

# Marsh Farm and The Organisation Workshop (OW)

## Main Business Plan



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# Background to Marsh Farm and the Organisation Workshop

## Introduction

The overall aim of the government's New Deal for Communities programmes is to address the systemic failures which have blighted the lives of people living in 39 of the UK's most deprived neighbourhoods. It has long been widely recognised that, despite the best intentions of many policy makers and service deliverers, public services have for the most part failed to make significant impacts on patterns of geographical and cultural deprivation. Identifying and developing solutions which can contribute to resolving the intractable issues that these neighbourhoods and communities face most acutely is paramount. Improve the life experiences and opportunities of the most vulnerable is a major overarching goal of public policy and increasingly a feature of the strategic demands made of public services in general.

There is no more immediate and pressing problem of this kind than the long term dependency on the benefits system that the absence of work, opportunity and motivation means for a significant minority of people living within some of our most economically deprived communities. 'The Organisation Workshop' (OW) is a brand new (to the UK) way of tackling this problem.

The OW provides up to **100 unemployed participants** with the tools, the tasks, and the professional support needed to self generate and sustain a wave of new jobs within **11 not for profit social enterprises based on the estate**. The enterprises will trade in markets which have been selected after an intensive programme of market research and community consultation. This was carried out specifically to determine the amount of money which enters the Marsh Farm local economy every year (in the form of resident's private incomes and public/private money for services) and where this money is spent (the 'economic flows').

Based on these findings we were able to identify many areas where huge levels of spending are already made by Marsh Farm residents (for example £1.7 million per year is spent solely on take away fast food), but where this spending is made outside of the local economy because there is no outlet on the estate to cater for the demand. It was then determined how much of that spending would need to be 'captured' to provide strong enough foundations for a sustainable business. Local people were subsequently surveyed again to find out which enterprises they would support by using the service. This 'capturing' of existing spending streams is a process described by the think tank nef (new economics foundation) as 'plugging the (economic) leaks'.

The Organisation Workshop is an exciting and innovative way of generating the enthusiasm, the unity, the self belief and the organisational capacity participants will need to succeed in giving birth to a family of locally anchored social enterprises, which can plug these leaks to the benefit of the whole community.

## Marsh Farm Estate

Marsh Farm Estate, which takes its name from the farm that owned much of land that eventually became the estate, is located to the north of Luton town centre. Marsh Farm is considered to be one of the most deprived areas in the East of England, characterized by severe problems of multiple deprivation including high unemployment rates, poverty, lack of skills, poor educational achievement and poor health.

The estate Luton Borough Council ward of Northwell and is made up of 3200 households and is a mix of 1960's tower blocks and low rise semis, housing a population of approximately 10,000. At the centre of the estate is the Purley Shopping Centre, a council owned development which has several small shops including a newsagent, a bakery and a library. There are also lots of green spaces on the estate, including 'Wauluds Bank' the site of a Mesolithic camp that dates back as far as 3000BC.

The demographics of the estate show that it has a young population with 26% aged under 16, and 7% over 65 (compared to the national figures of 21% and 18% respectively). The community is very diverse and since the 1991 census, the number of residents from black and other ethnic communities has risen to approximately one third of the overall estate population. The major ethnic groups on Marsh Farm are:

- British (69%)
- African-Caribbean (12%)
- Pakistani (6%)
- Bangladeshi (4%)

In a recent article relating to the Marsh Farm Estate, The Guardian newspaper noted that in Marsh Farm, "around 20% of young people over the age of 16 are still 'NEET's" (Not in Education, Employment or Training), the average wage is around £16,000 and drug problems are rife".<sup>1</sup>

Northwell ward is home to 4.6% of the population of Luton as a whole but its residents make up 5.9% of Luton's residents who are dependent on unemployment and other out of work benefits.

As such, the socio-economic geography of Marsh Farm Estate has three key features upon which this project can impact positively: the negative effects on the people who are living in a condition of unemployment and deprivation, the limitations to the effectiveness of services which are currently there to assist the unemployed back into work and the overall effect of this on the community at large.

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<sup>1</sup> The Guardian, Wednesday 12.03.08; '*Communist Revolution*'



**Figure 1: Aerial view of Marsh Farm estate**

## **The New Deal for Communities (NDC)**

It was these poverty index levels which were the impetus for New Deals for Communities (NDC) Government regeneration funding that the residents of Marsh Farm received.

*“We want to see outcomes [from the NDC] that will bring a real benefit to the people living in our most deprived neighbourhoods.”* Neighbourhood Renewal Unit 2001.

In January 2000 dozens of Marsh Farm residents formed a partnership with Luton Borough council and several other key agencies delivering services to the estate, in a bid to secure NDC funding of £48.3 million to regenerate the community over 10 years. By January 2001 the newly formed ‘Marsh Farm Community Development Trust’ had drawn up a 10 year plan - called “The Phoenix Rises” - which set out the vision, the strategy and the ways in which local people could, by working together with key partners, tackle some of the most deep rooted socio-economic challenges faced by the community.

## **Community Enterprise Resource Centre (CERC)**

The centre piece to the community and economic development strategy set out in the ‘Phoenix Rises’ was the purchase and refurbishment of a 120,000 sq ft former factory building in the middle of the estate, which was planned for conversion into a community enterprise and resource centre, creating a vibrant local hub with particular emphasis placed on the creation of employment and training opportunities for local people who are most in need. The refurbished building would house a sustainable mixture of social enterprises, statutory agencies, small businesses, community facilities, localised neighbourhood services, social spaces for our younger people and much more.

In April 2001 Marsh Farm Community Development Trust learned that their bid had been successful at the first attempt and were awarded the right to spend up to £48.3 million on developing the Phoenix Rises 10 year plan.

One of the key strengths of the Phoenix Rises plan (which was noted by the government department who were awarding the grant) was that in spite of the higher levels of worklessness and other social problems on Marsh Farm when compared to the rest of Luton, there is also a strong sense of belonging and loyalty to the estate, with a

community spirit and strength which had been fractured, but definitely not broken, by years and years of institutional neglect.

Residents behind the Phoenix Rises plan were adamant in their view that the harnessing of this untapped and frustrated community energy is the only way to achieve the sustainable regeneration of Marsh Farm's economy, maintain its physical fabric and secure the future health and well being of all of the people who live there.

### **Marsh Farm Outreach CIC (Community Interest Company)**

Just as in all of the other 38 NDC designated areas in England and Wales, on Marsh Farm there are pockets of entrenched social exclusion and deprivation experienced by a significant minority of residents, who find themselves trapped in this situation for a range of different reasons. Unfortunately the combined efforts of all of the agencies have not been able to resolve this problem, at heavy cost to the individuals and families concerned, and to the wider community.

To this end, in 2001 MFCDT began looking into the feasibility of delivering an employment generation model previously used in Central and South America, called the 'Organisation Workshop' (OW). The OW had demonstrated high levels of success in releasing the entrepreneurial skills of communities, most notably 'hard to reach' and excluded citizens, and had empowered them to make changes to their communities in a variety of ways.

One of the first requirements for successful delivery of an OW is the existence of a team of people living in the area who are willing to carry out the process of feasibility testing, partnership building, design and facilitation of the entire OW process.

With this in mind Marsh Farm Community Development Trust helped to develop the capacity of a team of 13 estate residents - now known as **Marsh Farm Outreach CIC** - and commissioned them to carry out a series of studies and seminars between 2005-8 to establish the feasibility of delivering the first ever Organisation Workshop in a UK setting.

**Figure 2: Marsh Farm Outreach and OW**



*Marsh Farm Outreach with OW Director Ivan Labra*



*Marsh Farmers enjoy the OW Festival*

## **Market research and community consultation**

Marsh Farm Outreach CIC researched and investigated the key areas in the feasibility of setting up an OW on the estate. The research and development work carried out for this project consists of the following (for each enterprise sector):

- Primary and secondary market research
- Community consultation
- Analysis of average business turnovers
- Projected annual turnovers
- Competition analysis

## **The Marsh Farm Local Economic and Social Enterprise Surveys**

As part of the 'plugging the economic leaks' market research, Marsh Farm Outreach carried out a local economic survey. This was a voluntary survey of a random sample of 625 of the total 3,200 households in the Marsh Farm Estate. The survey asked residents to detail household income brackets, the levels of household expenditure on specific goods and services and the places where they spend their money.

The objectives were to:

1. Measure the annual level of resources entering and leaving Marsh Farm
2. Raise local economic awareness by asking people to think about their own incomes as part of a Marsh Farm wide economy
3. Provide information on current spending patterns - or the 'economic flows'.

Using this information we were able to examine which areas of enterprise are achieving large amounts of spend by Marsh Farm residents, and to assess the viability of 'capturing' a portion of that spend to create jobs for local people.

In particular, examination of Marsh Farm's economic flows indicate there to be enough of a capturable market for these enterprise areas to enable the creation of 69 sustainable FTE jobs via the OW - with the potential to add up to £1.3 million per annum to the value of the Marsh Farm economy.

With an additional 13 Marsh Farm Outreach posts to provide post OW organisational and marketing support for the new enterprise this is a total of 82 local FTE social enterprise jobs emerging from the OW - created in an estate where there were previously none at all.

A second survey of a further 625 residents - The Marsh Farm Social Enterprise Survey - was carried out, this time with questions pertaining to potential support for individual enterprise sectors. Residents were asked which enterprises they would most support and which ones they would actually use as customers. This information also helped us to determine which markets would be the easiest to 'capture'. This is referred to in many of the separate OW organisations business plans that sit alongside this document.

# The Marsh Farm Organisation Workshop

“Tell me and I'll forget; show me and I may remember; involve me and I'll understand.”

## Project objectives and outcomes

### Objectives

- Start 11 new social enterprises
- Create 82 jobs for some of our most excluded residents (69 FTE jobs in the new social enterprises, 13 in Marsh Farm Outreach)
- Put an extra £800,000 per year into the pockets of Marsh Farm residents
- Reduce levels of unemployment on Marsh Farm to the UK average
- Reduce the number of NEETs on Marsh Farm to UK average
- Reduce levels of benefits dependency on Marsh Farm to the UK average

### Outcomes

- A pioneering, forward looking, sustainable and capable community where many more people are able to work and enjoy a quality of life that is full of opportunity and optimism
- The name ‘Marsh Farm’ is synonymous with innovation, social inclusion and grassroots economic development

## Description of the project

### What is the OW?

The Organisation Workshop is a brand new (to the UK) method of enabling people living in deprived communities to generate sustainable jobs and incomes in new start up social enterprises.

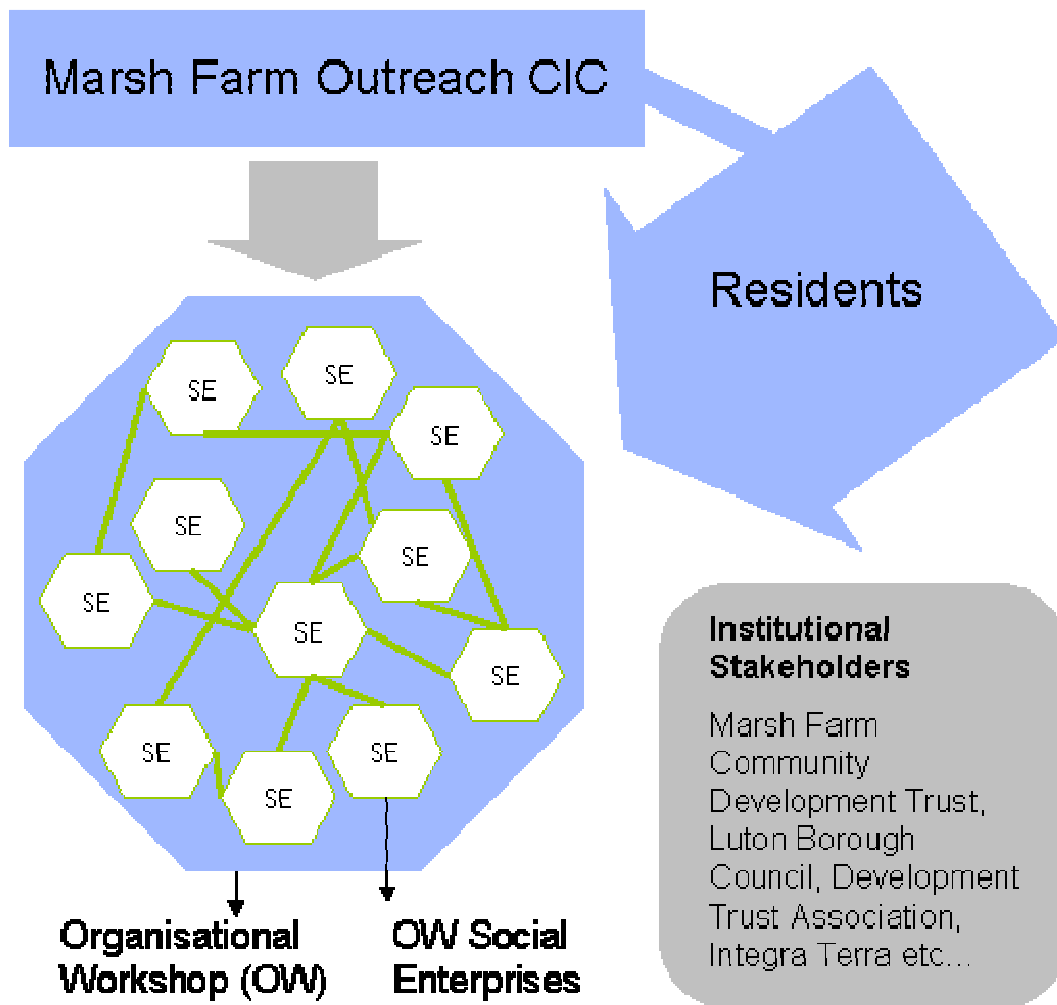
Based on Brazilian sociologist Clodomir Santos De Moraes's concept of ‘capacitation’ (as opposed to the more traditional ‘capacity building’) the OW process enables large groups of people to ‘grow’ the organisational capacity, the entrepreneurial spirit and the business acumen they will need to start up and sustain social businesses.

Although the Marsh Farm OW will be the first ever to take place in the UK, the process has proven its feasibility, effectiveness and replicability on three continents over the last 37 years, and is particularly noted for its success in engaging socially excluded members of the community.

The Marsh Farm OW will provide up to 100 unemployed residents of the estate with a once in a lifetime opportunity to create their own jobs by selling high quality goods and services to customers living or working in Marsh Farm, throughout Luton and beyond, whilst making a massive contribution to the social and economic well being of their community at the same time.

The process and relationship between stakeholders can be seen in figure 3 below.

Figure 3: Marsh Farm Organisation Workshop and Stakeholders



#### How does it work?

OW participants undergo an 8 week long ‘learning by doing’ experience, with real contracts to deliver, access to all of the tools and equipment they need, expert mentors on site, deadlines to deliver the contracts and payment of agreed rates for successful completion of works.

All that is asked of the participants in the first instance is that they organise themselves into a formal entity (in this case a Community Interest Company may already have been formed at recruitment stage) and elect representatives who can ‘do business’ on it’s behalf with the facilitators of the OW (who hold all of the tools, the contracts and the funds the new businesses need to begin trading). Once suitably organised, the representatives of the participant’s CIC negotiate release of resources and work contracts with the facilitators and begin delivery.

Although the early days are always a struggle, as the workshop progresses and the pace of delivery is increased, a 'pressure cooker of organisational and vocational learning' is generated for participants, and the introduction of enterprise self management tools, lectures on the history of organisation and assistance from expert mentors all combine to help the participants grow in confidence and competence, until they are delivering smoothly, and getting ready to go out into the real world.

This is 'capacitation'.

### **What will the new social enterprises sell?**

By carrying out a survey of 1300 Marsh Farm householders we were able to identify that the 9400 residents earn and spend approximately £1 million pounds every week. Residents were then asked where they currently spend this money. This was to see whether by providing the same service locally, we could 'capture' enough of that spending to sustain those enterprises and create local jobs.

The surveys revealed several areas where millions of pounds are spent every year, but where all of this spending is done in outlets which are not based on the estate (e.g. car mechanics, fast food and social clubs).

The surveys also demonstrate very high levels of resident support for the setting up a 'family' of not for profit businesses to provide these services locally. As such, by simply buying products and services we already buy from these new social enterprises we can create sustainable jobs and training spaces for local people who need them most.

We also focussed on areas where social enterprises are increasingly being used to deliver public services, with a view to building local capacity to tender for public contracts for agencies like Marsh Farm Community Development Trust (MFCDT) and Luton Borough Council (LBC). For example, catering, cleaning, building and landscaping. For details on the 11 social enterprises see section three and the separate business plans.

### **What happens to the surpluses generated by the enterprises?**

Once all operating costs and contingencies have been covered for the 11 new social enterprises, any surpluses generated thereafter will be distributed to the wider community via the Residents Assembly to the Legacy Organisation and Local Bursary type projects. There is provision for the social enterprises to cross subsidise each other if members choose, although this can only be done with the full agreement of all employees. This will be agreed at General Assembly meetings of the larger co-operative to which smaller enterprises are affiliated.

These funds will only ever be used for payment of small grants to local people or community projects rather than to pay for revenue costs for larger organisations. This is because of an important point of principle, namely that employees of the social enterprises are working for Marsh Farm average rates of pay, so it would be wholly wrong for surpluses generated by their efforts to be used to pay wages at levels more than twice or three times that which they get paid.

**If the OW specialises in engaging the socially excluded, how can the participants run the new businesses with no previous experience or qualifications?**

Firstly, it should be noted that it is far from true that all 'excluded' people on Marsh Farm have no experience or skills. There are many people on Marsh Farm who find it difficult or impossible to get mainstream jobs for lots of reasons other than a lack of skills or experience (e.g. over 50 year olds, general discrimination, criminal records, long periods of unemployment, post code prejudice).

So Marsh Farm OW participants will be a mixture of people - some of whom will have high levels of skills and/or experience alongside others who are completely inexperienced, to achieve the right balance for the enterprises to succeed.

The OW is a carefully designed 'holding framework', built to maximise the rate of learning whilst minimising the risks involved. The experienced on site mentors will have expertise in every aspect of running the businesses to be developed, so although participants are handed full responsibility for getting the job done, they are actually working within a highly supported environment at all times.

The social scale (100 people) of the workshop is also important as the creation of a genuine sense of community benefit, belonging, shared mission and shared achievements acts as the 'glue' binding the group together. In stark contrast to many of the classroom based training modules used in the UK, the OW is an immediate, relevant and effective learning experience for all concerned. Participants are driven to succeed as they are paid a wage for work completed successfully in a social business that benefits the whole community.

Furthermore, with assessment of learner's achievements carried out on site (the on site mentors are also trained accreditors) so that NVQs and other qualifications are gained whilst earning, ensuring participants overcome a significant barrier to entry for employment.

**As it's the first time ever in the UK can it work here?**

Marsh Farm Community Development Trust (MFCDT) has been looking into the feasibility of adapting the OW method to a UK context since 2001. As such, the preparation for this project has been intense and thorough leaving no doubt about the adaptability of the technique to the UK environment and a high level of confidence in the viability of the businesses which can emerge from the OW.

To date this preparation work has consisted of:

- i. Integra Terra was brought to the UK by MFCDT to deliver a one week induction on the Organisation Workshop approach. The induction was attended by 31 representatives of Marsh Farm community groups, local churches, faith groups and members of Luton Borough Council's (LBC) Community Economic Development team.
- ii. In line with the requirements of the OW approach, MFCDT then conducted an estate wide recruitment process with a view to setting up a community outreach project to facilitate the OW in Marsh Farm.

- iii. Following the recruitment process Marsh Farm Outreach (MFO) CIC was formed to facilitate the Organisation Workshop.
- iv. A 13 week programme of capacity building and skills training designed by Marsh Farm Outreach, LBC Community Development and STUF (Strategic Urban Futures) was undertaken by the MFO team.
  - v. Integra Terra delivered a further four week 'capacitation' programme for the MFO team to enable the facilitator's roles to be performed.
  - vi. MFO and Integra Terra were commissioned to carry out a 12 week programme of feasibility work comprising market research, community consultation, partnership development, legal and regulatory considerations, design of the Marsh Farm OW, activities analysis and work break-down structures.
  - vii. The partnership consortium was formed with Service Level Agreements signed.
- viii. Match funding to the value of £130,000 was secured from the Learning Skills Council. *(update: extra support for participants worth up to £500,000 is also now being sought from Job Centre plus and the Future Jobs Fund)*
- ix. A Financial Accountable Body was appointed.
  - x. Authoritative Statements on State Aid and Procurement regulations were obtained.
  - xi. Full Business plans for each of the 11 new enterprises and this main business plan and supporting document for the OW were prepared by MFO and Development Trust Association.

## The process

### Recruitment process

As soon as the funding for the Marsh Farm OW is agreed, the jobs and training opportunities arising from the OW will be advertised via local newspaper jobs pages, radio/TV/newspaper publicity, leaflet drops on Marsh Farm and by word of mouth on the estate. Advertisements will highlight the fact that the usual barriers to entry will not apply and will emphasise the social aims of the venture, making it clear that estate residents who are most in need of the jobs are not excluded.

Expressions of interest will be simple and straightforward. Applicants will be able to register their interest by telephone, in person at the MFO or Turning Corners Employment Agency offices, by post or by email.<sup>2</sup> There will also be the option for home visits by MFO members if they are in need of support with any difficulties they may have in registering their interest - i.e. literacy, confidence or language issues.

Expressions of interest will be followed up by an informal one to one meeting with MFO or Turning Corners staff to obtain the following information:

- Extent and nature of any previous work experience, skills and qualifications
- What barriers to employment are there
- What specialist support requirements are needed
- What is the preferred area of work
- What are the second and third preferences for areas of work

Representatives of MFO and Turning Corners will organise and facilitate a selection meeting to which all applicants are invited. At this meeting the process we are about to undergo will be outlined in full - the objectives, the method, the resources and support available, the potential benefits, the risks and the challenges. In the Marsh Farm OW formation of a single large community enterprise with membership made up of all participants may take place at recruitment stage.

In the event there are more interested candidates than there are full time work hours available, for the duration of the eight week workshop all candidates will be invited to take part in a 'community self selection process'. This is a highly innovative and completely legal process that was used by the Marsh Farm Outreach team to maximise inclusion, ownership and empowerment of all candidates when our organisation was first formed in 2001. MFCDT took legal advice from Anthony Collins Solicitors at the time to ensure legality.

The process will take a number of days and requires that all candidates attend and take part in people friendly sessions on the following aspects of self selection:

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<sup>2</sup> Turning Corners Employment Agency is funded by Marsh Farm Community Development Trust and supports local residents into work, through job search, training and development and careers advice. Its offices are located in the same building as Marsh Farm Outreach.

1. Induction on the social and economic objectives of the project
2. Skills and knowledge audit
3. Assessment of extent and type of work contracts available during the 8 week workshop
4. Match the vocational and technical needs of the enterprise to the skills and knowledge available - keeping the social objectives of the OW firmly in mind
5. Consideration of the job sharing option to maximise participation
6. Work/benefits induction (looking at economic impact of starting work for individuals in different circumstances)
7. Volunteering option

At the end of the process the participants will have decided:

- Names of participants who will be working to deliver paid contracts during the OW
- Names of participants who will join the workshop to strengthen and develop the voluntary arm of the new enterprise

## Preparing for the OW

The preparation work needed for the eight week Organisation Workshop begins two months prior to start of the workshop and will be carried out by the Marsh Farm Outreach team working with OW experts Integra Terra, with input from our key partners.

The preparation work consists of the following activities:

1. Finalise with Job Centre Plus or Training Network Group arrangements for a smooth transition from benefits to work, with adjustment to benefit levels according to income, for all participants.
2. OW facilitators and participants begin a 2 month period of voluntary work to recruit 1000 local members of a Marsh Farm Community Buyers Co-operative. This will provide participants with customers and supporters prior to the workshop beginning, providing the surest possible foundations for sustainability of the new enterprise and increasing the confidence and belief of participants. It also shows participants the need for commitment and dedication to their cause, with the information collected used to inform a full business plan to be adopted and further developed by the participants during the workshop.
3. Reproduction of a CD containing the Lectures on Theory of Organisation, as well as an accompanying booklet containing the 'PowerPoint' presentations together with the Speaker's Notes.
4. Preparation of space in the new business and enterprise centre and other estate based venues to accommodate 100 participants and up to 50 others (members of the facilitator's enterprise, the technical mentor's pool, observers and guests). Participants will need space to run their businesses as well as communal spaces for General Assembly meetings, lectures and capacitation courses, to eat meals together and to take part in cultural activities and entertainment.
5. Engagement of technical mentors: There are technical mentors for each area of enterprise taking place within the workshop. All mentors will be selected for their experience in the relevant field, coupled with a provable background of success in their respective area of business (a minimum of 10 years trading experience). Technical mentors will be recruited from the local area, e.g. local garage owners or catering professionals. In most cases they will be directly employed by Marsh Farm Outreach on a temporary contract, although in a few cases they may be partners' staff seconded to the project according to the Service Level Agreements (SLAs).
6. Integra Terra Staff run an induction course for Technical mentors on the specifics of the OW mentoring technique, including compilation of 'Technical Plans' (TP) for each enterprise to be developed. Technical Plans are like 'time and motion' breakdowns of all of the work activities each enterprise will be contracted to deliver.

7. Technical mentors undergo stage one NVQ assessor training with Barnfield College - the largest college in Bedfordshire and Luton, with six Centres of Vocational Excellence. It recently became the first further education college to be designated a national Learning and Skills Beacon. Our partnership with Barnfield College will ensure technical mentors are best placed to guide the organisations and will help to develop Marsh Farm Outreach's own training capacity as required.
8. Technical mentors prepare course programmes based on each the areas of business activity, in line with the methodological requirements of the Organisation Workshop and the practical requirements of the NVQ portfolio assessment process.
9. Using the technical plans, the OW facilitators (outreach) sign off the scope of works to be undertaken in each area of activity of the OW listing all of the purchases, skills and labour force required for each enterprise area.
10. Integra Terra sign off the course programmes.
11. All of the capital items needed to run the OW are purchased and stored so they can be made available to participants at the start of the OW. Inventory lists are prepared in readiness to transfer equipment and raw materials to the participants as soon as they organise themselves into a (Participant's Enterprise (PE)).
12. All participants take part in organisation and management of the OW community festival on Lea Manor field.

#### **The OW begins - "an eight week pressure cooker of learning"**

1. 100 participants, 14 technical mentors, 13 facilitators and two OW directors gather at 8am in the main hall.
2. Tools and equipment needed to get the new community businesses up and running are already on site and stored in a neat and orderly way, in full view of the participants.
3. Opening ceremony takes place at 9am with invited guests to mark the event.
4. Guests leave and the OW begins.
5. Opening speech by the OW Director (Ivan Labra from Integra Terra) explains the process which is about to take place, the work contracts which are available and the need for participants to put forward representatives to negotiate with the Facilitators for release of tools and equipment, work contracts and to receive payments for work completed.

6. OW Directors and facilitators retire to their room leaving the group to organise itself in whichever form they choose to do this. At this stage of the OW, the large group will form 1 single enterprise with 1 set of representatives.
7. Once organised, the first formal request will be made by the representatives of the large participant's enterprise to the facilitators for access to the start up fund, tools and equipment.
8. A small start up fund and all tools and equipment needed are available but to access it the new enterprise has to put in place basic and transparent systems for managing the allocation, use and care of both the capital items and the funds - an 'accounts team'
9. It is possible/likely that they will require specialist support to do this, which is already on site and will be made available by the facilitators as soon as a formal request for the support has been made by the enterprise
10. Basic and transparent accounting and monitoring systems are put in place by the 'accounts team' the participants have appointed to act on their behalf
11. A small start up fund and all tools/equipment needed are handed over to the new enterprise. Tools and equipment must continue to be stored in an orderly way and must be signed out for daily use with any loss or damage charged to the enterprise
12. Contract negotiations begin between representatives of the new enterprise and the Facilitators covering the scope of works to be carried out, payment, deadlines for completion etc.
13. The new enterprise begins to deliver on the contracts (in a relatively disorganised way at first)
14. A combination of the experience of 'learning by doing', the lectures on the Theory of Organisation and the timely introduction of the 'scientific management' toolkit (Gantt Charts, Critical Analysis of Tasks, Co-ordinator) enables the group to begin to organise themselves much more effectively than was the case at the outset
15. Technical mentors are on site and available at all times to provide advice, guidance and support for the participants, to assure compliance at all times with the relevant health and safety regulations and to measure participant's achievements for inclusion in their NVQ portfolios where relevant.
16. With the motivation of delivering the contracts driving them onwards, the large group need to quickly learn how to divide tasks, allocate duties, monitor completion of tasks and critically analyze the work that's been done, all with a view to improving performance and efficiency of the enterprise and thereby the amount of revenue it generates.

17. As the scope and nature of contracts expand the new enterprise experiences major shifts in its organisational shape and capacity, continuing to improve performance as the workshop progresses. Results of all of the individual areas of enterprise are presented to regular general meetings, demonstrating how well or how badly things are going, involving participants in all aspects of project management, broadening their understanding of the business they are developing.
18. At a particular stage in the process (OW Directors will know at which point) participants will be advised that future contracts will only be made available via representatives of their individual enterprise areas, as opposed to through the representative's of the large single enterprise.
19. This deliberate devolution of responsibility for contract management leads to the need to function as smaller, autonomous enterprises, and to register and incorporate themselves as stand alone businesses in their own right. Although they become independent at this stage, the smaller enterprises still remain affiliated to the 'mother' organisation, as members of the social enterprise 'family'. Participants are supported in this task by HR specialists from Plane Talking
20. At the end of the eight week workshop the smaller organisations will be registered and ready to build on the strong foundations they have laid during the workshop. Where any of the new enterprises are finding it hard, pro-active support from the Marsh Farm Outreach and the Sales and Marketing teams will be dedicated to help them in every way possible.

## The eleven OW social enterprises

There are eleven social enterprises that will be set up during the Organisation Workshop. An appropriate name for each social enterprise will be identified by participants during the OW. The eleven organisations are:

- Just Change Marsh Farm (tea sales)
- Childminding Agency
- Green Co-operative (organic farm and landscaping)
- Music Studio
- Home and Office Cleaning
- Social Club, Conference Centre and Snooker Hall
- Book-keeping and Accountancy
- Building and Construction
- The Farmers Food Project (Café and Takeaway)
- Marketing Agency
- Community Garage, MOT Station and School of Mechanics

Detailed information and financial forecasts are set out in individual (social) business plans for each of the organisations, but as they are part of a whole (OW) process, they share common features.

## Suppliers and partnerships

Each organisation will have their own relationships with suppliers and partnerships which are specific to their work. However, each of the organisations also has services, skills and products that may be useful to other. As such, all organisations will ensure that they are working with each other to maximise the value they create. For example, the Home and Office cleaning, Book-keeping and Accountancy and Marketing Agency will carry out work for almost all the other organisations. In other cases, partnerships may occur between two organisations, for example in the supply of food from the Organic Farm to the Farmers Food Project café. These are detailed further in each separate business plan but it should be noted that throughout the process, all organisations will be seeking to work with each other in whatever way is appropriate to maximise their impact.

## Staff & Management structure

One of the main gains of participation in the Marsh Farm Organisation Workshop is the development of effective, participative, transparent and therefore sustainable project management systems, which all enterprises growing within the OW will enjoy.

As detailed in the process above, one characteristic of the OW approach is the way project management structures are developed 'on the job' with a structure which encompasses all of the activities taking place within the workshop, acting as one large entity throughout the workshop. We call this a 'flat management structure', in which all individuals are equal and have responsibility.

The key benefits of this approach are:

- maximum levels of participation in decision making
- maximum awareness of all aspects of the business - financial, technical, organisational
- forging of strong bonds between participants working in all sectors of the enterprise
- reduction in dependence on individual managers
- reduction in the risk of enterprise collapse in the event of management staff turnover (which so often cripples businesses and other organisations - particularly in the community regeneration industry)
- reduction in the levels of mistrust and rumour which plague community development via transparency around important decisions relating to financial matters, health of the company, emerging work opportunities, fair employment practices etc

## **Employment**

For the duration of the eight week workshop (prior to establishing their own systems) the participants will either be:

- employed via Marsh Farm Outreach CIC (with payments for staff made to the new enterprise via MFO)
- still on benefits until the OW ends (in the event the OW is recognised as a training course by JCP)

By the end of the OW each enterprise will have its own constitution and employment structures with HR, book keeping and marketing functions provided by sister OW enterprises, and at this stage (or earlier in the process, depending on the rate of development) participants will become employees of their own companies.

Employees will be free to move between areas of work during the workshop as long as there is somebody in each enterprise area who wants to swap places. This is limited because every enterprise has a finite number of staff needed to make the business efficient and sustainable which cannot be exceeded.

## **Training and accreditation**

Specific training and accreditation information is outlined in the separate business plans but in addition, all mentors will be checked with the CRB. Wherever required, participants will complete CRB applications (e.g. music studio staff) at recruitment stage, enabling clearance to work in these areas be obtained prior to start of the OW. Any other specific training requirements are referred to in each business plan.

## Finance and funding

### Analysis of average turnover and projected turnover

Using websites and publications which advertise businesses for sale in the region, plus using company turnover information from Business Link we were able to work out average turnovers for the relevant businesses which are operating on a similar scale and in trading environments similar to those proposed in Marsh Farm.<sup>3</sup>

We also conducted desktop research and held several brainstorming sessions looking into local, regional and national trends in the relevant market areas to help us identify which are promising for the future and which are not.

To arrive at our 3rd year projected financial targets we took the average turnover for similar scale enterprises trading in the sector and reduced it by 33%. Although there are strong grounds for being very confident that the OW enterprise sectors will exceed these averages for reasons already set out earlier in this document, the policy of projecting a 33% below average turnover makes our projections more than realistically achievable.

Full details of our calculations can be found in the financial forecasts for each social enterprise but the headlines are as follows:

### Table 1: Overall financial findings

Number of viable areas of social enterprise	11
Average profits for each enterprise after 3 years	£ 29,348,28
Annual projected combined profits after 3 years	£ 322,809.11
Number of full time jobs created	69

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<sup>3</sup> E.g. <http://www.businessesforsale.com>

## Value for money

Whilst we realise that the total investment of £1.1 million of public money in this initiative is substantial, it should be noted that:

- In the current economic climate the government and all relevant agencies are actively seeking initiatives which can “quickly create new jobs, particularly for young people and those living in unemployment hotspots” (Future Jobs Fund). The OW is an innovative, relatively inexpensive and inspirational way of doing precisely this.
- Government will be making a substantial saving throughout the programme in that there will be a major reduction in benefit payments throughout the existence of the programme.
- A completely successful OW where all enterprises last for 12 months and beyond will save in excess of £717,000 per year in benefit payments.
- 69 new FTE jobs contribute approximately £1.3 million to the local economy. The combined turnover of 11 new social enterprises after 3 years = £2 million being spent in Marsh Farm which was previously spent elsewhere. To work out the contribution to the local economy we subtracted £700,000 which was previously paid out in benefits, leaving an annual contribution of £1.3 million).
- payments made to participants during the OW will simply (in most cases) replace state benefit payments, so there is no extra cost to the public purse
- a significant element of the expenditure is on capital items which enables recovery by resale in the event of failure of any area of enterprise.
- Remaining payments for specialist mentors and OW infrastructure means all participants will have received some vocational and organisational training, with some gaining formal qualifications, representing a positive investment even in the event of any single enterprise failing.

## The OW ends: further support, long term impact

As shown above the eight week long OW process induces large group learning in many areas like project and financial management, project monitoring, work planning, company formation, HR issues, vocational skills, organisational development and socio-economic literacy - a range of skills referred to in OW terminology as achieving 'entrepreneurial literacy'.

Community cohesion is also greatly enhanced as a result of working together within the 'family' of enterprises with a common goal - "to make Marsh Farm a pioneering, forward looking, sustainable and capable community where many more people are able to work and enjoy a quality of life that is full of opportunity and optimism".

The OW facilitators and technical mentors are available for a minimum of three months after the OW (in some cases spread over 1 year) to provide additional support to the new enterprises, which will now be trading in the open market. (A bid is currently in process for Future Jobs Funding to further strengthen the prospects of sustainability by underwriting a proportion of revenue costs for the new enterprises during this crucial period).

The learning, organisational development and relationships built during the OW period combined with the planning, research and development in setting up of the 11 social enterprises, means that the impact of the workshop will be felt long after the eight weeks. Whether natural, financial, human, manufactured or social, our resources are precious and this process is designed to have long-term benefits.

In *End of Millennium*, academic Manuel Castells uses a cosmic metaphor to identify a number of areas of social exclusion across the planet, "*multiple black holes of ... capitalism*", that for a variety of reasons lead, for the people trapped in them "*to a downward spiral of poverty, then dereliction, and finally irrelevance - until or unless a countervailing force, including people's revolt against their confiction, reverses the trend*".<sup>4</sup>

The Marsh Farm Organisation Workshop captures this spirit, providing a countervailing force through which a process of personal transformation, organisational development and community flourishing can occur to the benefit of all.

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<sup>4</sup> Castells M. (2000) *End of Millennium: Volume 3* Blackwell: Oxford.