning disabilities, autism, dementia or alcohol-related problems.

It operates more than 170 different services all over Scotland, including contracts or service level

TURNOVER £42 MILLION STAFF 2,500+
 FEATURED CONTRACT WEST DUNBARTONSHIRE ARBD
 (ALCOHOL RELATED BRAIN DAMAGE) SERVICES
 COMMISSIONER WEST DUNBARTONSHIRE COUNCIL
 LENGTH SINCE APRIL 2003 VALUE £759,850

The Richmond Fellowship Scotland has worked with West Dunbartonshire Council since 1994, delivering services to people with severe, enduring mental health issues. In the course of its work it identified a need for specialist support to people with alcohol-related brain damage and approached the council in 2003 about providing that support as an add-on to its existing competitively-tendered contract. The service has been fully operational since April 2003, providing care and practical support to more than 50 people with the aim of helping them live as independently as possible in their home and community. It has enabled many people who had been inappropriately placed in residential care move back into their own home. Others live in sheltered-style accommodation where they live independently and manage their own tenancies but are able to access specialist support on-site.

The contract currently provides 835 hours of support a week and employs the equivalent of 36 full-time staff. Since it started it has been developed by adding a rapid response element and through engagement with more complex cases.

Lessons learned

“There was clearly a need for this service. We were aware of people living in nursing homes who could, with more defined support, live at home. We had developed an open and honest relationship with the council through our existing contract, so



Richmond Fellowship employs the equivalent of 36 full-time staff.



agreements with 27 local authorities and NHS boards. TRFS services include personal care and housing support, help with education, personal finance, leisure and counselling, respite and crisis support.

The company is also one of Scotland's biggest providers of SVQ training in social care as well as providing bespoke specialised training for its own staff.

we felt comfortable about talking to them and suggesting that a new service was needed. We were also able to make it cost-effective for them by using the same core management team and building in other economies of scale.

“This was our first ARBD (alcohol-related brain damage) contract in Scotland, so it has added new skills and experience to our portfolio. We have developed our own specialised ARBD training for staff and we have been able to tender for other new contracts as a result of having this experience.

“Operating contracts is challenging as it demands high levels of accountability and professionalism. It is important to recognise this and to develop systems that help you keep track of continually changing support hours and monitor the quality of the service.”

Craig Wright, The Richmond Fellowship Scotland

“This is obviously a small area and we enjoy close relationships with all care providers we work with. We are pleased with the quality of service delivered by TRFS. The fact it is a values-led organisation is important, particularly in an area like social care.

“Social enterprises and voluntary organisations are instrumental in developing and delivering services for this sector, and they have been for a long time. They should always be considered because they have generally amassed a great deal of knowledge and expertise.”

Mike Foley, West Dunbartonshire Council

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Workbase Scotland

TURNOVER £360,000 STAFF 4 STAFF, 6 FREELANCE CONSULTANTS
 FEATURED CONTRACT ADULT LITERACY AND NUMERACY
 COMMISSIONER GLASGOW CITY COUNCIL
 LENGTH 2002–06 VALUE £344,357 OVER FOUR YEARS

Between 2002 and 2006 Workbase Scotland was commissioned by the Glasgow Community Learning Strategy Partnership to deliver two adult literacy and numeracy projects. One worked with employees in small or medium enterprises, the other with people in danger of being made redundant. Local authorities across Scotland are obliged to deliver literacy and numeracy education for adults as part of a national policy initiative, although each can adopt different strategies for doing this.

Glasgow City Council subscribes to the nationally-endorsed social practice model of adult education: attempting to connect with learners in their home, community or work lives and provide learning appropriate to these areas. The partnership works across sectors with a number of different providers able to engage with learners.

Work can often be a difficult area in which to address these issues as many employers are reluctant to admit that their employees may have basic skills problems. Workbase's expertise in engaging with employers was key to this work and helped it exceed its targets for the programme.

Lessons learned

"We understand the importance of context and environment on learning. We try to integrate our adult literacy and numeracy education with tools that reflect the

Workbase

Scotland is a not-for-profit company set up as a partnership between employers, employees and trades unions to provide training and learning in the workplace. Virtually all of its income is generated from contracts and fees.

It provides a wide range of skills and learning to people in the workplace. This may involve upgrading or refreshing workers' skills in order to help them sustain employment or move to a higher



Workbase Scotland provides a range of skills and learning to people in the workplace.



business we are going into. This is an area with a lot of stigma attached to it, so it makes a big difference if we design work related materials that reflect actual events and activities.

“This approach is a workable way forward for social enterprises. They need to be able to adapt and be flexible in response to their clients’ needs. It is also a skill that organisations become better at by running contracts.”

Margaret Park, Workbase Scotland

“We look for providers who are well placed to help us deliver our goals in engaging existing and emerging priority groups of learners. Workbase has experience in providing work-based learning, engaging workers and employers directly and tackling the stigma that is common to this area.

“We benefit from being able to draw on their experience and expertise. They contribute to the development and delivery of adult literacy and numeracy services and to the achievement of the city’s wider aims and objectives.”

Coleen Willoughby, Glasgow City Council

grade. It has also helped a number of organisations adapt to new EU legislation around employee engagement and runs training on setting up and participating effectively in employee forums.

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