



The following case study was produced as part of the research report "Success Themes in Supportive Employment". Copies of the full report are available online: http://www.socialenterprisecanada.ca/en/learn/nav/SET_Report.html



Funding provided through the Canada-British Columbia Labour Market Development Agreement

BLUE SKY DEVELOPMENT & REGENERATION

Overview

Blue Sky's employees, all of them ex-offenders, arrive with a variety of skills, but a common motivation to turn their lives around and become self-supporting citizens. By the end of their six-month contracts, they leave with job experience and hand-on skills, comfort with routine and teamwork skills, and the opportunity to build better lives for themselves and their families.

Background

Founded in 2005, Blue Sky is a U.K.-based social enterprise whose mission is to challenge perceptions about ex-offenders by offering them employment – "a proper job with a proper company" – with the long-term aim of helping to break the cycle of re-offending. There is substantial evidence that employment is the single most effective way to enable an individual to escape the cycle of re-offending.¹

Blue Sky offers full-time six-month employment contracts to ex-offenders, giving them the chance to learn new work skills, build a clean employment record and earn a good reference, and move into permanent jobs. Giving an ex-offender the capacity to prove to a potential employer that they have been in paid, full-time employment for six months dramatically improves their chances of securing work.

The enterprise works with a growing number of public and private sector companies across much of England in an increasing range of industries, including grounds maintenance, recycling and waste management, commercial laundries, distribution/logistics and catering, all of which use temporary and agency staff.

Blue Sky pursues contracts with entry-level positions so that no ex-offender is discriminated against due to lack of employment experience or low educational

¹ Blue Sky SROI Analysis, prepared by Impetus Trust, 2010

attainment. In their catering business, for example, they are able to bring in committed, supervised and closely managed teams to work as an integral part of a kitchen team, matching employees' aptitudes and skills to the tasks needed. (Prior to release, some employees worked in prison kitchens, where they received basic catering and hygiene qualifications.)

In addition, three of Blue Sky's office staff have criminal records demonstrating that the enterprise doesn't ask other organizations to take on a risk that it wouldn't assume itself.

Blue Sky's current teams are based in West London, South London, East London, Slough, Gloucester, Oxford, Woking, Reigate, Watford, Medway, Dover, Aldershot, and Manchester. Blue Sky is a registered charity and company limited by guarantee.²

Target Population for Employment

Blue Sky employs over 50 ex-offenders on its weekly payroll, as well as 14 full-time staff. Since 2005, the enterprise has employed over 800 ex-offenders. The average age of their employees is 29.

Blue Sky's employees are people who have faced significant barriers to employment. As ex-offenders, they face the stigma of having a criminal record and have experienced the societal prejudices that often accompany that.

Employees generally arrive with relatively few skills and lacking in training and education. Other barriers to employment include:

- Low literacy
- Gaps in, or in some cases, a complete lack of work history
- Low self-esteem
- Homelessness
- Addiction issues. Over half of Blue Sky's employees have had drugs or alcohol issues, and many are in the process of rebuilding their personal relationships.

The Employee Journey

Andrea McCubbin, Blue Sky's Chief Operating Officer, believes a key to success in this type of social enterprise is developing strong employment-focused relationships with the staff. "Keep it real, keep it employment focused," says McCubbin. "Make sure you refer to the people you help as employees, rather than

² In 2012, Blue Sky diversified and began offering work to serving prisoners through a subsidiary company, Blue Sky Inside, to create a manufacturing and service industry inside prisons. The research conducted by the Labour Market Partnership Project, upon which this case study is based, focuses solely on Blue Sky's core model employing ex-offenders in the community.

beneficiaries or clients. If you can be the primary focus as an employer, that's a really good place to be."

McCubbin also notes that as much as possible, standard employment policies and procedures, along with a flat structure, are essential. "One of the big things [...] is that everybody in the organization should be treated the same, and to do that, you need to have all of the policies and procedures [...] written down, so that everybody feels part of the enterprise, but also to allow your employees to have a real voice in the organization."

Recruitment and Hiring

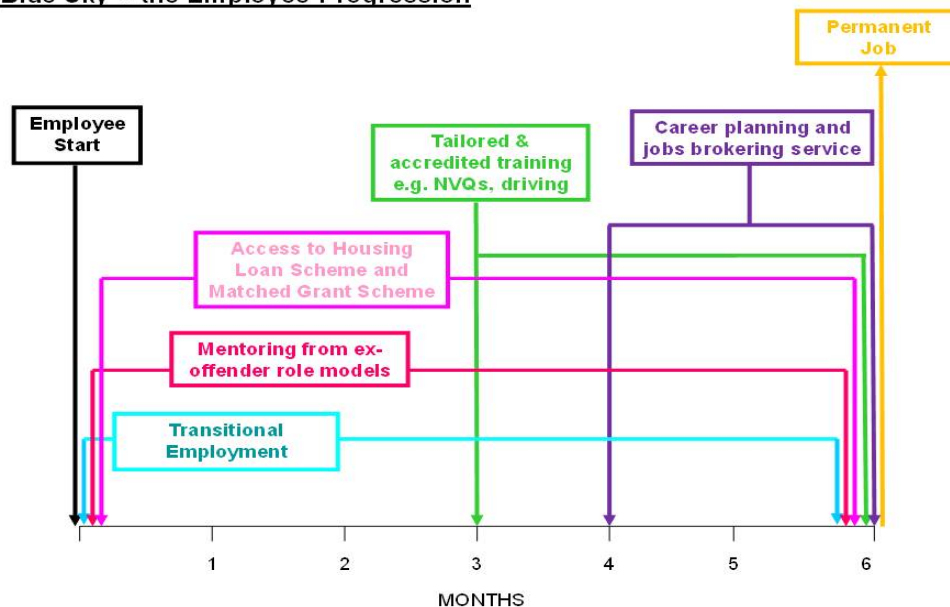
There is substantial evidence that finding a job is more difficult for ex-offenders than other job seekers.³ Blue Sky accepts applications from ex-offenders directly, as well as referrals from prisons, probation trusts and voluntary sector organizations. Since Blue Sky's mandate is to employ the very hardest to help, they recruit from among those prisoners who were released without paid employment already arranged, after other options have been exhausted.

Blue Sky also receives referrals from the Work Programme, run by the Department for Work & Pensions ("DWP"), designed to get people back into the workforce after a prolonged absence. Blue Sky receives supplementary support funding through the DWP for each employee hired through this referral source.

Once employed, each worker receives a package of personalized support services during their six months with Blue Sky comprised of a mixture of soft and vocational skills.

³ Blue Sky SROI Analysis

Blue Sky – the Employee Progression



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Mentoring

Employees are all mentored and led by supervisors who are also ex-offenders, providing effective role modeling to new recruits. They typically work in small teams of one supervisor and four to five team members. Team supervisors and managers are responsible for employee training, and provide mentoring and on-the-job training.

Housing Support

Thirty percent of prisoners are released into homelessness. To address this, Blue Sky offers its employees access to their Housing Loan Scheme. Eligible employees can apply for an interest-free loan of up to £600 to be used towards the deposit and rent often required upfront when moving into a private housing rental. The loan is repaid in weekly installments over the duration of the employee's contract.

Money Management

Blue Sky helps employees complete the paperwork necessary to get a bank account. At the beginning of employment, 58% of employees have a bank account; with Blue Sky's assistance, 87% have one set up when they leave.

Training

Blue Sky aims to demonstrate through its program that moving ex-offenders directly into employment can be at least as, if not more, effective than moving them into training programs. To that end, they provide on-the-job training for a

⁴ Blue Sky website, <http://www.blueskydevelopment.co.uk/become-a-blue-sky-employee/> - accessed 13 March 2014

short trial period – typically a day – so that employees can start earning money and becoming self-supporting immediately. They then continue to receive on-the-job training and mentoring throughout the course of the job.

After they have been employed for three months and demonstrated their commitment and work ethic, each employee meets with a Resettlement Officer to identify future employment goals and create a tailored learning plan for appropriate training to achieve those goals. Each employee has a budget available of up to £300 for this training and/or accreditation, often the first formal training they have received.

Training supports include driving lessons and licensing (many employees can drive but aren't licensed) and employment-related certifications (e.g., spraying or pesticide certificates). The majority of training provided is vocational as opposed to professional.

Jobs Brokering

Prior to the end of the employees contract, employees meet again with the Resettlement Officer, who works with them to identify job prospects, helps with initial contacts, and supports resume and interview skills development.

Support to employees extends beyond their period of employment with Blue Sky, as supervisors remain available on an ad hoc basis as informal advisors and counsellors.⁵

Challenges

In addition to the usual hurdles faced by many charities in accessing charitable funds and government support, Blue Sky faces some particular challenges securing contracts from some potential clients who see their employees as a business risk. In essence, the organization must deal with some of the same stigma as its employees do. Chief Operating Officer McCubbin describes their approach to overcome this challenge: "We tend to go in at the very top of the organization to get political support for the initiative, because as we move down, [...] we often get [...] managers who see taking on ex-offenders as a business risk -- so if we've got buy-in at the top, it helps us to break through those people who are feeling a bit risk averse."

⁵ Blue Sky SROI Analysis

Cost of Employment Support

Blue Sky's total revenue in 2013/14 is forecast to be £1.7m. Approximately 50% of the enterprise's funding (£800k this year) comes from commercial contracts through local authorities and the private sector. This covers all of Blue Sky's day-to-day operations, with the exception of employee training and wrap-around support services.

Expenses for training and support services (including mentoring, onward job brokering and housing loans) are covered by grants from charitable foundations and trusts, government program disbursements through private sector contracts (such as the DWP Work Programme discussed in the Recruitment section above) and private sector donations. Together, this income comprises the other 50% of Blue Sky's required funding. Training and support services are estimated to cost the enterprise approximately £5,000 annually per employee.

Blue Sky's Trustees have instituted a policy of maintaining a three-month reserve of operating revenue, to which surplus revenue is added on an annual basis when available.

Employment Outcomes

Blue Sky began collecting data from its inception, and now has over 800 employees in its database. Its detailed records track employees' progress against a number of metrics during their employment tenure with Blue Sky, including changes in housing situation, changes in bank account and driving license status, and changes in drug and alcohol use. The data also tracks outcomes following employment with Blue Sky, including number of former employees moving into onward employment and whether this is sustained over time, and number of former employees re-convicted. Much of this data was incorporated into the 2010 SROI Analysis prepared by Impetus Trust, which concludes that for every £1 invested, Blue Sky creates £17.40 of social value.

Perhaps the most significant employment outcome of Blue Sky's efforts, the one most directly related to its mission, is reduced recidivism. Ex-employees achieve a re-offending rate of approximately 15%, roughly a quarter of the national average.⁶ According to the SROI Analysis, "There seemed to be universal awareness that Blue Sky offered more than just a job, but a chance at a new life, a life that no longer include crime and prison, and this seemed to be a very important, if not the most important, reason employees gave for wanting to be part of the program and for valuing its impact."

⁶ Blue Sky SROI Analysis

48% of Blue Sky's employees move into sustained employment once they leave, a significant outcome considering that ex-offenders generally find it eight times harder to secure a job than people without a criminal record.⁷ Increased employability is attributable to a number of factors, including obtaining:

- experience and qualifications on CVs;
- credentials -- 51% of employees leave Blue Sky with accredited qualifications;
- a driver's license, which in addition to helping to attain mainstream employment, also improves mobility, thereby reducing social isolation;
- acclimatization to workplace and routine;
- access to networks; and
- support to find future employment.

Other tangible benefits to employees include:

- Financial gains and stability. In addition to receiving a regular paycheque, many employees who would have previously been reliant on predatory and costly financial services are able to better manage their money thanks to bank accounts set up with the help of Blue Sky.
- Improved physical health, due to the active nature of work.
- Improved housing stability, attributable in part to the Housing Loan Scheme.
- Reduced drug and alcohol use, at least partially attributable to the highly physical nature of Blue Sky's work, as well as close contact with a team and mentor.
- Generally improved stability and outlook. Blue Sky employees describe their employment as "a stepping stone for anyone just coming out of custody – it gets you back into a normal working life." With self-confidence and dignity restored, employees achieve stability in their finances, health, housing and relationships.
- Improved sense of self and family. This stability allows them, often for the first time, to present themselves with pride to their families and to feel hopeful about the future. In turn, families of offenders report positive impacts from increased stability, such as a sense of pride, greater contact, financial stability, and positive impacts on children.

The wider community and society as a whole also benefit from the transformation of some of the most alienated individuals into taxpayers and contributing members of society.

It is important to note that, as an additional impact, Blue Sky's success is shifting the entire approach to prisoner rehabilitation in the U.K. The traditional model of placing prisoners in training programs fails to provide the additional and necessary

⁷ 2002 Social Exclusion Unit Report, "Reducing re-offending by ex-prisoners"

context of work experience. Blue Sky's approach, to give someone employment and concurrently provide on-the-job training, is having a far greater impact. The Social Value Act, introduced in early 2013, is now furthering this shift in attitude – and in turn, helping Blue Sky's business – by encouraging local authorities and private sector contractors to consider the principles of social value when commissioning and tendering for commercial opportunities.

Key Takeaways

While Blue Sky focuses on helping people facing one particular barrier to employment – that is, a criminal record – they are in fact working with a heterogeneous target group who, as individuals, experience multiple and varied barriers to employment.

The enterprise's success in moving ex-offenders into the mainstream workforce can be attributed to several factors:

- A pre-qualified recruitment pool. Community partners, in the form of Prison and Probation Services and voluntary sector organizations, provide Blue Sky's pool of potential employees, making recruitment straightforward and cost-effective.
- On-the-job training. Blue Sky's innovative model 'employs, then trains' rather than starting with training alone; thus, employees are earning money and supporting themselves beginning on the first day of their 6-month contracts.
- Finally, Blue Sky's extensive wrap-around supports are key interventions in terms of providing stability to their employees.
 - They employ a designated staff member as a Resettlement Officer to work with individual employees on setting and achieving their professional goals.
 - Team supervisors have criminal records, serving as not only as mentors but also as role models during the workweek. Additionally, half of Blue Sky's full-time staff has a criminal record, further demonstrating to new recruits that having an offending past doesn't preclude one from having a successful future.
 - They provide housing and financial support in the form of a housing loan fund and matching grant fund. Their housing loan fund supports about 10% of their employees: "For some of our employees it's been an absolute lifeline."
 - They pay for training and accreditation courses; qualifications are tailored to each employee's individual needs and ability, serving to improve employment prospects and helping them to realize their ambitions.

Blue Sky's model is explicitly built to support their employees' moving on to mainstream employment. They stand behind their "graduates" in recommending them to future employers because, at the completion of their program, they are able to observe firsthand the strong motivation, reliability and training that these men and women will bring to their work.