

# **The Enterprise Fund**

**Social Accounts  
September 2002 – April 2004**

## **Section One**

### **Background Information**

#### **➤ Introduction**

The Enterprise Fund is a Community Development Finance Initiative based in Manchester and serving the Manchester sub regional area. The organisation is part of the wider group structure of Manchester Enterprises; Manchester Enterprises being the holding company for a group of 12 not for profit companies.

The Enterprise Fund was established in 2002 following the successful submission of a funding application to The Phoenix Fund. The Phoenix Fund was used by the Small Business Service as the mechanism to distribute funds for the establishment of regional CDFI's.

The activities of The Enterprise Fund are all financial services designed to meet the needs of individual entrepreneurs or enterprises who would not be able to access mainstream funds from high street lenders, but who are trying to make the shift from reliance upon grant funds to earned trading income. CDFI's are often seen as the lender of last resort offering a range of lending services; The Enterprise Fund offers loan finance up to £20,000 to start up businesses, existing micro businesses and social enterprises.

For the purposes of this set of social accounts the accounting period considered is 10<sup>th</sup> September 2002 – 31<sup>st</sup> March 2004.

#### **➤ Structure and Organisation**

The Enterprise Fund is a company limited by guarantee and, as stated above, is one of twelve not for profit operating companies, that make up the Manchester Enterprises Group. The Manchester Enterprises holding company provides support to its operating companies in the form of IT support, Human Resource Management functions; and Finance support.

Manchester Enterprises Group underwrites the activities of The Enterprise Fund and is the accountable body for funding secured via The Phoenix Fund which has been used to establish The Enterprise Fund as a Community Development Finance Initiative serving the Manchester sub region.

The Enterprise Fund is staffed by a team of three individuals:

Bob Marchant – Manager  
Paul Breen – Lending Manager  
Barbara Clow – Marketing/Administration Manager

The Enterprise Fund has its own Board of nine members:

Graham Alcock	John Jardine	Mike Ashton
Paul Thomas	Elaine McLean	Drew Thomas
Ian Smith	Allan Whitehead	Tim Presswood

This Board directs the development and activities of The Enterprise Fund but is also accountable to the Board of Manchester Enterprises Group.

The Enterprise Fund is a wholly grant funded Community Development Finance Initiative supported by The Phoenix Fund and Northwest Development Agency, and is a member of the Community Development Finance Association, the trade association for the community finance field. The Enterprise Fund has its own financial objectives in that it must operate profitably i.e. its costs must never exceed its income levels; and it is working towards eventual financial sustainability.

#### ➤ **Social Audit**

The Enterprise Fund has produced these Social Accounts and submitted them for Social Audit to provide an ongoing structure for assessing the performance of The Enterprise Fund against its original stated objectives. As the project is not established to generate profits, it is not appropriate to measure its success in financial terms, rather, these Social Accounts and Audit process provide a more effective measure of the projects impact and effect upon the community it seeks to serve.

These are the first set of Social Accounts produced by the project and as such are not as comprehensive as anticipated future accounts. The development of the accounts in the future will consider areas omitted this year, will take on lessons learned during the year and will reflect the development of the project.

#### ➤ **Major Activities in 2002-2004**

This set of social accounts covers the life of The Enterprise Fund to 31<sup>st</sup> March 2004, as such during this time there have been several major activities undertaken; however for the purpose of these accounts The Enterprise Fund has highlighted the activities and services that have been developed and that now allow an effective service delivery to clients.

**Recruitment of Staff Team** – the strength of The Enterprise Fund lies in the quality of its service delivery; this is provided by the staff team of the organisation. The Manager, Bob Merchant, joined the organisation in June 2002, closely followed by a Lending Manager, Paul Breen, in July 2002. They are supported by Barbara Clow the Administration and Marketing Manager. Three other staff that have joined and since left the organisation during the accounting period have been approached for feedback, but despite requests

we have been unable to obtain responses and so unable to include them in the staff consultation process.

**Partnership Building** – as a new organisation operating within the new field of Community Development Finance Initiatives, The Enterprise Fund was not only the new kid on the block, but was also unlike any other local organisation. CDFI's were established as a new method of disseminating funds to individual entrepreneurs or emerging micro and social enterprises; and this meant that The Enterprise Fund had a great deal of work to do in informing potential partners of their existence, their purpose, their proposed activities and their desire to work together to meet the needs of a common client group. The Enterprise Fund Team worked hard at building partnerships with many organisations from various sectors and locations including:

Enterprise Agencies	Local Strategic Partnerships
Local Authorities	Regeneration Partnerships
Housing Associations/Networks	Councils for Voluntary Services
Credit Unions	Citizens Advice Bureaux
Accountants	Solicitors
High Street Lenders	Business Schools

Whilst The Enterprise Fund found that not all of these partnerships developed into fruition, many have; and these now form the introducer network which acts as a referral point into The Enterprise Fund for many individuals and organisations seeking an alternative source of development finance.

**Loan Service Launched** - The single product/service delivered by The Enterprise Fund is the provision of alternative loan finance to those organisations that have difficulty in accessing mainstream funding from high street lenders. The first application for funding was sanctioned in November 2002 and a steady stream of applications and sanctions has followed throughout the lifetime of the organisation, by the end of the accounting period (March 2004) The Enterprise Fund had sanctioned 60 applications for funds totalling £478,000.

**CITR Accreditation Achieved** – in obtaining accreditation under the Community Investment Tax Relief programme TEF is amongst the “elite” CDFI organisations. To date TEF has not accessed funds through this programme but has gained the kudos that comes with achieving this level of recognition.

## ➤ **Structure of Report**

In this section of the report background details of The Enterprise Fund have been outlined. We have explained the key activities of the accounting year and the reasons we have produced these Social Accounts.

Section two describes the mission, objectives and actions against which The Enterprise Fund is held accountable. Section three lists those groups who have an interest or 'stake' in our performance. Section four outlines the scope of our accounts and describes the methodology used in producing the accounts.

In sections five, six, seven, eight, and nine evidence and views from our records and the consultation undertaken for the preparation of these Social Accounts is presented. Each of these sections is structured in the same way. Each action is described followed by commentary and facts on performance during the year. This is supplemented in some sections by the insertion of detailed information from questionnaires as it relates to the performance in the achievement of the individual action.

At the end of all the actions, results from the questionnaires to stakeholders and structured interviews are presented regarding each objective in its entirety. After all the evidence has been presented in each of these sections, comments on the results of the evidence will be made.

Section ten will provide other general information about stakeholder's views from the questionnaires and interviews. Section eleven will bring together the conclusions and suggested future actions.

## **Section Two**

### **Statement of Mission, Values, Objectives and Activities**

The Mission, Values, Objectives and Activities considered during the Social Audit are outlined below:

➤ **Mission:**

“To enhance the economic well being of the economy of the Manchester sub-region by operating a sustainable organisation which provides a range of quality, alternative financial products in order to support financially excluded individuals and community based organisations to start up and develop enterprises.”

This statement summarises the intent of The Enterprise Fund to practically address the economic/finance needs of individual entrepreneurs or emerging enterprises within the Manchester sub region.

➤ **Values:**

- TEF demonstrates and understands the issues affecting people facing multiple disadvantage and/or living in deprived communities who wish to start up or develop an enterprise.
- TEF operates in a fair way
- TEF operates in a transparent way
- TEF values the role of privately owned business
- TEF values the role of social enterprise
- TEF operates in a professional manner
- TEF is entrepreneurial and innovative

➤ **Objectives and Activities:**

Listed below are the stated objectives and activities of The Enterprise Fund, against which performance of The Enterprise Fund has been considered during the compilation of these accounts. It is noted by The Enterprise Fund that objectives 2 and 3 as outlined below are very close in their nature and may be seen to overlap, however the distinctive elements of the activities listed justify their current inclusion in this format.

**Objective One:**

To offer loans to entrepreneurs / organisations to start-up or develop existing businesses by:

- Generating enquires from individuals / community based organisations seeking to start up a new enterprise

- Receiving completed application forms from individuals / community based organisations seeking to start up a new enterprise
- Loan Manager appraising completed application forms within a specified timescale
- Recommending completed and appraised applications to Loan Appraisal Panel (LAP)
- Applications approved by Loan Appraisal Panel and funds issued to individuals / community based organisations seeking to start up new enterprises
- Assembling a pool of experts to sit as members of the Loan Appraisal Panel

**Objective 2:**

To assist the creation, sustainability and survival of businesses in the Manchester sub-region (Manchester, Salford, Stockport, Tameside and Trafford) by:

- Assisting the creation of 69 new enterprises
- Assisting the development of existing enterprises
- Increasing the sustainability / survival of assisted enterprises
- Helping to create 36 new jobs
- Helping to safeguard 33 existing jobs
- Using TEF finance to secure leverage at other funding into local enterprise

**Objective 3:**

To stimulate demand for alternative financial products amongst the most deprived quartile of wards within the Manchester sub-region (Manchester, Salford, Stockport, Tameside and Trafford) by:

- Increasing awareness and understanding amongst intermediaries of the range of products and services provided by TEF
- Producing accessible marketing materials for potential clients
- Presenting information on TEF services to intermediaries and potential clients

**Objective 4:**

To develop and maintain a sustainable organisation to ensure the ongoing provision of appropriate products and services by:

- Developing the company's capital base
- Expanding TEF's operations into areas outside of the Manchester Sub-region

- Continuing to develop and improve business systems and procedures
- Having a strong team in place and be a fair and good employer

**Objective 5:**

To develop and maintain a sustainable organisation to ensure the ongoing provision of appropriate products and services by:

- Carrying out pilot investigations with Muslim community leaders regarding appropriate financial products
- Increasing upper loan limits to broaden base of potential clients
- Investigating financial needs of social enterprises not currently addressed by TEF and developing additional products as appropriate

## Section Three

### Key Stakeholders

A full stakeholder map of The Enterprise Fund has been included in Appendix One, however the key stakeholders to The Enterprise Fund are listed in the table below:

Key Stakeholders	Other Stakeholders
Staff	Other ME Group Companies
The Enterprise Fund Board Members	Business Debt Line
Manchester Enterprises Board Members	Business Support Organisations
Employment and Regeneration Partnership	Women's Business Groups
Clients – Private Enterprises	Employment and Training Organisations eg. JC+
Clients – Social Enterprises	Community Development Finance Association
Loan Appraisal Panel Members	European Micro Finance Network
Introducer Agencies	Other CDFI's
Funders: NWDA Small Business Service (SBS)	Specific Community Groups: Disability Groups BME Groups Local Community Groups Social Enterprise Associations CVO's
Enterprise Agencies	Local Authorities
Other Financial Institutions	Phoenix Fund
	DTI

The method of consultation used with each of the key stakeholders included in this set of social accounts is listed below:

Key Stakeholders Consulted	Consultation Method
Staff	Interviews & Questionnaires
The Enterprise Fund Board Members	Questionnaires
Clients – Private & Social Enterprises	Questionnaires
LAP Panel Members	Questionnaires
Partner Agencies	Questionnaires
Funders	Telephone Interviews

As this is the first set of social accounts to be prepared by The Enterprise Fund, the number of stakeholder groups consulted has been limited to those that have the most direct impact upon, or are most directly affected by, the activities of The Enterprise Fund; and who have been closely working with The Enterprise Fund during the accounting period.

Stakeholders Omitted from Consultation	
Other ME Group Companies	Business Debt Line
Business Support Organisations	Women's Business Groups
Employment & Training Organisations	CDFA
European Micro Finance Network	Other CDFI's
Specific Community Groups: Disability Groups BME Groups Local Community Groups Social Enterprise Associations CVO's	
Local Authorities	Phoenix Fund
Manchester Enterprises Board Members	DTI
Employment and Regeneration Partnership	Enterprise Agencies
Other Financial Institutions	

In future accounting periods the consultation process will include a broader range of stakeholders in an effort to try and accurately reflect the views of as many groups as possible.

Method – Questionnaires (see Appendix Two) were sent to stakeholders identified by TEF. It should be noted that an administrative blunder by Social Enterprise Network, the organisation undertaking the social accounting work for TEF, led to the first set of questionnaires being posted out with an unstamped reply envelope and only allowed a few days for people to complete and return their responses. As this coincided with the Easter period, it was decided to resend the questionnaires together with a stamped return envelope in the week beginning 18<sup>th</sup> April with a request for returns to be posted back by May 6<sup>th</sup>.

The stakeholder groups identified by TEF for inclusion in the consultation process were:

- TEF Staff Members
- TEF Board Members
- Loan Appraisal Panel Members
- Customers – which comprised all recorded enquiries regarding borrowing from TEF
- Partners – which were all enterprise agencies and social enterprise agencies that have worked with TEF

TEF staff members were also informally interviewed and their opinions elicited on a range of areas concerning their employment and working for The Enterprise Fund.

The responses obtained from these two mailings and interviews, have been collated and analysed. The key respondent's characteristics are summarised below with further information on key findings included in each of the section considering individuals objectives and its activities. Finally the detailed analysis of all responses is shown at Appendix One. The summary of findings focuses on those issues where the respondent's replies have indicated that some further work is required.

## Key Respondents

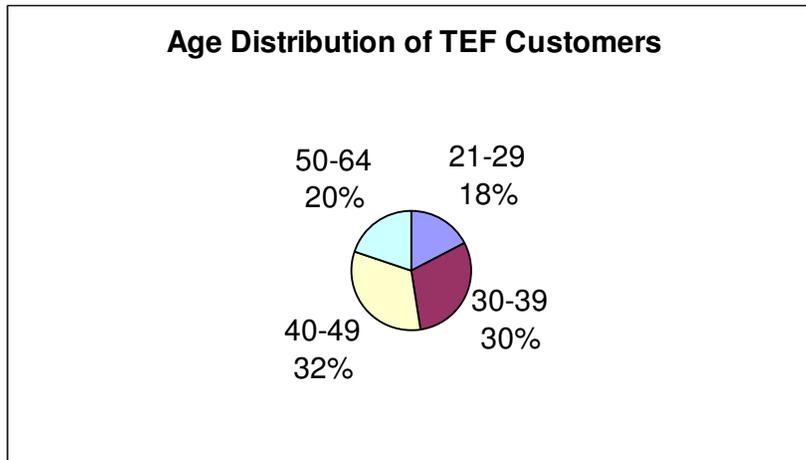
Responses were received as follows:

Stakeholder Group	Numbers sent	Returns Received	% response rate
Customers	433	41	9.5%
Partners	59	9	15.3%
LAP	19	6	31.6%
Management Board	9	4	44.4%
Staff	6	2	33.3%
Funders (by phone)	2	2	100%

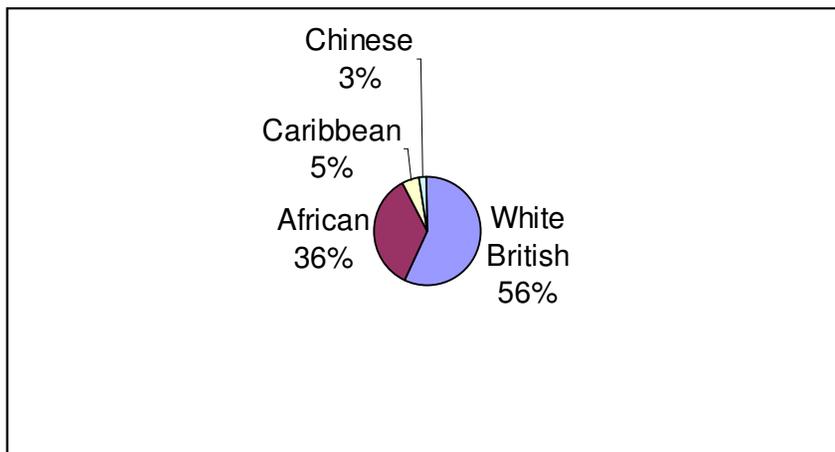
## Customers

Of the 41 customers who responded, the following information is available

- 68.3% were men and 29.3% women (one respondent did not give their gender)
- The age distribution is shown in the pie chart below:

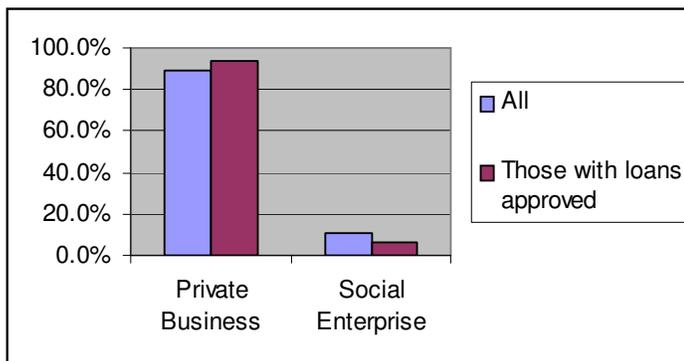
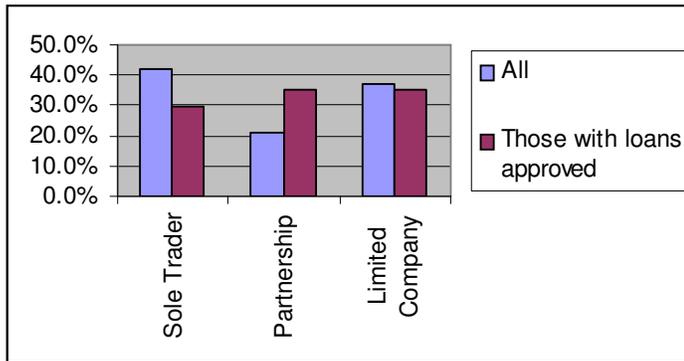


- Ethnicity is shown in the pie chart below:



- Only 2 respondents (4.9%) described themselves as having a disability.
- It is perhaps worth noting that 41.5% of all respondents described themselves as white British men.

The legal status and types of business are shown in the charts below:



### Staff

Of the 2 employees who responded, the following information is available

- Both were male and in their 30s
- Both have worked for TEF for over 2 years

## **Section Four**

### **Scope of Social Audit**

#### **➤ Stakeholder Consultation**

Not all of the identified objectives were assessed through the questionnaires issued to the various stakeholder groups involved in this set of social accounts. Objective Five was excluded from the consultation process as The Enterprise Fund has not yet begun to deliver activity in this area, and so to include it in the consultation process was felt to be unnecessary, and possibly confusing for stakeholders.

The consultation process employed involved the compilation of several questionnaires aimed at differing stakeholder groups.

Each group is able to provide differing qualitative information and as such each required a bespoke document. These documents were then issued to each stakeholder group directly. The completed questionnaires were then collected and collated to inform the social accounting process. The process of analysing the data received was carried out by John Duncan of John Duncan Associates; John is a specialist in the field of social accounting and audit and provided an independent assessor for the analysis of confidential information ensuring anonymity for all respondents.

#### **➤ Environmental Issues**

This report does not assess the environmental impact of The Enterprise Fund. Throughout the next twelve months an assessment tool that can be used to measure the environmental impacts of projects will be considered and implemented where appropriate.

The Enterprise Fund is primarily an office based service with little direct environmental impact, however there are areas of activity that can be addressed in order to minimise environmental impact and these have been included in the example Environmental Policy attached which may be adopted by The Enterprise Fund during the next social accounting period.

#### **➤ Evidence**

The evidence used to compile these social accounts has come from internal records maintained as part of the day to day systems and monitoring processes of The Enterprise Fund. The organisation uses primarily ICT based systems which ensure that the organisation is able to easily access records and feed the data into the social accounts in a timely manner.

## ❖ **Information Sources**

The Enterprise Fund Management Information:

- Lending records
- Geographical spread of loans sanctioned
- Timescales of loan application to loan sanction
- Nature of emerging enterprise – private/social enterprise

Lifetime Performance Report – prepared for NWDA

The Enterprise Fund Presentation – prepared for the North West Community Finance Forum

## ❖ **Specifically Prepared Information**

- Staff interview documents prepared and conducted by Liz Allen of ELECT
- Consultation Questionnaires

### ➤ **Benchmarking**

At the current time it is impossible to benchmark The Enterprise Fund's performance as evidenced by these social accounts, with any other similar organisations. The Enterprise Fund appears to be the first Community Development Finance Initiative to adopt social accounting as a means of demonstrating its social impact. The recommendations section of these accounts, includes a note to monitor this situation and ensure that as soon as comparative information from other organisations is available, the concept of benchmarking against such information will be incorporated into future accounts.

### ➤ **Added Value and Impact**

The process of compiling these accounts has revealed that the information held by The Enterprise Fund in relation to its clients, provides little opportunity to track or measure the 'Added Value' achieved via the intervention of The Enterprise Fund. The recommendations section of these accounts includes a note to consider the introduction of follow up monitoring with clients, as a means of gathering information around changing income levels, qualifications etc. all of which can demonstrate The Enterprise Funds contribution to growing social capital and its ability to add value.

Similarly there is note within the recommendations section of these accounts to consider the introduction of a measurement tool that will allow The Enterprise Fund to measure its impact upon the local economy and monitor the level of leverage funding attracted to clients as a result of The Enterprise Fund support. Such tools as the New Economics Foundation Local Multiplier Three model may be useful in addressing this area of performance which is currently being lost.

➤ **Acknowledgements**

The Enterprise Fund would like to thank all participating stakeholders for their contribution or support during the course of this Social Audit process.

## Section Five

### Report on Performance

**Objective One** - To offer loans to entrepreneurs / organisations to start-up or develop existing businesses by:

- Generate enquires from individuals / community based organisations seeking to start up a new enterprise
- Receive completed application forms from individuals / community based organisations seeking to start up a new enterprise
- Loan Manager appraises completed application forms within a specified timescale
- Completed applications recommended to LAP
- 69 applications approved by LAP and funds issued to individuals / community based organisations seeking to start up new enterprises
- Assemble a pool of experts to sit as members of the LAP

Activity	Target	Actual	Variance
Generate X enquires from individuals / community based organisations seeking to start up a new enterprise	None Set*		
Receive X completed application forms from individuals / community based organisations seeking to start up a new enterprise	None set*	125	+125
Loan Manager appraises X completed application forms within a specified timescale	None set*	Average 5 days	
X completed applications recommended to Loan Appraisal Panel	None set*	55	
69 applications approved by Loan Appraisal Panel and funds issued to individuals / community based organisations seeking to start up new enterprises	69	55	-14

*\* During the accounting period covered by these accounts internal targets had not been set in these areas, since this time targets have been set and recommendations have been made for all internal targets to be reviewed at least annually.*

Generally speaking, all consultees gave TEF a very high rating for the performance in achieving this objective. However, a number of issues have

been identified the solutions to which can be incorporated into future work programmes and activities:

- Customer responses and feedback indicate a significant number who are unhappy with the relatively high rates of interest, the lack of a capital repayment holiday and relatively short pay back periods.

*“TEF should set up a holiday repayment period that mirrors the Small Firms Loan Guarantee Scheme.”*

*“I found the rate at which the loan needs to be repaid too onerous for the business to handle in its early stages and the (interest) rates were uncompetitive in the loan market. I was particularly disappointed to find that I had to give a personal guarantee which I did not find out about until a later stage in the application process, even though I was then informed it was on your website. If your rate is too high and uncompetitive and you need a PG, why would anyone lend (sic) from you? I certainly did not.”*

- A significant percentage of customers felt that there was room for improvement in the operation of the loans programme.
  - 79.5% stated that the speed of initial response was good or very good. (i.e. 1 in 5 did not).
  - 74.4% thought that there was clear information about the loan application process (i.e. 25.6% did not).
  - 61.1% considered the loan application process to be good or very good, while 19.4% considered it to be poor or very poor.
  - 73.2% considered the staff to be approachable, friendly and helpful (i.e. 26.8% did not)
  - 74.2% thought the feedback on their loan application was good or very good, while 25.8% thought it was poor or very poor.
  - 70% thought the feedback was prompt while 30% did not.
  - TEF only referred 3 respondents (7.3%) to other business development agencies for further support and advice
- Responses from the partner agencies with whom TEF work, and rely on for the throughput of enquiries also showed some concerns with 33.3% describing the ease of the application process to be poor or very poor, and the same percentage being unable to describe the clarity of information (about the application process) provided by TEF to be good or very good.

### **Recommendations from of Section**

- Address speed of response to customer enquiries
- Review customer information regarding the service check for accessibility of language, terminology etc.

- Review customer service skills amongst staff team – is there a lack of skills or too much pressure on a small staff team?
- Review feedback procedures to unsuccessful applicants to ensure timely and appropriate responses are given.
- Review referral process directly clients to other support services.
- Present information on TEF services to intermediaries and potential clients
- Review all internal targets at least annually in order to ensure they remain relevant and are set at appropriate levels.

## Section Six

### Report on Performance

**Objective 2** - To assist the creation, sustainability and survival of businesses in the Manchester sub-region (Manchester, Salford, Stockport, Tameside and Trafford) by:

- Assisting the creation of 36 new enterprises
- Assisting the development of 33 existing enterprises
- Increasing the sustainability / survival or assisted enterprises
- Helping to create 36 new jobs
- Helping to safeguard 33 existing jobs
- Using TEF finance to secure leverage at other funding into local enterprise

Activity	Target	Actual	Variance
Assist the creation of 36 new enterprises	36	34	-2
Assist the development of 33 existing enterprises	33	21	-12
Helping to create new jobs No. of new jobs created	36	121	+85
Helping to safeguard existing jobs No. of jobs safeguarded	33	63	+30

Again, there was a high level of satisfaction with TEF's progress in relation to this objective; however there are a number of issues in relation to marketing activities which merit further consideration.

- Overall customers only gave TEF's marketing materials a 75% score of good or very good in terms of clarity, relevance and ease of understanding. i.e. 1 in 4 did not.
- The above concerns were also shown in the responses from Partner Agencies:
  - 55.6% considered the Clarity of TEF's Marketing materials to be good or very good (i.e. 44.4% did not)
  - 44.4% considered the Appropriateness of TEF's Marketing materials to be good or very good (i.e. 55.6% did not)
  - 42.9% considered the Clarity of TEF's Marketing materials to be good or very good, while 44.4% considered it to be poor or very poor

- Partner agencies also indicated that TEF's presentations could be improved in terms of clarity (33.3%), frequency (66.7%), appropriateness (50%) and format (37.5%)

### **Recommendations from Section**

- Review all marketing materials, check accessibility, clarity and appropriateness in terms of language, terminology, format etc.
- Review all internal targets at least annually in order to ensure they remain relevant and are set at appropriate levels.

## Section Seven

### Report on Performance

**Objective 3** - To stimulate demand for alternative financial products amongst the most deprived quartile of wards within the Manchester sub-region (Manchester, Salford, Stockport, Tameside and Trafford) by:

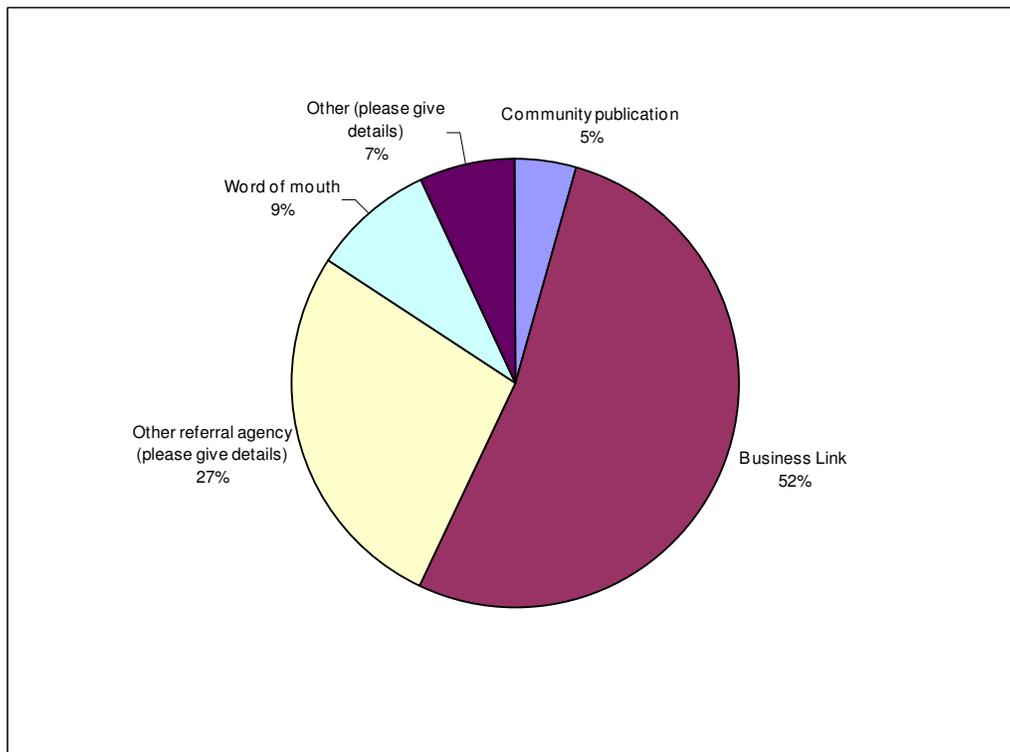
- Increase awareness and understanding amongst intermediaries of the range of products and services provided by TEF
- Produce accessible marketing materials for potential clients
- Present information on TEF services to X intermediaries and potential clients

Activity	Target	Actual	Variance
Present information on TEF services to X intermediaries and potential clients*			

*\* During the accounting period covered by these accounts internal targets had not been set in these areas, since this time targets have been set and recommendations have been made for all internal targets to be reviewed at least annually.*

In addition to the comments shown above (Objective 2) the following points have emerged:

The source of enquiries to TEF have been as shown in the chart below



TEF may therefore wish to review their marketing strategy, including the range of partner agencies with whom they work, in order to broaden coverage and the source of enquiries.

### **Recommendations from Section**

- Review or develop Marketing Strategy to improve balance of referral sources, currently reliant upon Business Link for more than half of all enquiries.

## **Section Eight**

### **Report on Performance**

**Objective 4** - To develop and maintain a sustainable organisation to ensure the ongoing provision of appropriate products and services by:

- Develop the company's capital base
- Expand TEF's operations into areas outside of the Manchester Sub-region
- Continue to develop and improve business systems and procedures
- Have a strong team in place and be a fair and good employer

The responses from staff, board members and LAP members indicated that most were aware that TEF had undertaken an Annual Business Systems review and there were no responses that suggested that this had not been a useful exercise.

Only 2 of the board members were aware that TEF had established income generation targets; they considered the targets to be pretty good.

Findings from informal staff interviews have also been included here; interviews sought to elicit staff opinion of four main areas of activity; internal communications, employment terms and conditions, support and supervision; and training and CPD opportunities.

#### **Internal Communications**

All of the staff found internal communications within The Enterprise Fund to be open, honest and direct. Furthermore all of the staff recognised that their opinions were welcomed, taken seriously and, where possible, acted upon.

All staff commented on the nature of the group structure and its communication processes, noting that its hierarchical nature can be limiting to open communication across the group.

#### **Employment Terms and Conditions**

Two of the three staff responses stated that terms and conditions were poor, specifically noting low pay rates compared to contemporaries in the field; and a lack of recognition or thanks for a job well done.

In addition all of the three responses noted that there is a general feeling of low morale across the group. Manchester Enterprise Group has opted out of the European Working Time Directive and this was felt to be a poor decision that did not reflect well on a not for profit organisation.

Suggested improvements to terms and conditions included:

- Review of the Working Time Directive decision by the ME Group
- Recognition of time off in lieu as a reasonable request which should not be disparaged.
- Equalisation/Standardisation of employment contracts across the group
- Improved response times in meeting expenses claims
- Review of pay-scales in line with national levels

### **Support and Supervision**

Whilst there is no formal supervision process in place all respondents recognised the informal support present within The Enterprise Fund team.

Whilst there is an appraisal process in place it was noted that it is not directly linked to pay reviews, and from a group perspective the appraisal process is not timely, one respondent had received no appraisal for two years.

One respondent noted that whilst a close relationship was not required, the opportunity to discuss matters other than business would be welcomed in a supportive setting.

### **Training & CPD Opportunities**

All respondents stated that they are offered many training opportunities, however work load and time constraints often preclude individuals from exploiting these opportunities.

One respondent noted that all team members have a personal training and development plan in place which should be reviewed during appraisal.

### **General Issues**

Staff were given the opportunity to make any general comments in relation to possible improvements within The Enterprise Fund, the responses received included:

- Without timely appraisals, salary negotiations should take place rather than a blanket percentage being awarded regardless of performance.
- Roles in the office need to be defined, sexism exists which could affect any staff.
- Conflict between operating companies needs to be resolved if contractual opportunities are to be exploited successfully.
- There is a risk of staff becoming disillusioned and lost to The Enterprise Fund and to the group.

## Recommendations from Section

- Consider greater involvement of the Board in the setting of income generation targets to drive the development activity.
- Continue the burgeoning expansion of TEF's services beyond the Manchester sub region.
- Consider the size and skills of the staff team to ensure it is strong and able to meet the demands of customers.
- Encourage recognition of time off in lieu as a reasonable request when excess hours have been worked, and a request which should not be disparaged.
- Encourage equalisation/standardisation of employment contracts across the Manchester Enterprises Group
- Encourage improved response times in meeting expenses claims across the group
- Encourage a review of pay-scales in line with national levels across the Manchester Enterprises Group
- Encourage a review of the Working Time Directive decision by the ME Group
- Consideration of a formal supervision process
- Introduction of annual appraisals with performance linked to pay reviews.
- Regular equality and diversity training to be undertaken by all team members.

## **Section Nine**

### **Report of Performance**

**Objective 5** - To develop and maintain a sustainable organisation to ensure the ongoing provision of appropriate products and services by:

- Carry out pilot investigations with Muslim community leaders regarding appropriate financial products
- Increase upper loan limits to broaden base of potential clients
- Investigate financial needs of social enterprises not currently addressed by TEF and develop additional products as appropriate

As mentioned during Section Four – Scope of Social Audit, Objective Five was excluded from the consultation process as The Enterprise Fund has not yet begun to deliver activity in this area, and so to include it in the consultation process was felt to be unnecessary, and possibly confusing for stakeholders.

## Section Ten

### Stakeholders Views

#### *Values*

The internal stakeholders – staff, LAP members and Board members – all recorded high scores for TEF’s compliance with its values.

Their partners however indicated some concerns as shown in the table below.

<b>TEF’s Values – The Responses from Partner Agencies</b>		
<b>Value</b>	<b>Strongly Agree or Agree</b>	<b>Strongly Disagree or Disagree</b>
TEF demonstrates and understands the issues affecting people facing multiple disadvantage and/or living in deprived communities who wish to start up or develop an enterprise	50%	25%
TEF operates in a fair way	75%	25%
TEF operates in a transparent way	50%	25%
TEF operates in a professional manner	66.7%	11.1%

#### *Partnership Working*

- Of the 9 responses received, 8 (88.9%) indicated that they agreed or strongly agreed that they had worked in close collaboration with TEF, and none disagreed at all.
- 7 stated that the collaboration had been useful and none disagreed.
- 8 reported that they would continue to work with TEF in the future and none disagreed.

However, when asked about their working relationship the following results emerged:

<b>The Views of Partner Agencies about working with TEF</b>		
	<b>Strongly Agree or Agree</b>	<b>Strongly Disagree or Disagree</b>
The Enterprise Fund has benefited more from our collaboration/partnership than we have	44.4%	11.1%
The Enterprise Fund has been an efficient organisation to work with	44.4%	11.1%
We have been able to agree clear objectives for our collaboration/partnership	55.6%	22.2%
The Enterprise Fund communicates clearly with us at all times	22.2%	33.3%
The Enterprise Funds provides clear and accessible marketing materials/information for us and our clients	44.4%	33.3%

TEF may wish to give consideration as to how they may develop and strengthen their partnership arrangements in the future.

## *Board Issues*

Generally speaking the responses from the TEF Board members were very favourable.

The only issue arising from the replies related to composition of the Board itself.

<b>Question: The Membership of the TEF Board is well balanced as regards</b>		
	<b>Strongly Agree or Agree</b>	<b>Strongly Disagree or Disagree</b>
Local and none local people	66.7%	0%
Professionals and Non-Professionals	66.7%	33.3%
Gender	33.3%	33.3%
Age	33.3%	33.3%
Ethnicity	0%	100%
Disability	0%	100%
The size of the Board is just right	66.7%	33.3%

Suggestions as to other groups who could be invited to have representation on the TEF Board include:

- Users/potential users
- BME Community
- Social Enterprise Representative(s)

## *LAP Issues*

Generally speaking the responses from LAP members were very favourable. A few issues were indicated:

- only four of the six respondents (66.6%) were aware that TEF had undertaken an Annual Business Systems Review
- 50% of respondents stated that papers for meetings are not circulated in good time, with only 33.3% stating that they are.
- With regards to membership of the LAP, the following replies were received

<b>Question: The Membership of the LAP is well balanced as regards -</b>		
	<b>Strongly Agree or Agree</b>	<b>Strongly Disagree or Disagree</b>
Local and none local people	83.3%	0%
Professionals and Non-Professionals	66.7%	16.7%
Gender	33.3%	33.3%
Age	83.3%	16.7%
Ethnicity	20%	20%
Disability	0%	20%
Experience	83.3%	0%

TEF may therefore wish to consider how to expand the pool of LAP members to increase the numbers of women, BME community members and disabled people.

## *Staff Issues*

### *Working for TEF*

As with other internal consultees, staff members recorded high scores for most of the questions. However working conditions and the remuneration package appear to be issues.

- Neither respondent felt that their health and well-being at work is taken seriously, although both felt they were part of a supportive team and get good support from other staff
- Neither were satisfied with the hours worked, and did not agree that they are not put under too much pressure at work
- Both strongly disagreed that they are satisfied with pay, while neither was satisfied with other elements of the remuneration package
- In relation to training, one agreed and one neither agreed nor disagreed that they had received the training needed to do the job effectively, however:
  - Both were neutral as to whether or not the training had been worthwhile
  - One had received no training in the year whilst the other had more than 5 days
  - Both disagreed (one strongly) that the staff appraisal system works well
- Both felt that the TEF Board's understanding of their work was poor.

## *General Issues*

- There was a relatively low response rate to all of the questionnaires issued to stakeholders, in future accounting periods it may be advisable to collect the qualitative information from stakeholders throughout the period rather than in one consultation exercise at the year end.

## **Section Eleven**

### **Recommendations, Actions and Dissemination of Accounts**

#### Recommendations & Actions

Following consideration of the detail of the consultation responses around each objective and contributing activity, the following recommendations and action have been drawn:

- Address speed of response to customer enquiries
- Review customer information regarding the service check for accessibility of language, terminology etc.
- Review customer service skills amongst staff team – is there a lack of skills or too much pressure on a small staff team?
- Review feedback procedures to unsuccessful applicants to ensure timely and appropriate responses are given.
- Review referral process directly clients to other support services.
- Review all marketing materials, check accessibility, clarity and appropriateness in terms of language, terminology, format etc.
- Review or develop Marketing Strategy to improve balance of referral sources, currently reliant upon Business Link for more than half of all enquiries.
- Consider greater involvement of the Board in the setting of income generation targets to drive the development activity.
- Continue the burgeoning expansion of The Enterprise Fund's services beyond the Manchester sub region.
- Consider the size and skills of the staff team to ensure it is strong and able to meet the demands of customers.
- Consider greater involvement of the staff team with the Board to improve mutual understanding of roles and responsibilities.
- Collect qualitative data from stakeholders throughout the accounting year.
- Monitor availability of benchmarking information and incorporate into future accounts.

- Consider the introduction of follow up monitoring with clients to gather information which can demonstrate The Enterprise Funds contribution to growing social capital.
- Consider the introduction of a measurement tool to examine impact upon the local economy; and monitor the level of leverage funding attracted to clients as a result of The Enterprise Fund support.

## **Dissemination of Social Accounts**

These accounts will be submitted to the Social Audit Panel for approval. Once approved they will be circulated to the all key partners.

A summary version will be compiled and The Enterprise Fund will publish this on the organisations website.

## **Section Twelve**

### **List of Appendices**

Appendix One	TEF Stakeholder Map
Appendix Two	Detailed Findings from Consultation Questionnaires
Appendix Three	Examples of Consultation Questionnaires Used
Appendix Four	Example of Staff Interview Document Used
Appendix Five	Example Environmental Policy
Appendix Six	Other Customer Comments