

All Wales Social Enterprise Health and Wellbeing Toolkit for General Medical Practitioners



Authors: Heidi Bennett and Esther Price

Foreword

Bridgend East Network consists of six varying sized practices, ranging from multiple partner to single handed, serving a total population of 68,673 patients. In 2015, Welsh Government through ABMU Health Board provided 'Pathfinder' funding to allow the Network to explore the idea of becoming a unified, autonomous organisation or Federation. At a time when there were, and still are, huge pressures on all General Practices, it was recognized that a pooling of resources and capabilities may give each practice a better chance of sustainability.

Working with ABMU Health Board and BAVO, the six practices came together and explored the options open to them. This toolkit outlines the journey we took in setting up the model. It is not meant to be the definitive, sole method that all should follow but outlines some of the basic ingredients necessary for progress to be made. It also highlights some of the sticking points and barriers that we had to overcome and to some extent, are still working through as we develop further.

Regular meetings supported by Practice Managers with the same attendees came together a number of times to debate, discuss and agree the formal governance structure and governing document. This set the building blocks on which our progress has been built. The result at present is good buy-in to the idea from each practice and a much stronger feeling of unity between all practices. From this work, 'Pen Y Bont Health' came into being. It is a not-for-profit social enterprise business that aims to work with other sectors of health and social care, but is independent of the Health Board. It is constantly evolving but it does provide a means of getting a coherent response from all Practices.

BAVO was appointed to undertake the social enterprise facilitation with the practices and provide start-up support, which meant hand-holding the various practices through the options of legal/governance structures and then the process of set-up and registration. They also designed and ran the tender process which then appointed independent consultants to work with the newly formed organisation on their business planning and forecasting. Working together through this process offered rich learning to all the partners and has led to further opportunities for collaboration.

We would like to extend our grateful thanks to the GPs, staff and partners involved in developing this innovative model. Without their trust, support and input, 'Pen Y Bont Health' would not exist.

The practices are:

- [Ashfield Surgery](#)
- [Newcastle Surgery](#)
- [Oak Tree Surgery](#)
- [New Surgery Pencoed](#)
- [Pencoed Medical Centre](#)
- [Riversdale Surgery](#)

Hilary Dover – Primary and Community Services Director, ABMU Health Board
Dr Ian O'Conner GP – Chair of Pen Y Bont Health
Heidi Bennett – Chief Executive Officer, BAVO

Index

1.	Background to the development of this toolkit	4
2.	Pen-y-Bont Health Ltd case study overview	5 - 6
3.	Key steps	7 - 11
	3.1. Strategic visioning and planning	
	3.2. Why visioning?	
	3.3. Options appraisal	
	3.4. Skills analysis of the proposed board/partners	
	3.5. Feasibility study	
4.	Social enterprise definition	11
5.	Consortium definition and types	12 - 16
	5.1 Consortium models	
6.	Legal structure – which format?	17 - 18
7.	Business planning – key areas to consider	19 - 20
8.	Financial support – where to source information	21
9.	Tendering and contract opportunities	22
10.	Co-production definition	22
11.	Working in partnership with other sectors	23
12.	Good governance	24 - 25
13.	Social enterprise case studies	26 - 27
14.	General resources, templates and publications	28 - 31
15.	References	31

1. Background to the development of this toolkit

The Welsh Government awarded 'Pathfinder' project funding to support the development of this social enterprise consortium model which has been piloted by six General Practices working in Bridgend County Borough.

Six GP practices within the Bridgend East Cluster Network decided to take the journey of exploring the option of developing a social enterprise consortium that would develop and offer a range of preventative, health and wellbeing services that would support the All Wales health agenda which aims to reduce and transfer some of the pressures from secondary health to primary care.

ABMU Health Board on behalf of the six GP practices submitted an application to the Welsh Government pathfinder project and was successfully awarded funding to support the development and registration of the first of its kind in Wales.

Part of the project delivery included developing an All Wales Toolkit that could be made available to other GP practices across Wales that may be interested in exploring the option of developing a similar social enterprise venture.

The toolkit draws on the experience of existing federations and other primary care organisations and shares practical advice, research evidence, cases studies and resources. It also refers to a primary care federation's toolkit which was developed in 2006 by the Royal College of General Practitioners (RCGP) in partnership with The King's Fund, The Nuffield Trust and Hempsons Solicitors.

However, this 'Wales' toolkit takes into account some of the variances between England and Wales including commissioning arrangements. It also provides sign-posting to Welsh support organisations and grant makers. This toolkit also aims to provide the reader with an overview of the journey taken by the six GP practices, the distance travelled and the lessons learnt by those involved.

Please note that the information provided in this toolkit is not legal advice and is not intended to be exhaustive. GP's exploring the option of developing either an informal or formal consortium arrangement should seek their own independent advice as appropriate.

The idea - where to start?

A group of GP practices exploring the option of coming together to set up and develop a consortium arrangement to deliver services prior to embarking on this journey, would find it useful to allocate time to consider and address the following questions:

- What is the motivation?
- What is your vision, mission and strategy?
- What is your business model?
- Is social enterprise the right model?
- What is the problem you are trying to address and the solution you plan to offer?
- Is the idea financially viable?

2. Pen Y Bont Health Ltd overview

The Bridgend East Network was set up in 2010 in line with the implementation of the ABMU Primary and Community Services Framework. Bridgend Locality assisted with setting the direction and supporting implementation. The community networks were established around groupings of GP practices and are supported by the Local Health Boards, Public Health, third sector organisations and as appropriate, other interested parties from time to time. There are six GP practices in the East Network serving a primary care population in excess of 60,000 patients.

During 2014, ABMU Health Board hosted a number of collaborative events and workshops to assist the various networks to 'horizon scan'. The purpose was to encourage local healthcare providers to consider the changing focus from in-patient care to community care and to be better prepared and equipped for the shift and potential increase in demand for their services.

At one of these events, a presentation was made by a GP from a Northern Ireland Federation which was to promote locally based services for the combined population of a number of practices. Through this approach, the Northern Ireland Federation is also able to tender for work to extend its health care services in the community and to be commissioned for additional services.

After attending this presentation, The Bridgend East Network decided to investigate further to see how they could collaborate on a social enterprise model to deliver a joined-up service for their patient community that would provide:

- clarity of purpose;
- clarity for GP practices/membership representation;
- a suitable organisation and legal structure to deliver services as a consortium.

Network vision

The vision was to develop a social enterprise that would provide better health services to patients through local delivery.

Network purpose

To represent member organisations to provide services more economically to a larger group of patients than any individual could do on their own.

Network values

- To provide patient centred care;
- To provide services taking due consideration of the principles of Prudent Healthcare;
- To work together to deliver more services, more efficiently and more effectively.

Strategic priorities (long term priorities)

- To ensure direct improvements in the delivery of care for local NHS patients through maximizing the available funding from the Welsh Government and other sources;
- To work together maximising the strengths of its member organisations to promote local delivery of healthcare services.

The GP practices initiated discussions in 2014 to consider a joint venture and various meetings took place to explore what would be the best route forward. Information and guidance was sought from the local County Voluntary Council (CVC) Social Enterprise Officer. Various options for formally setting up an incorporated social enterprise consortium as a means to deliver were explored.

The six GP leads along with the wider GP community representatives, attended a visioning workshop to discuss what would be the purpose of the organisation and explore the types of health, wellbeing and preventative services that could be delivered through this joint venture.

Following the visioning session, a workshop providing an overview of social enterprise legal structures was delivered to assist the GPs in deciding what would be the most suitable structure for the new organisation.

After examining the suitability of various structures i.e. Charity Incorporated Organisation (CIO, Community Interest Company (CIC- various models), Company Ltd by Guarantee, Industrial Provident Society, etc. the group made the decision to incorporate the organisation as a Company Ltd by Guarantee. This is a company structure where the directors are guarantors versus being shareholders of the organisation.

Social enterprise case study tour

During the start up stage, the directors of the new organisation and some of the practice management staff visited a group of federations within Belfast in Northern Ireland, to learn about their experiences in setting up a similar model. Some ABMU staff also took part in this case study tour.



3. Key steps

3.1 Strategic visioning and planning

It is always useful for any proposed start-up social enterprise to organise a visioning workshop and using an experienced and reputable professional facilitator to help with the design and delivery of this type of session is advisable.

The purpose of this type of strategic session is to bring the proposed members of the new organisation together to consider the following:

- Defining the purpose, mission and objectives of the organisation (why);
- Define the products and/or services your organisation is going to deliver (what);
- Establish how are you going to deliver them - i.e. on your own, in collaboration with other organisations (how);
- Who is going to deliver them (who).

Carry out a SWOT (Strengths, Weaknesses, Opportunities and Threats) and PESTLE (Political, Economic, Sociological, Technological, Legal, Environmental) analysis

3.2. Why visioning?

“A vision is a future state or condition that serves as a motivating force. It is an inspiration that compels people to action. It may appear as an abstract idea but when people begin to see that it can be achieved and exist, it becomes a powerful guiding principle.”

As a result of increasing turbulence and challenges in the external environment, setting high level directions through visioning processes has emerged as a discipline in the last decade. Industry ‘shapers’ tend to do better than ‘followers’, especially when it's not clear what to follow. Being ‘visionary’ is also a widely touted competency of leadership. Vision processes seek to create a compelling picture of the desirable future ‘state’. The sessions develop memorable imagery and stories about the nature and benefits of this future and work backwards to understand the change journey that is required to carry people to this vision.

There are plenty of critics of visioning as an isolated approach. It can generate impractical and ungrounded concepts. In highly dynamic organisations, it can be better to work with multiple scenarios and potential future states rather than over-focus on one vision which, if wrong, could derail the organisation. When visioning focuses on the generating short, exciting vision statements, it can result in banners and slogans so abstract they have little use or meaning, especially if management doesn't truly “walk-the-talk”.

On the other hand, robust visioning processes that engage people in thorough exploration of possibilities, using different media to portray possible futures and engaging leadership directly in the process, can be extraordinarily energising for an organisation. It can help an organisation break out of an overly constrained view of the future and it is a powerful way of tying values to action.

The organisation's vision communicates what the organisation believes are the ideal conditions for its community i.e. how things would look if the issues that are important to you, are perfectly addressed. This is generally articulated by one or more phrases or vision statements, which are brief proclamations that convey the ideal future. By developing a vision. John Kotter, in *Leading Change* (Harvard University Press, 1996), identifies key characteristics of an effective vision:

- Imaginable: conveys a picture of what the future will look like;
- Desirable: appeals to and inspires employees, customers, and others who are stakeholders. Should be broad enough to allow a diverse variety of local perspectives to be encompassed within them (the 'Big Tent' approach);
- Feasible: comprises realistic, attainable goals;
- Focused: is clear enough to provide guidance in decision making;
- Flexible: is general enough to allow individual initiative and alternative responses in light of changing conditions;
- Communicable: is easy to understand and communicate; can be successfully explained in two minutes" (1).

3.3 Options appraisal

Once you have carried out the strategic visioning session the lead group should carry out an options appraisal for the proposed venture. An options appraisal is a process of defining the objectives, examining options and weighting up the costs, benefits, risks and uncertainties before a decision is made. It helps to ensure informed decision making by providing a process that requires:

- Identification of the key objectives that must be achieved;
- Description and clarity of the different ways of achieving these objectives;
- Consideration of the advantages and disadvantages of each of these ways, prioritising the key benefits they can offer (financial and non-financial).



Here is a useful five-phase methodology which can be used to carry out an options appraisal:

Phase1:

Project start-up, strategic content, key objectives and outcomes, level of risk and control, delivery options available, governance and stakeholder management.

Phase 2:

Gather information, develop evaluation criteria, conduct high level option appraisal.

Phase 3:

Identify a short list of options.

Phase 4:

Validation of workable processes and achievable outcomes.

Phase 5:

Determine the next steps for progressing.

3.4 Skills analysis of the proposed board/partners

As part of the development process, it is important to identify what skills, experience and knowledge is required from those the organisation plans to recruit onto the board.

Once you have recruited and appointed the board it's important that you regularly carry out a skills audit to identify and assess any gaps or ongoing needs. This can help determine whether you need to consider appointing additional directors/trustees who have the necessary skills required to support the development and growth of the new organisation.

A recommended way to do this is to ask each individual of the group to complete a skills audit template. This not only allows the individual to focus on what they have to offer the new organisation, but it will also help identify what skills, competencies and experience the board collectively needs to recruit. It can also be really useful in determining learning and development needs.

Another alternative if you are looking to attract a set of skills, experience and/or competencies onto the board, is to consider inviting individuals to attend the board meetings in advisory capacity on an 'ad hoc' basis.

3.5 Feasibility study

This usually involves a commitment of staff resources and time, but it is strongly advisable to undertake a feasibility study for any new venture. In a nutshell, you will want to gauge the level of investment required and the venture's chances of success.

A feasibility study will objectively and rationally uncover the strengths and weaknesses of a proposed venture or business. A study of this nature will further consider the strengths, weaknesses, opportunities and threats in relation to the chosen options/proposals. It will also consider the resources required to carry through the plans and ultimately the prospects for success. In its simplest terms, the two criteria to judge feasibility are cost required and value to be attained.

A well-designed feasibility study should provide a historical background of the business or project, a description of the product or service, accounting statements, details of the operations and management, marketing research and policies, financial data, legal requirements and tax obligations. Generally, feasibility studies precede technical development and project implementation.

As feasibility study evaluates the organisations potential for success, perceived objectivity is an important factor in the credibility of the study and report for potential investors and lending institutions. It must therefore be conducted with an objective, unbiased approach on which decisions can be based.

The board/partnership/group can carry out this study itself. However, if it doesn't have the appropriate resources, research data or skills and experience in this area, it might be more advantageous to engage an external, objective and experienced consultant to carry out this work.

If you decide to engage a consultancy organisation or individual to carry out this work, you will need quotes. You can do this by developing a 'Request for Quote' (RFQ) (sometimes referred to as an 'Invitation to Quote' (ITQ)). You would need to provide a specification with the following example information/brief to ensure that the key areas are covered within the consultants' delivery:

- Background to the request for quote;
- Aims of the feasibility study;
- Main objectives;
- Summary;
- Brief description of the social enterprise;
- Description of the product/service;
- Markets and competition;
- Marketing and sales;
- The enterprise operations – products and services detail;
- Organisation and management;
- Governance and social audit;
- Legal requirements;
- Finance;
- Annexes to include the profit and loss statement, cash flow forecast, sources of finance, roles, tasks and responsibility matrix, technical information.

Within the 'Request for Quote' you may also decide to set an upper limit financial budget for the quote or leave the quote open. If you are setting a budget ceiling, be clear whether you expect this to include VAT and consultants expenses (i.e. all inclusive cost).

You may also choose to set time lines for delivery of various stages.

You may also require the quote to include a breakdown of the consultants' methodology and time spent on each area of work and/or overall consultancy time allocated to the study.

4. Social enterprise definition

There are various social enterprise definitions but the Welsh Government definition is:

"A social enterprise is a business with social objectives. Their left-over profits are reinvested for that purpose in the business or the community, instead of raising profit for shareholders and owners. Social enterprises tackle a wide range of social and environmental issues. They compete in the marketplace like other businesses, using their business skills to achieve social aims. Like other businesses, social enterprises aim to sustain their business and make profits. The difference is what they do with the profits." (2)

As a social enterprise is not a legal entity but a business approach, there is a range of legal structures/formats that can be adopted by this type of social business such as:

- Charity;
- Mutual venture;
- Employee owned;
- Co-operative;
- Trust.

Choosing the right legal format and structure will depend on a number of things including the proposed business model the new organisation plans to adopt.



5. Consortium definition and types

- An association or a combination of businesses, financial institutions, or investors, for the purpose of engaging in a joint venture;
- A cooperative arrangement among groups or institutions (3).

Federation definition

A federated body formed by a number of nations, states, societies, unions etc, each retaining control of its own internal affairs (Dictionary.com). You will find that consortium, alliance or federation are words that are used interchangeably.

5.1 Consortium models

There are a number of consortium models and here is an overview of some of the main ones:

(i) Informal arrangement

Service providers could decide to collect into a loose consortium or network. In other words, all the agencies would agree to work together and this might be subject to a written partnership agreement, but the consortium wouldn't have a separate legal status outside of the partners (though it could be constituted as an unincorporated association).

This would mean that all the providers would have to tender as independent units to the commissioning bodies (such a loose consortium would not be able to tender in its own right precisely because it is not constituted as an independent legal entity).

(ii) Lead model

Service providers could come together to form a consortium and then agree to work through one of those organisations as a so-called 'lead organisation' or 'lead agency' (this is sometimes referred to as a 'managing provider'). The lead organisation will be legally constituted, typically as a company limited by guarantee and possibly with registered charitable status, so that it has the capacity to hold contracts.

Typically, the lead organisation applies for funding on behalf of all the consortium members (including itself), receives the funding, uses some of it to deliver its own direct services, retains a further element as a management fee or 'top slice' in recompense for its management role and then distributes the rest to the other consortium members via formal sub-contracts to deliver designated services and associated outputs.

(iii) Special Purpose Vehicle (SPV)

This is the consortium model that has been chosen by Pen-y-Bont Health Ltd.

- A new legal body is established to manage a contract.

Organisations may choose to form a consortium which would be formally constituted as an independent legal entity with representatives from each partner playing a part in the new entity. Under this form of consortium, a new company would be set up and an operating model would have to be agreed.

A special purpose vehicle consortium can adopt a range of legal structures such as:

- Private company limited by shares (CLS);
- Private company limited by guarantee (CLG);
- Community Interest Company (CIC) limited by shares or guarantee;
- Industrial and Provident Society (IPS);
- Charitable Incorporated Organisation (CIO).

Consortium benefits:

- Allows the consortium members to have full ownership and control;
- Easier to create a clear identity and brand;
- Less 'institutional baggage';
- Offers the possibility of passing risks to a new entity and allowing organisations to clearly separate this partnership working from the rest of their activities.

Drawbacks:

- The company will not have an established reputation so may be perceived as riskier by funders/commissioners;
- The costs of setting up and registering a new organisation will need to be considered.



(iv) Limited Liability Partnership (LLP)

A Limited Liability Partnership (LLP) is a partnership in which some or all partners (depending on jurisdiction) have limited liabilities. It therefore exhibits elements of partnership and corporations. In an LLP, one partner is not responsible or liable for another partners' misconduct or negligence.

Choosing the right and suitable structure for your GP consortium will depend on a number of factors such as:

- The purpose of the consortium - will the organisation be delivering solely charitable objectives?
- Will the profits be reinvested back into the organisation or will the directors be shareholders of the organisation?
- Will the directors be involved in the day-to-day operational activities of the organisation and plan to be remunerated for this type of service to the organisation?
- Will the directors want the organisations' assets to be permanently locked for the benefit of the community that they are serving?
- Will the organisation be looking to attract social investors who will be expecting to reap financial contributions for their involvement i.e. shareholding rights and receive dividend payments?

In this type of consortium arrangement, the directors or the members of the organisation in normal circumstances have an equal right and say in the running of the organisation. The new organisation in its own right can enter into contracts, can employ staff and also has the powers to rent and/or purchase land or properties. All the directors have limited liability (other than in situations of breach).



The legal structure that has been adopted by Pen-y-Bont Health Ltd is a Company Ltd by Guarantee which is a flexible and a popular structure chosen by social enterprises across the UK. As it's a company limited by guarantee, the directors of the organisation are guarantors of the company. The voting arrangement chosen by Pen-y-Bont Health Ltd is that each GP surgery participating in this arrangement has one vote each and the chair has the casting vote.

The governing document of a Company Ltd by Guarantee structure is a Memorandum and Articles of Association. Model documents are available on the [Companies House website](#) and there is also a model document available on the [Charity Commission website](#) for those that are planning to set up a charitable company i.e. a charity that has chosen a Company Ltd by Guarantee legal structure.

The governing document is effectively the book of rules and provides the objectives and the powers the directors have to run the organisation.

Please note that if all the members, directors of the organisation are representing incorporated organisations i.e. corporate directors, then the new consortium under Company Law will need to recruit a natural person to join the board.

Definition of 'natural person' under Company Law:

"A real human being as distinguished from a corporation, which is often treated at law as a fictitious person."

LLP benefits:

- It is a model that public sector bodies are used to working with and their procurement processes and management systems are geared up to work around this model;
- Gives Commissioners a single point of access for services to be delivered;
- Can be pulled together relatively easily if working within a tight timescale;
- Smaller organisations can benefit from scale of working with larger partners who can act as lead body.

Drawbacks:

- The financial responsibilities fall within the lead body, hence you need to identify an organisation willing to take that risk;
- The sub contracted members of the consortia could feel disenfranchised as it is not an equal partnership;
- Small organisations still at a disadvantage, as due to their size, they would never be in a position to tender as lead body so would always have to act as a sub-contractor body.

(v) Hub and Spoke model

The model can be flexible, so if agreed, not all members need to be involved in delivery all of the time. Membership can be expanded if additional skills or coverage is required. It can be established using a not-for-profit legal structure or set up as commercial business.

Benefits:

- Promotes more of an equal partnership amongst the members;
- Once established, can be used over and over again to deliver new initiatives, bid for contracts.

Drawbacks:

- Can be difficult to attract funding, as no track record of delivery at start-up phase;
- Lack of understanding (sometimes) of the model by commissioners;
- Could create additional costs for the founding members – need to balance this against the proposed return.

[Ref: Wales Cooperative Centre]



6. Legal structure – which format?

Before deciding which legal structure is most suitable for the new organisation, you will need to have a clear understanding of your expectations.

However, here are some suggested key questions that your group would need to look at addressing before deciding on which is the most suitable structure for your organisation:

- Will your directors want to be remunerated for their involvement at board level as well as at an operational level?
- Do you want to hold assets and are there assets being transferred to the organisation?
- Are you planning to employ staff or contract temporary staff?
- Do you want the employers to own the company and benefit from some of the profits generated by the organisation?

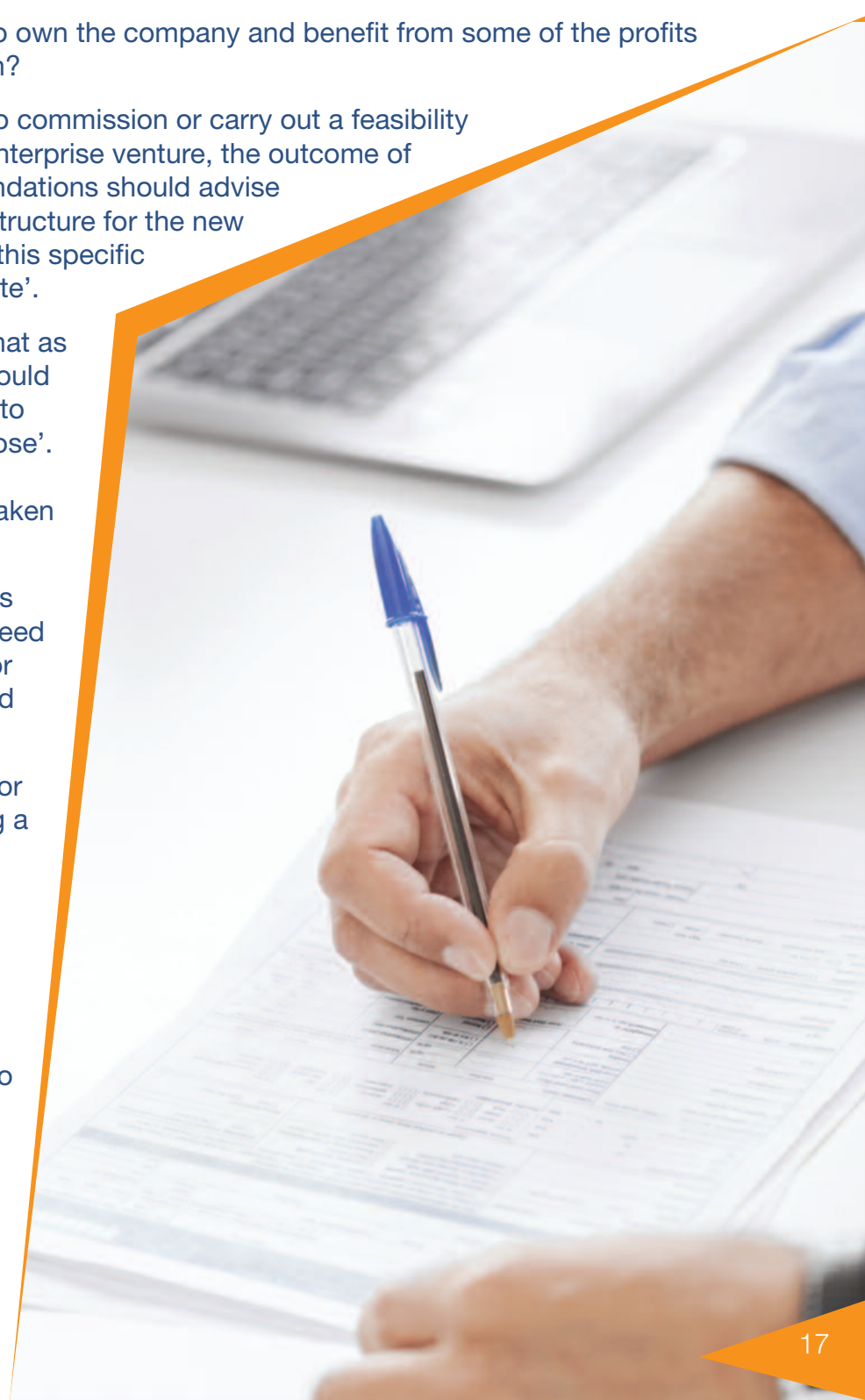
Please note that if you decide to commission or carry out a feasibility study for the proposed social enterprise venture, the outcome of the study and its key recommendations should advise what will be the most suitable structure for the new venture. You may wish to build this specific query into the 'Request for Quote'.

It is important to bear in mind that as it develops, the organisation should periodically review its structure to ensure that it is still 'fit for purpose'. This is particularly relevant if a feasibility study was not undertaken at the outset.

As businesses and opportunities change, the organisation may need to convert into another format or set up a new structure (and wind down the existing one).

Legal advice is recommended for those looking at either choosing a new legal structure and/or reviewing and changing the structure of an existing organisation.

Model documents are available online for the various legal structures that can be tailored to reflect the purpose and requirements of the organisation.



As mentioned previously, there are a wide range of legal structures that can be considered. Here is an overview of some the legal structures commonly considered. Please note that this not an exhaustive list.

- **Company Ltd by Guarantee (CLG)**

A Company Limited by Guarantee does not usually have a share capital or shareholders, but instead has members who act as guarantors of the organisation;

- **Community Interest Company (CIC)**

It's a relatively new type of company designed for social enterprises, which can be limited by shares or guarantee. It is formed in the same way as an ordinary company with additional restrictions, including the need to meet an ongoing community interest test. It is subject to a permanent 'asset lock' which ensures that profits are retained for community purposes. A CIC cannot register as a charity but a charity can convert to a CIC with Charity Commission approval;

- **Charitable Incorporated Organisation (CIO)**

A CIO is a fairly new legal format available for a charity. It was created in response to requests from charities for a new structure which could provide some of the benefits of being a company, but without some of the burdens. It's an incorporated form of charity and can enter into contracts in its own right and its trustees will normally have limited liability;

- **Cooperative**

It has its own legal identity and the members have limited liability. Its governing document are rules and the objects set out in the governing document must follow co-operative ideals. It cannot seek charitable status and is regulated by the FSA. The voting arrangements are one member one vote. For more information on Cooperative set ups, visit www.wales.coop

- **Community Benefit Society**

CBS are incorporated Industrial and Provident Societies (IPSs). The profits are retained for the community benefit. Profits are not returned to the member or stakeholders but are retained for the benefit of the community;

- **Trust**

An arrangement whereby a person (a trustee) holds property as its nominal owner, for the good of one or more beneficiaries.

7. Business planning – key areas to consider

If the feasibility study determines the proposal is viable, the next phase is to develop a business plan that will look in more detail at what and how the enterprise will deliver its services over the short to medium term.

['A Business Planning Guide to Developing a Social Enterprise'](#) is developed by the Forth Sector and provides the following key steps and questions that you need to address when developing your business plan:

Motivation

- Why are you looking to set up a social enterprise and are there any alternative options?
- Do you know enough about social enterprise?
- What are the alternative options?
- How will you ensure that your stakeholders are on board?
- Do you have a good business idea?

Preparation

- Is your proposed group's organisational culture suited for running a social enterprise?
- Have you carried out a 'capacity assessment' which looks at your organisation's capacity in terms of resources, skills and capabilities?
- Risk assessment – which will help you to understand your attitude to risk and provide information that will allow you to plan more effectively as well as determine whether you are ready for investment.

Assessment

- Why do I want to create this business and what is its long-term purpose?
- Is the social enterprise idea viable and financially sustainable?
- What is a business trying to achieve and how will it do that?
- What services or products will be developed during the short to medium term? What range of services and / or products are you planning to deliver longer term?
- What is the market, is there a need for the services / products and if so have you carried out an evidence of need, consultation to inform your plan?
- How will the business operate?
- What will the business be known for and what's it going to look like in five years?
- Who are your beneficiaries / customers?
- Who are your competitors?
- Where are you going to deliver your services and/or products?
- What will be your strategy?

Testing your idea

This is a stage where you carry out some pilot projects to allow you to ‘test the water’ and establish whether your business idea is worth pursuing.

Business planning

When you reach this stage you will have already carried out a feasibility study. When developing this plan, you should:

- consider who’s your target audience e.g. stakeholders, funders, investors;
- build in your critical success factors. Critical success factors (CSF’s) are also known as Key Results Area (KRAs). These are the essential areas of activity that must be performed well if they are to achieve the mission, objectives or goals for your business or project.

Start-up

There are numerous model business plans available and you may find that one approach is more suited to developing your enterprise proposal than another.

However, there are some key features that all business plans should contain. Here is a list of the key content expected in a social enterprise business plan:

- The Executive summary;
- The business;
- The organisation;
- Key staff;
- External relations;
- Product or service;
- The market;
- Social purpose;
- Social impact;
- Business environment;
- Industry analysis;
- Critical success factors;
- Business development;
- Turnover and sustainability;
- Marketing and sales;
- Premises;
- Suppliers;
- Production;
- Equipment;
- Action plan;
- Finance;
- Appendices: (detailed plans, schedules, Gantt charts, budgets etc.).

“CSF’s are areas of activity that should receive constant and careful attention from management.”

www.mindtools.com

8. Financial support – where to source information

There are a wide range of grants (capital and revenue) loans that are available for third sector organisations and social enterprises.

Please note that some grants are only available to registered charities.

Your [local County Voluntary Council](#) provides an online funding portal where charities, communities groups, social enterprises and voluntary organisations allowing organisations to carry out targeted searches for themselves.

To access your local funding portal please click on the map below.

- [Blaenau Gwent](#);
- [Bridgend](#);
- [Caerphilly](#);
- [Cardiff](#);
- [Carmarthenshire](#);
- [Ceredigion](#);
- [Conwy](#);
- [Denbighshire](#);
- [Flintshire](#);
- [Gwynedd](#);
- [Isle of Anglesey](#);
- [Merthyr Tydfil](#);
- [Monmouthshire](#);
- [Neath Port Talbot](#);
- [Newport](#);
- [Pembrokeshire](#);
- [Powys](#);
- [Rhondda Cynon Taf](#);
- [Swansea](#);
- [Vale of Glamorgan](#);
- [Wrexham](#);

Health Foundation

The Health Foundation administers a wide range of grant programmes such as that will be of interest to new and established GP social enterprises.

You can sign up to receive notifications, updates and alerts regarding new programme launches and grant application deadlines. www.health.org.uk



9. Tendering and contract opportunities

There are tender opportunities that are advertised through a number of portals that a social enterprise might want to explore such as [Sell2Wales](#).

It's a free online service to help you find information about public sector contracts and opportunities. The public sector contracts will include those from local authorities, the NHS, universities and colleges, UK government departments and agencies and devolved administrations, including the Welsh Government.

There are other tendering portals that are available across the UK.



10. Co-production definition

Co-production, in a nutshell, is all about involving service users and other beneficiaries in the design of your services. Here are some consortium definitions available on the [Social Care Institute for Excellence website \(SCiE\)](#)

- *Co-production is not just a word, it's not just a concept, it is a meeting of minds coming together to find a shared solution. In practice, it involves people who use services being consulted, included and working together from the start to the end of any project that affects them;*
- *A way of working whereby citizens and decision makers, or people who use services, family carers and service providers work together to create a decision or service which works for them all. The approach is value driven and built on the principle that those who use a service are best placed to help design it;*
- *A relationship where professionals and citizens share power to plan and deliver support together, recognising that both have vital contributions to make in order to improve quality of life for people and communities.*

This approach aims to ensure that your service meets a genuine need / identified gap and as a result, your service offer should be fit for purpose and viable. There are a numerous examples of where patients have been consulted and are involved in the design of primary care health and wellbeing services and interventions, some of these can be found in Chapter 13.

This patient centred approach ensures that the patient is at the heart of the development of your products and/or services.

Involving service users and beneficiaries can be done in an informal way or you can also arrange to have them represented on your board. Alternatively, you can arrange to set up service user group that will feed ideas to the board on an 'as and when' basis.

For more information on Co-production, visit www.participationcymru.org.uk and www.allinthistogether.wordpress.com

11. Working in partnership with other sectors

Some partnership arrangements could include developing alliances with third sector organisations, public health bodies and pharmaceutical companies. When considering partnership arrangements here are some of the key questions that need to be asked when exploring the options of developing strategic alliances.

a) Working with suppliers

Will the organisation be looking to purchase services from other organisations to deliver some of the business portfolio?

If so, what criteria are you going to develop when looking to recruit these suppliers?

b) Working with partners

Will the organisation be looking to develop partnership arrangements, joint ventures or alliances to enhance or complement its services?

If so, how will you ensure that their values are aligned to your organisation?



12. Good governance

Ensuring the organisation develops and maintains robust governance is crucial. This will include having the appropriate protocols, policies and procedures in place and fulfilling your duties by reporting to the appropriate regulatory bodies (e.g. CIC Regulator, Companies House, IPS, Charity Commission or any other regulatory bodies dependent on your structure and business).

Policies and insurances

This list is not exhaustive, but gives an idea of some of the policies and procedures you may need to consider adopting for the new organisation:

- Risk assessment;
- Equalities and Diversity;
- Safeguarding;
- Complaints;
- Environmental;
- Welsh Language;
- Data protection;
- Quality/Quality Management System;
- Confidentiality;
- Conflict of Interest;
- Code of Conduct;
- Grievance and disciplinary;
- Social media;
- Complaints;
- Whistle blowing.

Insurance:

- Professional and Trustee liability indemnity;
- Clinical indemnity;
- Employee and public insurance.



[Click here](#) for an information sheet regarding the importance of sourcing the appropriate insurance for third sector organisations including social enterprises. Although this information sheet has been written for organisations that are looking to take on volunteers, the advice is still relevant for those that are looking to employ staff.

‘The Voluntary, Community and Social Enterprise Sector – An Insurance Guide for individuals and Organisations’ that provides really useful advice by outlining what type of insurance is required by law and what is recommended as good/best practice. [Read guide here](#).

Quality standards

There are a number of quality standards available that offer external accreditation. Increasingly, funders and commissioners will expect social enterprises to have or be working towards implementing quality standards within their organisation.

Here is a list of some quality standards that offer external accreditation and a quality mark:

- [PQASSO 4th edition](#) – an organisational wide quality standard developed by and for the third sector.
- [Investors in People \(IIP\)](#)



QUALITY

13. Social enterprise case studies

During the start up phase of a social enterprise, it is also useful to seek information on successful and financially sustainable social enterprises to learn from their experiences and the key steps they have taken to ensure longer term viability. This can also include arranging social enterprise study tours to these organisations which can lead to future links as well as opportunity for possibly sourcing mentoring support.

During Pen Y Bont Health Ltd.'s feasibility study stage, the directors had the opportunity to attend sessions delivered by the following subject-matter experts who shared the story of their involvement in the development of social enterprises located in South Wales and England respectively:

- Mike Durke former CEO of Townhill;
- Scott Darraugh - CEO of [Social Adventures](#).

Pen Y Bont Health Ltd is one of the first GP social enterprise consortiums to be formally set up in Wales. We are unable to provide Wales based examples of organisations with similar characteristics. However, there are a number of GP social enterprise consortiums that have been set up in England.

Here are some examples:

Devon Doctors

Devon Doctors is a not-for-profit out of hours urgent care provider that is jointly owned by all Devon's 176 GP practices. It has been providing urgent care since 1996, when it started as a GP co-operative.

Today, its Board of Directors is made up of GPs representing each area within the county borough.

Identified by the National Audit Office as an 'example of good practice', the service handles around 300,000 calls a year and has consistently achieved all the Department of Health quality standards for out of hours providers (including meeting targets for call handling and health professional response times).

Urgent Health UK

Urgent Health UK is a consortium of five of the largest social enterprise out of hours providers that has recently secured investment of £550,000 creating the largest social enterprise of its kind in the country.

Between them, the partners already provide a service to an estimated five million people.

Slough Health CIC

Slough Health is a GP provider unit, set up in July 2008 as a community interest company (CIC). It includes all 17 local GP practices and deliver diabetes and alcohol abuse services to a patient population of 132,000.

The PCT supports the new venture and local doctors say joined up thinking and working together has been crucial to its success. There is considerable deprivation in Slough and high levels of both diabetes and alcohol abuse. GPs are only too aware of inequalities in services for their patients and are determined to redress that.

The philosophy of Slough Healthcare is to involve the community as much as possible, to be open and transparent, and to bring in all the relevant services so that patients are looked at as a whole rather than limiting the focus to medical issues alone. Their strapline is “Slough GPs united in improving the health of our patients”. Most importantly, they want to put any financial surplus back into patient care.

Central Surrey Health

CSH Surrey is an award winning community healthcare provider where strong partnerships and motivated co-owners drive the delivery of better care. It is a values-driven, people business with a passion for quality and innovation. As a profit-for-purpose social enterprise, CSH Surrey exists to benefit its local communities and any surplus is re-invested back into the business.

Their vision is to be a pioneering and innovative organisation that empowers co-owners to consistently deliver exceptional care for a healthier community.

CSH Surrey is ambitious in the quality of care it delivers. To do this it listens and responds, continually improves, leads the way and employs a motivated team. By working together with partners and each other, CSH Surrey continues to deliver ever better patient care and benefits to its wider community.



14. General resources, templates and publications

GPC have produced helpful guidance on the following topics:

- Common legal structures for GP networks;
- Setting up a GP network;
- Guiding principles for GP networks;
- [Toolkit to support the development of primary care federations](#)

Developing a consortium

[Working in a consortium – a guide for third sector organisations involved in public service delivery](#)

Feasibility Study resources and consultants

[Social enterprise planning toolkit – a practical guide on how to prepare and write a feasibility study for setting up a social enterprise](#)

Finding feasibility study consultants

There are a number of consultancy organisations and individuals that provide this service. The Wales Council for Voluntary Action (WCVA) has a database of trainers and consultants that allows you to search by geographical area or subject-matter expertise. [Click here to access this information](#)

When commissioning an organisation to carry out this type of study it's useful to outline the purpose and key areas you would expect the consultant to address. Click here for a copy of a Request for Quote (RFQ) template that can be tailored for use.

Social enterprise set up and business planning information and resources

[A comprehensive guide to developing your social enterprise \(UnLtd\)](#)

[A business planning guide to developing a social enterprise \(Forth Sector\) includes a business planning template](#)

[Business Balls](#)

Third Sector Good Governance information and guidance

[NCVO 'A Practical guide for trustees, Chair and CEO's'](#)

[The Hallmarks of an Effective Charity – 'Find out how charity trustees can set standards to improve the effectiveness of their charity's work'](#)

[WCVA Good governance: 'A code for the third sector in Wales'](#)

Mutuals and co-operatives – information and report

[Social enterprise, mutual, cooperative and collective ownership models - a practical guide \(Jun 2011\)](#)

[Report of the Welsh Co-operatives and Mutuals Commission led by Professor Andrew Davies \(Chair of ABMU Health Board\)](#)

[Wales Joint Bidding Guide - publication developed](#)

Setting up a social enterprise advice and guidance

[Legal structures for social enterprise at a glance](#)

www.gov.uk/set-up-a-social-enterprise

[Simply Legal - All you need to know about legal forms and organisational types for co-operatives and community owned enterprises](#)

[Keeping it legal - legal forms for social enterprises \(Bates, Wells & Braithwaite and Social Enterprise London\)](#)



Sourcing model governing documents

Model governing documents are available online that can be tailored and adapted to reflect the requirements of the organisation.

Here are links to web sites that provide copies of model documents that can be downloaded free of charge:

The Charity Commission provides model documents for the following structures:

- Charitable company seeking charity registration;
- Charitable Incorporated organisation (CIO) Foundation;
- Charitable Incorporated organisation (CIO) – Association;
- Charitable Trusts – Model Trust deed.

Setting up a charity: model governing documents

Companies House also provides a range of model documents for private companies by shares and company ltd by guarantees. The company Ltd by guarantee (CLG) model document is suitable for organisations that are not seeking charity registration.

See model articles for private companies limited by guarantee

Community Interest Company governing documents for the following structures:

- CIC Company Ltd by Guarantee – small or large membership;
- CIC Company Ltd by Shares – small or large membership;
- CIC Company Ltd by PLC – small or large membership.

Community interest companies: model constitutions

Wales Cooperative Centre (WCC)

The Wales Cooperative Centre provides free support, advice and guidance to help social businesses in Wales to grow, they are also experts in relation to Cooperative models and start-ups.

WCC has a work stream ‘Care to Cooperate’ which supports organisations to develop and grow their business around health and social care services, particularly assisting organisations to align to the ambitions within the Social Services and Wellbeing Act in Wales. This Act encourages co-production in social business models.

Starting a business

[Business Wales – starting a business information.](#)

Business Wales provides information, advice and resources to support Welsh Business development and growth. They have a number of informative guides as follows:

1. [Before you start a social business](#)
2. [Starting a social business](#)
3. [Running a social business](#)
4. [Growing a social business](#)
5. [Financing a social business](#)

Leadership, Coaching, Training and Mentoring Resources

[Academi Wales](#)

This site also provides access to information and support that is available to NHS staff

Training, events and learning opportunities

[WCVA training and events](#)

Other resources

[Well-being of Future Generations \(Wales\) Act 2014 – Essentials](#)

[Well-being of Future Generations \(Wales\) Act 2015](#)

15. References:

1. [The Power of Visioning in Strategic Planning adapted from Pickett Institute Curriculum, ILJ, 2002](#)
2. [Welsh Assembly Government social enterprise definition: The Social Enterprise Action Plan for Wales 2009](#)
3. [The free dictionary.com](#)
4. [Wales Cooperative Centre](#) re consortium models including pros and cons
5. [A business planning guide to developing a social enterprise](#)