

## SES Contracting from a Private versus Public Purchaser – does it make a difference?

For some years now the national government agenda has focused on encouraging more Third Sector Organisations (TSOs) to deliver public services through contracting. The rationale behind such thinking has been well documented and includes propositions such as TSOs being closer to the service users and therefore have a better understanding of their needs.

The recent change to a Coalition government does not seem to have halted this drive. If anything, there is more talk of TSOs delivering public services, particularly in relation to delivery by social enterprise organisations. Social enterprises are businesses that put social/environmental objectives at the forefront of their business model. They can include co-operatives, Development Trusts, Social Firms and enterprising arms of charities. But when you are a TSO involved in contracting, does it make any difference whether your contract is with a private or public purchaser?

SES (Sustainable Enterprise Strategies) is a social enterprise. Having set up in 1983 as Sunderland Co-operative Development Agency, it is now a Community Interest Company (CIC) with over 25 years experience of supporting hundreds of different types of enterprises across North East England. SES's work takes staff into some of the region's most deprived areas helping individuals achieve their ambition to set up their own business despite experiencing some of the most challenging barriers in doing so.

The organisation is managed and directed by Mark Heskett Saddington and Kevin Marquis who guide, nurture and lead SES in relation to its organisational goals. They are supported by three experienced Senior Development Managers who, in turn, are supported by a team of 19 staff who are equipped with the skills and knowledge relating to enterprise formation of any type. Last year the team helped launch 20 new social enterprises in the North East, and 259 traditional enterprises, 70% of which were by people who were workless.

They have four offices covering the Tyne & Wear sub-region though their work covers the whole of the North East.

The vision at SES is:

- *To use enterprise in all its forms as a vehicle for the creation of a fairer society through the alleviation of inequality, exclusion and poverty; and,*
- *to underpin our work by taking an evidence-based approach.*

This is achieved by:

- Actively promoting and supporting the development of enterprise in hard-pressed communities
- Helping people overcome the barriers they face in seeking to start a business
- Encouraging groups and individuals to be more entrepreneurial
- Providing a comprehensive network of community anchors, locally accessible centres providing business stimulation, start-up and aftercare services
- Developing the physical infrastructure needed to underpin our efforts in local communities
- Building long-term and helpful relationships
- Promoting, developing and supporting social enterprises within the region.

In terms of public sector contracts, SES's financial model is built around delivering public sector contracts. Presently it is delivering a New Deal for Communities contract in Sunderland (traditional enterprise), Working Neighbourhood Fund in Newcastle (social enterprise) and Sunderland (traditional enterprise), ERDF regional – (social and traditional enterprise) and the Social Enterprise Investment Fund which is also regional (social enterprise).

In addition SES has been proactive in supporting the social enterprises associated with them to prepare for, and win, substantial public sector contracts, particularly in health and social care. Some of these social enterprises, along with SES, are now of national significance and some of their social entrepreneurs act as national social enterprise Ambassadors – for example, Lynn Summerside of Sit n b Fit and Margaret Elliot of Sunderland Homecare Associates. They are now actively engaged with and are trying to influence the Agenda of the new Coalition Government

Alongside general enterprise support, SES is also what is called a 'Co-operative Development Body'. This means they have specific expertise in establishing co-operatives and community-owned businesses. They are able to offer the technical and specialist expertise required to ensure the chosen structure matches the needs of the group. The development of enterprise skills and then bringing those skills together within a co-operative, SES believe, offers a route out of inequality and poverty. Collectively, their human resources mean that SES has over 100 years of providing co-operative support to groups and individuals. Additionally, they utilise the skills of other professionals and work in partnership with organisations who have shared values.

Given this context, SES brought together a consortium covering the North East region to deliver co-operative enterprise advice and training having bid for a contract commissioned through the Co-operative Enterprise Hub - part of the Co-operative Group. The Co-operative Group recognised that there was a huge gap across all English regions in terms of establishing new co-operative enterprise. Traditionally, such support had been provided through amongst others, local authorities. In the North East, there hasn't been any dedicated co-operative support for almost ten years. The consortium is made up of CMS, EPL Ltd and SEN and led by SES. Together they bring the skills, knowledge and expertise to ensure anyone with a co-

operative idea gets full support either directly from the consortium members, or through bringing in support from other specialists.

So, how does delivering a contract for the Co-operative Group compare to delivering contracts for public sector purchasers? Is it any less time-consuming, bureaucratic, and frustrating? Kevin Marquis states, “The answer to this is yes. Contracting with the Co-operative Group has not been bureaucratic. In saying that it would be hard for the Co-op Group to even try to compete with the big public sector bodies on bureaucracy – they have the market covered. The bureaucracy attached to some public sector contracts is such that they are prohibitive to the non-public sector. Commissioners are weighed down by their own bureaucracies which they pass on to the provider. The provider then faces a mountain of policies and procedures which are usually designed for a totally different animal – one that is much larger and by nature bureaucratic. As a consequence the very strength of our sector – lean, mean, flexible and responsive – is trampled over. Then comes the audit ..... because SES delivers a number of public sector contracts, we can be audited 2 or 3 times a year by different public bodies. Think how that time could be used for the benefit of our client. At SES we feel the change of Government does provide an opportunity to ‘reel- in’ what we perceive as the extending, growing and stifling tentacles of the bureaucracy associated with third sector delivery of public sector contracts.’ As with other case studies in this series, watch this space!

Anyone considering the co-operative way of doing business can contact Mark Heskett Saddington or Kevin Marquis at SES.

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