

**SocialFirms UK**

**The Values-Based Checklist  
For Social Firms  
...a tool for plotting progress ...**



## Background

**Social Firms UK has consulted with its members to agree a set of criteria to define and describe Social Firms. The criteria are derived from the Enterprise, Employment and Empowerment values identified by the Social Firm sector in 2002. Drafting this checklist has involved extensive consultation and dialog with Social Firms in 2005.**

**Social Firms UK would like to extend its thanks to everyone – especially its members – who have actively contributed to this process.**

### **Why Introduce This Checklist?**

Primarily to clarify the characteristics and values of Social Firms to those within the sector and other interested parties. We believe that this will result in a number of additional benefits for those working in and developing social firms, including:

- bringing recognition to Social Firms that meet all of the essential values, enabling them to effectively communicate their status within the sector;
- assisting those groups working towards being Social Firms to understand clearly which elements are important;
- assisting funders, stakeholders, trustees, carers and those seeking to work within Social Firms to understand the model more clearly, enabling them to have realistic expectations and support as appropriate;
- safeguarding the reputation and credibility of the sector. Understanding that Social Firms are good quality businesses and supportive workplaces. This may lead to organisations that neither meet, nor intend to meet, these criteria, to use more appropriate terminology;
- assisting support agencies e.g. Business Links, enterprise support agencies, co-operative development agencies and independent business advisers or consultants to understand the characteristics and support requirements of Social Firms;
- forming the basis of exploring the option of a Social Firm Accreditation Scheme.

Our aim was to listen to and understand the motivation and business practices of our members, and to convert these underlying values into a definitive checklist to contribute to a better understanding of Social Firms. We hope that those involved in developing and supporting the Social Firm sector will find that this Checklist enhances their ability to describe and promote the important characteristics and essential values of Social Firms.

Please do not hesitate to contact us if you have any queries arising from this Checklist, or any other Social Firms UK's activities:

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## ENTERPRISE

Criteria	Requirement For Social Firms	Sources Of Evidence
At least 50% of the firm's turnover is earned through sales of goods and/or services. (Lowest for Social Firms April 2005 - 66%)	Essential	- Accounts
The firm has an appropriate legal status. It must not be governed or driven by individual profit (except for worker co-operatives). Remote shareholders must not extract unreasonable profit.	Essential	- Constitution
The firm is trading and follows business processes, such as having a business plan in place.	Essential	- Business Plan - Marketing Plan - Employment Plan
The firm has a constitution or written guiding principles that reflect its employment objective re disabled people.	Guiding Principles - Essential for all.  Constitution - Essential for new Social Firms.  Essential for Social Firms already constituted to commit to including this in the constitution where absent.	- Constitution  - Written guiding principles displayed
The firm has a management structure that supports trading as the firm's primary purpose.	Essential	- Organisational structure - Job Descriptions of key staff
The firm is independent. Decision making and the control lies with the firm's employees/workers/own board.	Desirable	Constitution

<b>EMPLOYMENT</b>		
<b>Criteria</b>	<b>Requirement For Social Firms</b>	<b>Sources Of Evidence</b>
More than 25% of employees are disabled people*. *Please note that used here 'disabled' includes those who are disadvantaged by mental health problems.	Essential	- Staff profile
All employees have a contract of employment and market wage at or above national minimum wage.	Essential	- Employment Contracts - Payroll
An equal approach is taken to the type of employment contracts used (permanent, fixed term, temporary) between disabled and non-disabled staff.	Essential	- Employment Contracts
The firm operates processes to engage employees in their own and the organisation's development.	Essential	- Staff Handbook  - Supervision & Appraisal procedure Or - Other staff engagement systems & processes
The firm has procedures and policies in place in respect of Equal Opportunities and Health and Safety.	Essential	- Equal Opportunity Policy - Health and Safety Policy
The firm is compliant with relevant employers legislation e.g. Disability Discrimination Act and National Minimum Wage.	Essential	- Policies & procedures - Practice - Publicity material
All employees have the opportunity to progress either within the Social Firm or into alternative employment as appropriate.	Essential	- Staff profiles  - Staff exit interviews  - Supervision & appraisal
The firm is acknowledged as a good employer by employees and stakeholders.	Essential	- Staff and stakeholder endorsement

The firm is acknowledged as a good employer through an external accreditation process	Desirable	- Appropriate/relevant accreditation from a Quality Management system such as Investor's in People Award
Disabled people are employed at all levels in the firm with reasonable adjustment if required.	Desirable	- Staff profiles

## EMPOWERMENT

Criteria	Requirement For Social Firms	Sources of Evidence
Reasonable adjustments are made for employees relevant to their needs.	Essential	<ul style="list-style-type: none"> <li>- Support Assessment Form and Action Plan</li> <li>- Supervision and Appraisal Procedure</li> </ul>
Staff development is a priority for the firm to maximise each employee's ability and potential.	Essential	<ul style="list-style-type: none"> <li>- Supervision and Appraisal Procedure</li> <li>Or</li> <li>- Other staff engagement systems &amp; processes</li> <li>- Investor's in People Award</li> </ul>
There are processes in place for managing stress. Staff are encouraged to have control over their working environment.	Essential	<ul style="list-style-type: none"> <li>- Stress Management policies, systems and procedures</li> <li>- Staff well-being (Sickness levels)</li> </ul>
The firm demonstrates a commitment to maintaining staff confidentiality. There is a procedure in place that demonstrates when staff have agreed what information can be shared.	Essential	<ul style="list-style-type: none"> <li>- Written agreements acknowledged by staff</li> </ul>
Volunteers have agreements that reflect good practice in volunteering.	Essential	<ul style="list-style-type: none"> <li>- Volunteer Agreements</li> <li>- Volunteer profiles</li> </ul>
The firm provides Disability Equality and Awareness training to all staff as appropriate (e.g. mental health awareness).	Essential	<ul style="list-style-type: none"> <li>- Training Handbook</li> <li>- Staff profiles</li> <li>- Staff appraisals</li> </ul>

<p>The firm has an added emphasis on training for disabled staff. Training reinforces and builds on learning and takes account of developing social skills as appropriate.</p>	<p>Essential</p>	<ul style="list-style-type: none"> <li>- Training Handbook</li> <li>- Staff profiles</li> <li>- Staff undertaking training including accredited training</li> <li>- Staff appraisals</li> <li>- Staff endorsement</li> <li>- Exit interviews</li> </ul>
<p>The firm's organisational structure is enabling and encourages staff to participate in business decisions as appropriate.</p>	<p>Essential</p>	<ul style="list-style-type: none"> <li>- Reports of decision meetings</li> <li>- Representative on the board/management committee</li> </ul>
<p>Trainees, work experience candidates and volunteers have different programmes and responsibilities to those of employees. Training should be time-limited and should lead to an award once competences are achieved.</p>	<p>Essential</p>	<ul style="list-style-type: none"> <li>- Training Contract</li> <li>- Training Programme leading to award or qualification</li> <li>- Volunteer Agreement</li> <li>- Work Experience Programme</li> </ul>
<p>The firm implements social accounting and audit.</p>	<p>Desirable</p>	<ul style="list-style-type: none"> <li>- Social accounting and audit reports</li> </ul>