

THE BUSINESS

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Deal Q&A

Wise beyond five years

Laurie Russell, CEO of the Wise Group, says a long-term contract to support tens of thousands of jobless people shows corporate competitors they mean business



DESCRIBE THIS DEAL IN A NUTSHELL

Providing the Flexible New Deal (FND) for the Department for Work and Pensions in the south of Scotland together with Work Directions. The planning assumption is that we'll provide support for 90,000 long-term unemployed clients to get them into jobs. We will be paid by the results we achieve and if those figures work out and if we meet our performance targets the contract is potentially worth up to £140m over five years.

WHY IS IT IMPORTANT?

It's a longer-term contract than most government contracts have been in the past and will help the Wise Group grow and develop over the next five years. Also we are the only social enterprise that has got through to FND phase 1, demonstrating that we can compete with national and international private sector

businesses in this field. Thirdly, we can offer the opportunity for other social enterprises or third sector organisations to work with us as partners in a consortium to deliver the contract.

WHAT WAS THE DEAL-MAKER?

A combination of demonstrating that we have equally good management processes, quality systems and financial management as private sector competitors. Also, because we have a solid track record in delivering high quality performance on New Deal contracts in the past and we can clearly demonstrate and quantify broader social returns from our work.

WHAT LESSONS DID YOU LEARN?

The documentation required has increased our knowledge and skills levels, and staff in the Wise Group

have significantly benefited from that experience for future contracts. I was also pleasantly surprised by how much we learnt and enjoyed working with some of the other bidders who started out as competitors but became potential partners. ■

VITAL STATS

WORTH?

Potentially £140m

FROM?

The Department for Work and Pensions

OUTCOME

An estimated 90,000 people will receive help from the Wise Group to find meaningful employment.

MARKET HIGHLIGHTS



TWO OF THE BIGGEST winners under the government's Flexible New Deal contracts for the unemployed, private

company Serco and social enterprise the Wise Group, say they want to sub-contract to social enterprises. Managing director of Serco Welfare to Work Richard Johnson said an organisation like Groundworks (pictured) would be a perfect sub-contractor. ■

TRIODOS has secured what is widely believed to be a venture capital first after an investment of £320,000 from its Opportunities Fund in social enterprise Charity Business. That organisation will use the money to double its client base

from 100 to 200 over two years. Meanwhile David Carrington, a member of the social investment taskforce, has been appointed to the Triodos supervisory board. ■

A THIRD SOCIAL BANK has bucked the credit crunch with Charity Bank announcing an increase in loans and deposits for 2008. This positive financial news on both sides of its balance sheet, followed similar results reported by other social banks including Triodos and Unity Trust Bank. ■

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