

## HOW SOCIAL FIRMS SIT WITHIN THE SPECTRUM OF PROVISION FOR DISABLED PEOPLE

**NB.** Social Firms are set up to provide employment for people severely disadvantaged in the labour market. This includes for example the homeless and ex-substance misusers etc, not only disabled people. However, this table only refers to disabled people because there is not spectrum of sheltered workshops/supported businesses for other types of severe disadvantage in the labour market.

Main Characteristics			
Sheltered Workshops	Supported Businesses (includes Remploy factories)	Social Firms	Open Supported Employment
		Part of the open business community	
Most people stay on benefits	>50% staff have to be disabled	A minimum of 25% staff are severely disadvantaged	Jobs in the open market
Very sheltered environments	Paid employment	Paid employment	Agencies are contracted to provide appropriate levels of support
Almost entirely grant-funded or operated within a local authority	Many are reliant on Workstep contracts	Often offer volunteering and training opportunities alongside paid employment	Initiatives to aid progress include New Deal, Access to Work and Workstep
Often run by charities	Examined & regulated by Ofsted	Although unregulated mapped by Social Firms UK and new Star Social Firm quality mark will uphold standards	Satisfies significant numbers of disabled people who are seeking work
	Have access to capital grants	No fiscal or financial incentive	Relies on employers' motivation and willingness to employ a diverse workforce
	Significant numbers of disabled people employed	Tend to be small, market-led niche businesses employing modest numbers of severely disadvantaged people	People with mental health problems still face the most significant barriers
	No stipulation on level of income to be generated through sales	Have to generate >50% of income through sales	Employment is often (though not always) in low skill jobs at or just above National Minimum Wage
	Have access to reserved contracts as >50% staff are disabled	Can have access to reserved contracts if they employ >50% disabled staff	
	Reducing in number over the last few years	Profits are reinvested to grow the business and create more jobs	
		People with mental health problem are the single largest group being employed in the Social Firm sector	
		Increasing in number	