

The Social Enterprise Case Study Series provides an insight into how different types of social enterprises are currently operating in Australia. Social Traders has developed this series by consulting closely with individual enterprises to capture an inside perspective on the development of the enterprise and their challenges and successes.

Intermediate Labour Market Company: Community Contact Service (CCS)

Summary

The Community Contact Service (CCS) is a social enterprise run by the Brotherhood of St Laurence that provides concierge services in 12 high rise public housing towers on the Fitzroy, Collingwood and Richmond public housing estates in inner Melbourne. The CCS is contracted to deliver these services for the Victorian Office of Housing; the service operates between 8am-4pm, five days per week in the base of each of 12 high rise towers. Contact Officers are employed to provide concierge, information and referral support to local residents and to strengthen community wellbeing and development. The service is supported by a security contractor that provides patrols outside the building and CCTV monitoring from a control room.

The CCS differs from mainstream businesses because it recruits Contact Officers from disadvantaged job seekers who live on the public housing estates being serviced. These participants are employed as trainees and receive accredited training and support in a paid job over a 12 month period. They are then supported to obtain work in the mainstream labour market and the trainees know that they will be moving on at the end of their training. The CCS provides approximately 20 positions annually for disadvantaged job seekers in these communities. This social enterprise has provided employment to 75 people in total over a five year period with more than 80% moving into employment or further education at the completion of their 12 month contract.

Importantly, the CCS is a service tailored to the unique needs of these communities providing a response to the everyday safety and community building needs, whilst also providing robust training and employment for residents, and all at a similar cost to the delivery of a security contract.

The CCS was introduced in 2005 under the successful Neighbourhood Renewal program operating in the communities of Fitzroy and Collingwood. The CCS has now been subsequently extended to Richmond by the Office of Housing under a commercial tender process from October 2009 to 2012. The Office of Housing, within the Victorian Department of Human Services, has played a major role in creating and developing this innovative service with strong social and economic outcomes.

Establishment Costs	\$60,000 provided by Brotherhood of St Laurence (BSL) and DHS in 2005.
Years to break even	Surplus in year one and year four - under \$10,000 Deficit in years two and three - under \$10,000
Annual Turnover	Approx \$900,000 for 2010 to 2012
Annual Profit	Project aims for break-even status
Staff	Three FT supervisors, one FT manager, 20 trainees (15 EFT)
Social Outcomes	83% of trainees moved into mainstream jobs or further education
Support	Office of Housing – Victoria BSL Board of Directors



Background

Once working-class, the inner city suburbs of Fitzroy, Collingwood and Richmond, are now prosperous and vibrant communities on the edge of Melbourne's CBD. The Fitzroy, Collingwood and Richmond public housing estates which are located in these three suburbs represent approx 20% of the total housing stock. Some 6500 people live on the three estates, with the majority of these residents living in 12 towers, which provide 2400 units of high-rise housing. The three estates provide housing at subsidised rents to people on low income, typically 95% of people in public housing are in receipt of income support.

In the early 2000s, after years of underinvestment in social housing in Victoria, the Victorian Government was facing run down public housing stock and chronic social issues. Two of the communities worst affected were the Collingwood and Fitzroy public housing estates. These estates were seen as highly undesirable with 120 vacant properties on the Fitzroy estate in 2002 at a time when there were 40,000 families on the public housing waiting list.



The government undertook consultations and the community identified three issues negatively impacting on the estates. The issue of most concern was community safety related to drug activity, followed closely by cleaning, and maintenance.

The Office of Housing (OoH) initially responded to the issue of community safety by providing higher levels of security on the sites, but was determined to develop a more comprehensive and preventative response modelled on the concierge roles provided in some private high-rise apartment accommodation.

The resulting Concierge Service was developed in 2002 to operate a restricted access service for each of the towers, to provide tenant information and orientation for new residents, and provide a community agency referral service for residents. The Concierge Service was managed by OoH and recruited unemployed people to these roles. The OoH engaged the Brotherhood of St Laurence (the Brotherhood) to provide supplementary services such as training and personal support in recognition that the concierges required a supportive workplace to succeed.

For the Brotherhood, their involvement in the Concierge Service coincided with their exploration of new approaches to employment for those disadvantaged in the labour market. The Concierge Service (CS) demonstrated the power of service innovation as a vehicle for achieving social as well as service outcomes.

In 2002/03 the Brotherhood trialled a fully funded Intermediate Labour Market (ILM) program designed to pathway disadvantaged job seekers from the public housing estates into mainstream employment via 12 months on the job training in aged care. The core components were:

- pre-employment training
- a 12-month fixed term job
- a nationally accredited traineeship
- access to a support worker
- assistance in obtaining work in the open labour market



Underpinning this approach was the belief that employment in a paid job combined with effective training and personal support for 12 months created readiness for independent work and/or further study

The Brotherhood's exploration of predictable and reliable revenue sources to cover the costs of the ILM approach led them to social enterprise and the delivery of commercial contracts. The Brotherhood first piloted this approach in partnership with the Adult Multicultural Education Service (AMES) through the establishment of a cleaning company. The success of this venture coincided with OoH initiative to out-source the Concierge Service and deliver it through a social enterprise model which would provide training and employment opportunities for different public housing tenants on an annual basis.

Feasibility and Establishment

Key steps involved in establishing what became known as the Community Contact Service (CCS) as a social enterprise included:

- Discussions between OoH and the Brotherhood exploring the possibility of the Brotherhood delivering a concierge service based on an ILM employment model;
- The Brotherhood undertook a feasibility study and priced the model;
- The Brotherhood identified income sources for pre-employment training and traineeships as well as wage subsidies from Commonwealth Job Network (now Job Service Australia) providers;
- The Brotherhood made a proposal to OoH to operate the CCS;
- A service level agreement was developed between the Brotherhood and OoH to deliver the CCS for a period of two years starting in the financial year 2004/05;
- The CCS developed training material and engaged the Brotherhood's RTO to deliver training;
- The CCS employed a coordinator and began the process of engaging local unemployed residents; and
- Applicants were short-listed to undertake a pre-apprenticeship course and, at the completion of the course, trainees were engaged in nine FTE positions. The number of trainees filling these positions has varied over the years, catering for the needs of part time trainees.

The feasibility study had two significant components: the financial and the social.

The financial component involved identifying a market price for the security service delivered under the old model, working back from that price to determine the staffing that the proposed budget could carry. Fortunately this budget allowance enabled the CCS to carry enough staff so that trainees and team leaders could both get involved in community activities, and trainees could spend three hours per fortnight training off site. The Brotherhood therefore knew that the CCS was financially viable at an early stage.

The social component of the feasibility study was more complex. The great risk with the CCS was that the staff spent most of their time alone in a service booth in an environment that could, on occasions, be confronting. Determining how to support trainees in this environment posed a great challenge. Whilst there was a level of risk in the innovative nature of what was being undertaken, both OoH and the Brotherhood's board were prepared to proceed.



Company Structure and Governance

The Brotherhood is a large not for profit organisation committed to a vision of an Australia free of poverty. The Board of the Brotherhood is ultimately responsible for the overall management of ILM activity and the CCS. By operating within the Brotherhood the CCS was able to immediately access organisational infrastructure, including critical human resources. The organisation's interest in innovation and its size would have protected the CCS had elements of the model failed to succeed. Importantly however, the Brotherhood was able to use the learnings from innovative enterprise delivery to build a body of knowledge around ILM practice for sharing with others.

The CCS sits with a number of other ILM-based social enterprises run by the Brotherhood reporting to the organisation through a manager. The program sits within the Employment and Training Division within the organisation.

The CCS employs twenty trainees each doing 0.8 EFT across three estates. On each estate they employ one team leader and one manager sits across the entire business.

Business Development



The Community Contact Service was purpose built as an innovative model for service delivery. It demonstrates that preventative security measures, community wellbeing promotion, training and employment activity can all be delivered at a similar cost to a more traditional commercial security model.

In recognition of this, in June 2009 the Office of Housing extended the scope of the CCS contract to a third public housing estate in the adjacent suburb of Richmond and put the contract for the CCS service across the three estates out to public tender.

The CCS started out as a joint venture between OoH and the Brotherhood and once the model was refined it was able to be captured in a tender package that stipulated the social and service outcomes that the successful tenderer would be required to provide. These included:

- The delivery of an Intermediate Labour Market model including pre employment training, traineeships and pathways to work
- Employment of 20 trainees per annum made up of unemployed public housing tenants off the three public housing estates
- Management of community facilities
- Delivery of information and referral
- Participation in community development on the estates.

An open tender process was followed and the Brotherhood of St Laurence was successful in obtaining the contract for the three community estates.

The Brotherhood welcomed the OoH decision to put the CCS contract to tender and sees broad applicability for this type of social procurement for government across further public housing estates of significant density. The Brotherhood further recognises that the growth of



the CCS is dependent on the willingness of organisations like OoH to create contract opportunities. For example the Community Contact Service model has now been adopted in Sydney at Waterloo Green, under the title Neighbourhood Link Service.

The market for the CCS model has currently been restricted to high-rise public housing estates with significant security budgets. There may be other possible social markets for the CCS in environments that require basic reception skills and facility management. One attraction of the CCS model is that managers and team leaders can easily provide on-site support and the transition to the role of Community Contact Officer is manageable for the participants.

Financials

The cost of establishing the CCS was shared between the Brotherhood and OoH. Both organisations put considerable time and organisational resources into the development of the CCS; OoH funded the coordinator of the service to manage the start up of the CCS. The Brotherhood invested approximately \$60,000 in staff time in the development of the CCS. Like all service providers on the estates, the CCS is accommodated in DHS facilities and DHS is responsible for the provision of equipment on site.

Almost all the revenue stream for the CCS is provided by the OoH via contractual arrangements. Some other revenue is derived from traineeship incentives and completion payments, and wage subsidies via Job Services Australia deliverers. The amount received depends on job seeker eligibility. This is a small but important component of the budget and is used at the Brotherhood to provide quality training and personal support to trainees.

In the 5 years since it commenced full operation, the CCS has generally run at a breakeven budget position.

Social Outcomes

Of the 37 trainees who were employed by the CCS in the first three years of the service, 85% completed their traineeship and went on to obtain work in the open labour market or pursue further education. The impact of a job on a person, a family and a community can be quite dramatic, increasing wealth, health, reducing justice issues, creating role models and increasing stability.

The program also delivers very important community strengthening and building results via its information and referral service, community development activities, and as a concierge service for public housing tenants.

In a community satisfaction survey on the Collingwood and Fitzroy public housing estates in June 2009, 91% of respondents felt their questions were being answered in a timely manner by the Community Contact Officers (CCOs). A total of 87% who answered believed those CCOs working on the estates were quite knowledgeable or extremely knowledgeable and 90% felt that the CCOs increased their feelings of safety and well-being.



Key Stakeholders

The CCS could never have existed without the Victorian Government and the Brotherhood working together to develop a response to complex community issues. The notion of partnership was fundamental to its success.

The CCS has now become part of the fabric of the estates promoting local services and agencies, participating in and supporting the full gamut of community development activities. By listening to the community the CCS has been able to develop new services including providing a recycling service on the estates, developing information DVDs and the development of community information packs.

Challenges

In the early days, trainees found it difficult to understand why it was necessary for them to leave their job after 12 months of work. Questions from trainees in the first year the Brotherhood ran the service included: “Is this a program or a business?” and “I thought this was an ongoing job, how can you make us all leave after 12 months?” Most trainees didn’t want to think about their next job while they worked for the CCS. It was as if they had come so far in holding a job down for 9-12 months that they couldn’t contemplate leaving and establishing themselves in a workplace all over again. In year two, it was made clear exactly what trainees were signing on for and better supports were developed for trainees exiting the model.

It was difficult for the CCS to be taken seriously as a contractor on the estate in the early period. Most people initially saw the service as a social experiment rather than a social enterprise. At various times there was some friction with other contractors: be they cleaners, security, DHS or community service providers. Over time, as people came to understand the CCS, and see its performance, they came on board as supporters. This illustrates the trust that must be built with communities for an ILM-based social enterprise to prosper.

The ILM model requires a level of additional workplace support for the trainees as they develop and improve their workplace skills. The CCS approach to this has evolved over time to try and best determine the role of support in a model such as this. This initially involved the employment of a dedicated support worker. Currently the Brotherhood uses a mix of management supervision and field officer training support from the Brotherhood Group Training Company at the Centre for Work and Learning to identify and better meet trainee needs.

For the success of social enterprises that deliver training and employment outcomes it is important to have a shared spirit of innovation between the key partners and for all stakeholders to be prepared to work through the detail of the agreements and key tasks. Senior level support within the contracting organisations is also essential.



Success Factors

Because it has run as a fixed price contract, the CCS has carried a transparent financial risk, and has had the benefit of a predictable cash flow. This has provided a reliable basis on which to employ disadvantaged job seekers and to deliver a quality product.

The Brotherhood, has developed experience in running ILM based employment and training models and the organisation is increasingly able to apply the lessons learned from other businesses to the delivery of the CCS contracts. Consecutive years managing the service has also meant the Brotherhood has been able to refine its model for delivery, build a reliable service and gain the trust of the community in which it works, and from which it recruits its workers.

The community sees the CCS as the resource it was intended to be; an information and referral service, a restricted access operator, a community development provider and as a training and employment provider. The enterprise represents a clear pathway to a more secure working life.

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