

Developing Success Criteria for Social Enterprises in Prisons – a Scorecard Approach

NOMS North East Prisons have 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 introduces the scorecard approach developed and tested with staff in the North East Prisons.

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 cover 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 wish 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. This action research project is being carried out in three phases. Summaries of the learning from each phase of this project will be published and made available on the SERIF website. This briefing covers the learning from Phase 2 of the project undertaken between January and March 2013.

Origins of the Scorecard

The interviews conducted with prison staff as part of Phase 1 (see *Best Practice Briefing No: 3- January 2013*) revealed that, despite clear policy drivers supporting the growth of social enterprise, there are distinct operational constraints and resource considerations which any social enterprise must address in order to operate successfully in a custodial setting. These requirements are over and above the normal requirements of a business plan.

Succeeding in social enterprise is hard – succeeding in social enterprise in a prison is even harder

A key finding from the interviews was that success criteria, and the operational, resourcing and regime issues needing to be addressed by social enterprises, could helpfully be summarised in the form of a scorecard – see below.

Such a scorecard also allows the main elements of 'social return' which the social enterprise will deliver to be identified - ie what qualifies it to be described as 'social'.

Based upon a traffic light system, the scorecard addresses the completeness of any social enterprise project proposal against the headings: **Resources, Regime, Readiness, and Social Return.**

How and when it is used

The scorecard for NOMS in the North East has been designed to be used in three ways:-

- ✓ As an initial 'triage' tool to test and assess social enterprise ideas and project proposals, and to rank them in terms of those which greatest potential to deliver social return and fewest barriers to overcome to be ready to commence trading.
- ✓ As a business planning tool to gauge the readiness and fit of a project proposal, and to identify which aspects of the business plan are not yet fully developed and what skills or resources may be required to complete the plan and win 'sign off' for the proposal.

- ✓ As a discussion starter with potential partners or project sponsors (eg when an outside organisation approaches the prison with a new social enterprise idea). The partner/sponsor can be invited to complete a scorecard, and the results can be used to set the agenda for future negotiations, to scope the 'fit' with the host prison and to signal the scale of investment (time and resources) which may be required to bring the project proposal to fruition.

The scorecard does not simply generate a simple 'Yes' / 'No' result. It scopes the extent to which a project is a good fit with the prison and is ready to proceed, and the extent to which further permissions, market research or project (re-)design is needed before it can safely commence trading. If, on occasion, use of the scorecard reveals that the effort required to make a social enterprise fit for purpose outweighs its prospective social return, then the scorecard has contributed appropriately towards effective use of resources.

Even within existing projects the scorecard can be used to identify areas calling for improved efficiency, or barriers to be overcome before expanding the enterprise.

The scorecard has been designed and refined to meet the context of prisons in the North East, but the principles underpinning the process could be equally applied (with some minor adaptation) in a non-custodial setting.

Testing and Early Successes

The scorecard was tested as a proto-type in three custodial settings and minor refinements made. The scorecard has proved intuitive and simple to use. In early testing and in subsequent applications, it has generally taken no more than 1 hour to discuss and complete a scorecard. Equally, the results - identifying areas of the social enterprise proposal requiring further development - are easy to interpret and to apply.

In one of the prisons where the scorecard was first tested, they have gone on to use the tool to re-appraise and redesign (simplify) a social enterprise project in the light of the initial scorecard results.

In another prison the scorecard has also been trialled within the context of a prisoner focus group. A prisoner then went on to use it to test and to develop a project idea which he had brought to the focus group. His feedback is reproduced below:

Extract from Prisoner's letter:

*The 'traffic light system' sounded complicated at first, but this got easier as we went through the stages step-by-step. Our input was considered at every step, and the honesty of how realistic our input was, was well received. It was refreshing to be given responses as to why some of our ideas couldn't be considered, as opposed to just being told 'no'
The notes I took will help when I get to the stage of advancing any idea I may have for a business*

The scorecard has now been rolled out across the North East Prisons in two training workshops involving 40 prison staff and partners. The workshop feedback was overwhelmingly positive. More than half of attendees highlighted the scorecard as the most useful aspect of the training session. Other comments included:

- Recognising the definition of social enterprise
- Social enterprise in a custodial setting - what is achievable in my and other establishments
- Making me aware it is not "just us" who have to overcome restrictions
- Finance aspects (of social enterprise in prisons)
- Possibilities of changing the culture and developing new ideas

Resourcing the Teams

Although the scorecard can be used as a stand-alone self-assessment tool, it has not been designed for use in isolation within the North East Prisons.

Staff working in prisons have a wealth of experience of running prisons, but may feel out of their depth when it comes to starting a new business

It has always been part of the project plan that those using the scorecard should have access to peer support and, when required, external advice to help bring a project to fruition.

The project plan includes:-

- ✓ the identification of Social Enterprise Champions from amongst the prison staff who will promote the use of the scorecard and idea generation
- ✓ the use of Support Panels to give feedback, advice and encouragement to project sponsors bringing forward social enterprise ideas
- ✓ the recruitment of a pool of mentors (social enterprise practitioners from outside the prison service with a wide variety of business skills) who can be called upon to help address skills and knowledge gaps identified through the scorecard process
- ✓ access to mainstream support for social enterprises where applicable
- ✓ the development of a 'tool kit' of planning templates and guides to help with marketing, production and financial planning
- ✓ building up a 'knowledge bank' of best practice solutions within the prison context (eg treatment of finance flows, governance and partnership contracts) to be shared across the North East

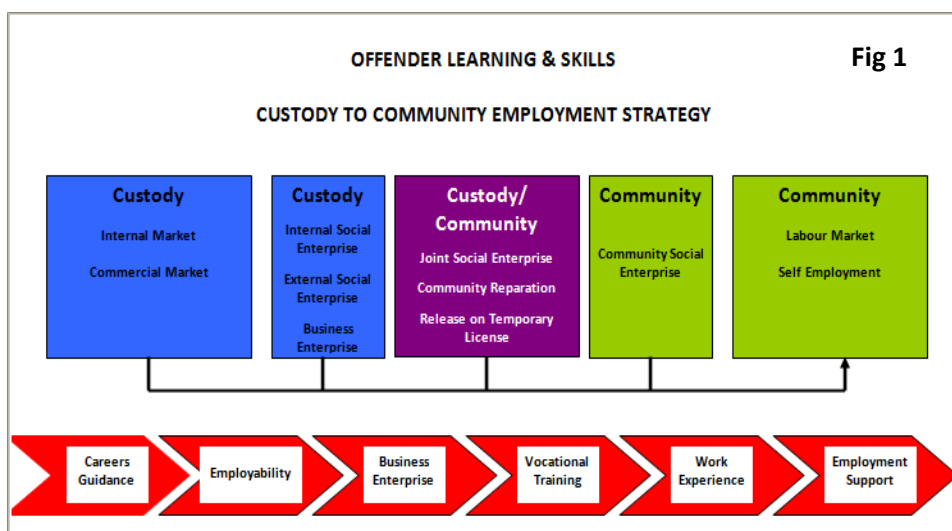
The Basis of a Strategy

Phases 1 and 2 of this action research project have highlighted the need for an overall social enterprise strategy for the North East Prisons as a key component of Phase 3.

There is an infectious enthusiasm for the potential for social enterprise across the prison estate in the North East, and a fresh appreciation of its potential to boost the employability skills of offenders. Ideas have been generated already include social enterprises trading within prisons, social enterprises trading between prisons and social enterprises trading outside the gate employing prisoners on ROTL.

The emerging strategy will include:

- ✓ the establishment of primary goals for social enterprise within a wider labour market strategy - see Fig 1
- ✓ the setting of targets for key performance outcomes
- ✓ a framework to avoid duplication of projects/activities
- ✓ a strategy for social enterprise activities which can operate across more than one prison site
- ✓ options for one legal and financial entity to manage all social enterprise trading outside the prison gate in the North East
- ✓ a framework for the most effective application of the tools and processes developed through this programme (the scorecard, social enterprise champions and a support panel framework)



An effective *Virtual Business Centre* would not only offer appropriate work for offenders with higher level skills, but would also help to reduce the support costs and business risk of new enterprises.

A 'Virtual Business Centre'

Another significant outcome from Phases 1 & 2 is the emergent concept of a *Virtual Business Centre*.

This concept recognises that in some long stay prisons in the cluster there is a stable population of offenders with high level business skills (marketing, operations, finance). Often there is not the opportunity to challenge their intellect and draw upon their work experience.

Could these skills be applied to support and strengthen social enterprises both in the planning and development phase, and through the provision of back office services and ongoing support once they are established and trading? Might not the business and enterprise skills of offenders complement the external input through mentors and others? *Virtual Campus* offers a secure portal through which such business support might be delivered.

The *Virtual Business Centre* will be further explored by a dedicated task group alongside the social enterprise and employability strategies for the North East Prisons.

Using the Scorecard

The scorecard has been developed for and is copyright to NOMS North East Prisons.

NOMS North East is happy to share its experience of developing the scorecard framework and to invite others to trial it in other contexts. However, they ask that their copyright is acknowledged whenever the scorecard is reproduced and that the scorecard is not reproduced or used in any altered form without their prior written permission.

NOMS NE invites those who would like further information about the scorecard framework and this briefing to contact SERIF first, using the contact details opposite

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Social Enterprise Scorecard

Project Name	
Project Sponsor	
Location	
Brief Description	
- Activity	
- No: of Offenders employed	
- Skills required	
- Goods to be produced	
- Where & how sold?	

Scorecard Summary					
RESOURCES					
Not Met	Partly Met	Mostly Met	Fully Met	Not Apply	Notes
REGIME					
Not Met	Partly Met	Mostly Met	Fully Met	Not Apply	Notes
READINESS					
Not Met	Partly Met	Mostly Met	Fully Met	Not Apply	Notes
SOCIAL RETURN					
Not Met	Partly Met	Mostly Met	Fully Met	Not Apply	Notes

Social Enterprise Scorecard (ver 4.1)

How the Scorecard works

Each of the four Scorecard headings – Resources, Readiness, Regime, & Social Return - is described as a series of statements which set out the criteria any social enterprise is likely to be required to satisfy.

Against each statement the project sponsor(s) will be expected to indicate 'Not Met'/'Partially Met'/'Mostly Met'/'Fully Met'. There is also a box to indicate 'Does Not Apply', and a space to add notes when appropriate.

In relation to Social Return (pages 6 & 7) it is not expected that all of statements will apply to any individual project. You are invited to choose between two and four indicators which reflect the main social objectives for your project, and to mark the others 'Does not apply'.

It would generally be expected that a proposal should not be progressed if any of the statements are answered 'Not Met' (unless it can be shown that they are not material or not relevant)

If a project proposal 'fails' the scorecard at first try, it will be evident to the project sponsors where the areas of weakness lie with the proposal, and therefore what needs to be addressed before it can/should progress.

The front page of the scorecard includes space to identify the project sponsor and to give a short description of the activity.

The scorecard and narrative can be used to invite feedback from colleagues and/or the Support Panel.

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RESOURCES	Not Yet Met	Partly Met	Mostly Met	Fully Met	Does not Apply	Notes
1. The workspace and tools/equipment necessary for production can be provided on site, and any additional requirements have been allowed for in the project budget						
2. The prison has appropriately qualified staff to oversee production						
3. The offenders identified to work in the project have the required skills or are capable of being trained up to the required skills level						
4. Raw material and production costs (including wastage) have been accurately estimated						
5. Product design, specification and quality control have all been fully costed in the business model						
6. Transportation in and out of the prison to final market has been scoped and fully costed						
7. A costed budget for packaging, marketing and sales promotion has been prepared						
8. An end market for the product/service has been identified at a selling price which allows the proposal to be viable						

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REGIME	Not Yet Met	Partly Met	Mostly Met	Fully Met	Does not Apply	Notes
9. The nature of the production / service proposed is appropriate for the category of prison						
10. The nature of the production / service proposed is appropriate for the offenders who will be employed and their training needs						
11. The prison can safely store raw materials, work in progress and finished product						
12. There is a sufficient number of offenders suitable for this type of training/ work to meet the project's production plans						
13. The working hours and shift patterns anticipated in the enterprise plan can be accommodated within the prison regime						
14. The risks of transporting materials and finished goods through the prison gates can be satisfactorily addressed						
15. Any foreseeable reputation risk associated with this enterprise can be managed satisfactorily						
16. The enterprise proposal has been discussed and cleared for further development at an appropriate level within prison management						

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READINESS	Not Yet Met	Partly Met	Mostly Met	Fully Met	Does not Apply	Notes
17. There is already in place a social enterprise entity with the financial and management capacity to host this project						
18. The prison and (where applicable) the social enterprise partner have the staff resources and skills necessary to manage effectively the business risk of this project						
19. The project plan has identified raw material sources, designed a production process and researched the end market for the goods / service						
20. The project plan has identified the number of offenders to be employed and the hours and skills required to meet output targets						
21. The viability of the project proposal has been tested in the form of a simple financial model						
22. An analysis of the major business performance risks has been prepared						
23. The project will have access to sufficient finance to see it through the start-up phase						
24. The prison / the social enterprise partner has respectively identified a project leader to see the project through its development phase						

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SOCIAL RETURN	Not Yet Met	Partly Met	Mostly Met	Fully Met	Does not Apply	Notes
<i>The list below represents an inventory of the different types of social return which may be measured.</i>						
<i>You should choose between two and four indicators which reflect the main social objectives for the project, and mark the others 'Does not apply'. In some cases it may be that the project will also contribute additional social return in other areas, but for the purposes of the project plan it will be important that the social enterprise can and will deliver measurable impact against the key target indicators.</i>						
The expected contribution from this project to						
25. enhance the employment prospects of offenders on release						
a. can be described						
b. results can be measured						
26. reducing re-offending						
a. can be described						
b. results can be measured						
27. 'working prisons' targets						
a. can be described						
b. results can be measured						
28. safer prison communities						
a. can be described						
b. results can be measured						
29. reducing cost per offender						
a. can be described						
b. results can be measured						
30. improved self-esteem and citizenship						
a. can be described						
b. results can be measured						

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SOCIAL RETURN <i>(continued)</i>	Not Yet Met	Partly Met	Mostly Met	Fully Met	Does not Apply	Notes
The expected contribution from this project to						
31. inclusion of offenders not otherwise participating in core activities and skills training						
a. can be described						
b. results can be measured						
32. enabling offenders to develop and practice higher level workplace skills (eg workshop supervision, production planning, finance and administration)						
a. can be described						
b. results can be measured						
33. restorative justice						
a. can be described						
b. results can be measured						
34. improving public attitudes towards the rehabilitation of offenders						
a. can be described						
b. results can be measured						
35. environmental / recycling targets						
a. can be described						
b. results can be measured						
36. meeting an identified need in the community						
a. can be described						
b. results can be measured						

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