

engage

the challenge to expand



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Contents

Page 05 – executive summary

Page 09 – introduction

Page 13 – analysis of survey results

Page 19 – funding for growth

revenue generation: funding or trade?

Page 21 – challenge for the future

options

national expansion under current arrangements

discussion of social franchising models

restructure of engage

sister organisations

attracting interest from other cities' civic leaders

level of autonomy

other issues

online presence

summary of options

Page 35 – case studies

Leeds

Manchester

Bristol

Page 39 – social enterprise management option

Page 41 – conclusion

Executive Summary

Engage Liverpool is a voice for city centre residents, leaseholders, and stakeholders in the ongoing debate over the future of city living, the future of Liverpool, and the way in which people's lives can be improved in an urban environment. The need for an organisation like Engage is great, and increasing with every year. As more and more people choose to live in city centres, the demands on public services increase, the need for authorities' to be flexible in responding to events increases, and the challenges for the individual in the face of bureaucracy, big business and the powerful increase.

Given this increase in demand, the time is now ripe for Engage to consider its future options, both in terms of consolidating its local operations, and also in terms of potential for expansion its activities into new areas, both thematically and geographically.

This report considers the strengths of Engage's current brand and position, the opportunities it has for possible expansion, and some of the ways in which it can move forward over the coming years.

Stakeholder surveys

Commissioned by Engage Liverpool to analyse its brand strength and appeal, we undertook two online surveys of stakeholders, one aimed at city centre and waterfront residents, the other at wider interested parties. The results were broadly positive. The residents' survey returned comments noting that Engage's support had enabled residents to feel more empowered in their lives, the provision of technical information on leaseholder issues was widely welcomed, and that the more Engage had been involved with residents' issues, the more positive the feeling towards them.

There was a majority amongst residents in favour of Engage's continued presence in the community, with a strong feeling that the organisation is greatly valued for its community-building work in particular. This was also reflected in the responses to our second survey from wider stakeholders. The Blockheads Seminar Series that Engage runs was valued, and the community aspects of Engage's work was also favoured. From the survey, we note that the aspects of Engage's work which appear most well respected are those which bring people together in a community. This has influenced some of our proposals for how Engage can position itself for the future, and what areas of activity it should not conduct.

Challenge to expand

We consider in the report the possibility of how Engage might expand into both new geographical areas and into the online world. We discuss the merits of several options, but we favour a social franchising model for physical expansion, and a community-based, commercial model for online expansion.

Should Engage Liverpool wish to expand their activities into new cities, we favour a restructured organisation whereby a newly-formed organisation - Engage UK, or National Engage - oversees autonomous franchisees in various UK cities, retaining an ownership stake in these franchisees and stipulating loosely the expectations and ethos that covers their actions. Care and Share Associates

(CASA), a social enterprise originally based in the north east of England has expanded successfully through this type of model, and would provide a good template for Engage to do likewise.

Conversely, should Engage Liverpool's future be tilted more towards an online model, we caution against a TripAdvisor style site of user-generated consumerist comment, and favour a Mumsnet style site of social interaction, mutual assistance, community-building. In short, we recommend a professionally-run, commercially-savvy, forum-based site with a focus on the leaseholder/city living niche that is not currently being sufficiently catered for.

City case studies

We have undertaken three case studies of various UK cities, analysing briefly their particular concerns and problems, and delving into the ways in which they have each sought to address these concerns. Across all three, Leeds, Manchester and Bristol, however, we have been persuaded of the need for the services which Engage offers, and which are currently only being provided in a patchy, unfocused way.

In each case, we make clear the ways in which Engage could seek to move into those territories. One overriding principle remains, however, and that is that the everyday work of running a franchise in any new city should be done locally and by people who live and work within that city; it would be a significant error to try to run a community-based organisation from the outside.

Social Enterprise management option

Lastly, we consider the possibility that Engage may wish to use its considerable expertise and technical knowledge to set up a socially-conscious alternative to compete with current leasehold management organisations. Despite the possibly large and unmet demand for such a service, we consider this to be the least attractive of the options that we discuss in our report. The potential need to balance the competing interests of residents, tenants, big business and other stakeholders would, almost by definition, dilute the nature of Engage's founding mission - to be the voice of the leaseholder. Accordingly, we recommend against further consideration of such a potential route for expansion.

Recommendations

While the direction which Engage Liverpool CIC will take in the future is necessarily a matter for the Engage board, we therefore recommend as follows:

- That whatever form Engage's future takes, it is built around its ability to bring people together, to build communities and to create a sense of ownership of people's environment. If anything, this is of even greater importance in building stakeholder buy-in than any further technical expertise might be.
- That any proposal to move into new UK cities is done through a social franchising model similar to that used by CASA, whereby an Engage UK organisation retains a stake, both in ownership and in directing ethos, in franchisees.
- That any proposal to expand the website to cover national issues is done on a primarily commercial basis, and through the running of a Mumsnet-style community forum for mutual

assistance, with the Engage team providing regular technical articles and activist help as required.

- That Engage Liverpool does not look to set up a social enterprise management company itself, but rather looks to retain its role as the voice of the resident in the sector.

Whilst it is undoubtedly true that 2014 looks likely to be another tough year for the UK's cities economically, it is also the case that the social enterprise sectors is well-placed to take advantage of the potential for an upturn in fortunes. The Social Value Act of 2012, the renewed governmental focus – especially at local level – on promoting the community aspects of business growth, and the latent potential for expansion in the sector all combine to provide many opportunities.

Engage Liverpool is a social enterprise par excellence, it provides a much-needed array of services to its clients, it has achieved much success in its community-building activities, and it is well respected among a wide variety of groups – from local government officers and university academics to local business leaders and city centre residents. Engage Liverpool has a huge amount of potential for growth and expansion over the coming years, and we hope that our options appraisal and review of their activities will contribute in some small way to making sure that their successes continue in the years to come.

Introduction

Engage Liverpool CIC is a not-for-profit social enterprise that was founded in 2007 when the Federation of Liverpool Waterfront Residents Associations ran a conference that launched Engage and began the work of spreading the message about organising to improve block management and of giving city centre residents in Liverpool a voice with stakeholders in their conversations and decisions about the city.

At the time of writing, there are approximately 32,000 people living in the apartments of Liverpool's waterfront and city centre. The combined investment in purchasing the apartments makes leaseholders one of the most significant investors in the city. In addition to its other work, Engage Liverpool has a voice on the Strategic Investment Framework Group, the Stanley Street Quarter Steering Group, the Liverpool Waterfront Business Partnership, the Baltic Triangle Stakeholder Group, the City Centre Living and Accommodation Working Group, and the South Docks Waterspace Strategy Group.

The objects of Engage as listed in their Articles of Association are to carry on activities which benefit the community and in particular (without limitation) to:

- 5.1 Providing support and advice to residents and representing their interests and aspirations to stakeholders and decision makers;
- 5.2 Providing relevant information, including arranging training and education, where appropriate;
- 5.3 Encouraging the formation of democratic, accountable and transparent organisations and assisting in the establishment of Right To Manage companies and Resident Management Companies, and structures for the engagement of residents in the management of mixed-use developments;
- 5.4 Encouraging best practice in property management to improve the standard and quality of apartment living;
- 5.5 Supporting the development of sustainable communities within recognised and defined neighbourhoods.

Engage Liverpool is a social enterprise with a city twist. It works primarily in the world of housing, specifically around city centre residential apartment blocks, but also spreading out into a more wide-ranging remit covering city living generally, and the way in which a modern, forward-facing 21st century city can address challenges around the built environment, cultural offerings, demography and city infrastructure.

Social Enterprise Network has been commissioned by Engage Liverpool, through its partnership working with Plus Dane Housing Group, to investigate possibilities, challenges and opportunities around how Engage Liverpool can look to expand its remit and activities further, so as to cover other cities in the UK. To that end, we have prepared this report, looking at various models of expansion

for social enterprise, issues relating to the specific industry that Engage works within, and some problems that may face Engage if they choose to expand.



Engage and Plus Dane are working in partnership over business expansion

We have been hugely impressed with the work that Engage Liverpool has undertaken over the course of the last six years. The ongoing expansion of the city centre residential base had created an unmet demand for advocacy work that Engage is increasingly filling; the regeneration of Liverpool city centre had previously been without a sufficiently strong voice representing residents and their concerns - this is now rectified; and Engage's ability to metaphorically punch above its weight has led to it being a valued partner by policymakers and key stakeholders locally. We have been particularly impressed with the ambition on show within Engage Liverpool to ensure that residents are empowered to take decisions and to influence their locality themselves, rather than to act as passive participants in their own city.

The work done by Engage to further the interests of leaseholders across Liverpool city centre reflects an innovative approach to dealing with some of the often-forgotten social problems of city centre living. And it is that commitment to innovation, combined with Engage's community ethos and activist stance, that will stand the organisation in good stead in the years to come. Engage Liverpool resolutely refuses to rest on its laurels, and the coming years are sure to provide plenty of new opportunities for growth, both within Liverpool and further afield.

The purpose of the main body of this report is to consider potential ways in which Engage Liverpool can look to grow over the coming years. We have discounted some of these potential avenues for expansion, due to our view that the problems associated with them may be insurmountable. We are therefore confident that the series of proposals and recommendations that we make in this report to the board of Engage are rigorous, are in keeping with Engage's strengths and are realistic enough to be implemented in practice.

Within the report, we summarise our principal findings and recommendations. In the main body of the report, we discuss Engage Liverpool's current activities and output, and we outline some of the options and areas of potential expansion that we considered, going into some detail about the positive and negative aspects of each. For ease of reference, we have collated and numbered each of these options in order of consideration. To clarify, the numbering is not a ranking that we have given to any of the options considered.

As part of the additional value that we have agreed to provide to Engage Liverpool whilst researching this pamphlet, we also reproduce and analyse the results of two surveys that we undertook of Engage Liverpool's members and wider stakeholders. As well as being a barometer of Engage's standing across Liverpool, these surveys also provide a good starting point for further market research on how Engage can build on its previous successes, either in Liverpool or beyond.

We go on to look at a number of case studies of other so-called core cities which face similar challenges and opportunities to Liverpool. We investigate the potential for Engage's expansion into their territories from the perspective of the cities' current situation rather than from the perspective of the Engage board.

There is also a consideration of the notion that Engage Liverpool might be willing to set up a separate company, also run as a social enterprise, to compete directly with privately-owned apartment management company. We weigh up the pros and cons of this possibility and make recommendations as to how to implement this plan.

We then briefly sum up our findings and proposals, and objectively assess the desirability or otherwise of implementing the options we have considered in a practical sense. The report ends by envisioning an expanded Engage organisation with a wider remit and a successful and sustainable presence in other areas of the country.

Analysis of Survey Results

As part of the added value that Social Enterprise Network agreed to provide whilst undertaking this project, we surveyed the people whom Engage is primarily involved with providing services for. This was done by means of two online surveys, one aimed at Engage's city centre residents – those who might most welcome the technical and advocacy work done by Engage. And one aimed at Engage's wider stakeholders from across the whole city – those who might prefer the seminar events and public talks hosted by Engage. In addition, we also spoke with some of Engage's partner organisations over the work that Engage is currently undertaking, and these conversations have helped us to interpret the results.

The first survey that we compiled – the one for all Engage stakeholders – ran online from 15th October to 15th November 2013, and was publicised through social media by both Social Enterprise Network and Engage, on the Engage website, and at the 2013 Seminar series that Engage ran in Autumn 2013. The questions we asked were as follows:

1. What is it that Engage Liverpool does that most interests you?
2. What is it that Engage Liverpool does that you have found most useful?
3. What should Engage Liverpool do more of?
4. What should Engage Liverpool do less of?
5. What new things should Engage Liverpool do?

We received sixteen responses to this survey in total, although not all respondents answered all of the questions. The full responses are included in our accompanying document, but we shall here analyse the broad trends identified. We shall go through them in turn, discussing some broad themes and the specific issues raised by respondents.

Q1. What is it that Engage does that most interests you?

Eight of the fifteen responses to this first question were concerned with the consensual, community nature of Engage's work. Typical comments included: "Engage has the potential to bring various stakeholders together", "provides a respected platform for residents to interact", "it brings all sectors and interests together", "creating one place to share ideas", and "Engage is joining the dots between residents, policy makers, planners, academics". The value and worth of providing a physical place to gather for people interested in the future of the city is clear. There is also evidence here that the events which Engage puts on are not seen merely as a talking shop. The repeated mentions of how Engage brings professionals and residents together to share ideas is testament to the perception that Engage's events have a practical impact on the lives of the people in the city.

Q2. What is it that Engage Liverpool does that you have found most useful?

There were again fifteen responses to this question. The majority answered that the public events strand of Engage's work was the most useful to them. Comments included: "Lecture series... are always intelligent", "public debates in good locations", "constructive and thought provoking sessions", "I enjoy meeting like-minded passionate people who care about their city", and "you have brought some fantastic speakers to Liverpool". The advocacy work was also mentioned: "good at

campaigning on leaseholders' behalf", and "understands the need and aspirations of residents" were typical comments.

Q3. What should Engage Liverpool do more of?

This question was again answered by fifteen of the survey respondents. The overwhelming feeling amongst those who gave short answers was that Engage is on the right track in the services it provides to wider city stakeholders, but that there are just not enough of them. Comments included: "just keep up the moment of forums for discussions", "more of the events", "more get togethers for residents, it can be quite isolated living in the city centre", "community events and activities", "needs to be higher profile", "generate positive publicity in the mainstream media" and "more events with thought provoking discussion".

There was also a more in-depth element to some of the answers to this question. One respondent noted that Engage should: "[work] across all Liverpool, not just city centre and waterfront. Promote leaseholding as a middle ground...Get a housing manager working with/for Engage". Another replied that they would like to see "quarterly open forums where people can truly contribute to decision making" and mentioned questionnaires, focus groups, plenary sessions and the importance of feedback. Yet another wanted to see "more resources (money/people) to bring residents and stakeholders together" and suggested that "what Engage does is unique and extremely valuable but... the local authority is relying too heavily on the goodwill of... unpaid volunteers".

The broad range of responses to this question suggests that Engage's public events programme is hugely valued, but that Engage's work has huge potential that is not being fulfilled at this present time.

Q4. What should Engage Liverpool do less of?

Fourteen people chose to answer this question. The positive news for Engage is that, of those fourteen, eight could not think of anything that Engage should do less of. To them, all of Engage's activities are of value, presumably well-targeted and reflect well on the organisation. Of the other six respondents, one person suggested that the seminar series should be run by another organisation, with Engage delivering services rather "starting to get Engage seen as a strategising body". Another noted a problem common to all public meetings: "[regarding] questions from the floor, Only the brave join in, rest sit passively. Very frustrating." And a third suggested that Engage should, "stop doing things for free – it needs to realise the worth and value of what it delivers".

It is certainly a good problem to have when stakeholders believe that a service or product is so valuable that the organisation should charge more for it. The potential to raise income through marketing products in this way offers food for thought, and we are sure that the Engage personnel will want to consider carefully the opportunities this provides.

Q5. What new things should Engage Liverpool do?

This was the last question in the stakeholders' survey, and was answered by thirteen people. There were no broad trends to pick out from the answers to this question, respondents preferring a broader range of diverse proposals. Comments included: "produce its own manifesto for change", "support the council's CLASS scheme..., a voluntary landlord accreditation scheme that aims to drive

up standards”, “get a housing manager, advise new leaseholders as they sign up to contracts”, contribute to “debates on key economic strategies such as: HS2, removing tunnel tolls, attracting private Venture Capital”, and “educate the populace on what is happening in other cities”.

The diverse range of answers to this question shows that, while Engage’s current activities are highly valued, there is no widespread agreement as to what Engage’s next strategic moves might be. One key strand across most answers, however, is that Engage should build on its partnership-working strengths, and should maintain its community-focused technical work on areas of public policy that affect leaseholders.

The second survey was promoted just to Engage’s key base – city centre and waterfront residents, particularly apartment leaseholders. It too ran online from 15th October to 15th November 2013, and was publicised through social media by both Social Enterprise Network and Engage, on the Engage website, and at the 2013 Seminar series that Engage ran in Autumn 2013. The questions we asked were as follows:

1. What makes you happy about living in a city centre apartment?
2. What makes you unhappy about living in a city centre apartment?
3. How has Engage Liverpool improved your experience of living in a city centre apartment?
4. What more could Engage Liverpool do to improve your experience of living in a city centre apartment?
5. Any other comments?

We received nineteen responses to this survey in total, although not all respondents answered all of the questions. The full responses are in our accompanying document, but we shall here analyse the broad trends identified. We shall go through them in turn, discussing some broad themes and the specific issues raised by respondents.

Q1. What makes you happy about living in a city centre apartment?

All nineteen respondents answered this question. The vast majority of comments raised the fact that living in the city centre was convenient for them. Indeed, the word “convenience” was mentioned by six respondents. This was expanded upon with reference to being able to walk to work, being close to theatres, restaurants and shops, not needing to own a car, good transport links. The impression that living in the city centre is a strong fit for the way people live their lives was hard to miss.

Other comments included: “sense of community though this is not at the level that I would like”, “low cost, low maintenance”, “the friendliness of living in a block with 24hr concierge”, “feeling secure” and “concierge/night staff are always there”. The sense that there is a strong community feel to city centre living was seen in some of the comments. This is a positive change, given the relatively new communities that have been springing up in the city centre over the last decade.

Q2. What makes you unhappy about living in a city centre apartment?

This question was answered by eighteen people. There was always the risk that it may have been an invitation to people to moan about their pet hates, but this still had merit in itself. Some of the comments were on issues that are unlikely to prove to be easily resolved: “putting up with awful tenants that landlords put in”, “I have to spend a great deal on parking when I go shopping”, “noise

and light pollution”, “litter, noise”, “neighbours can be inconsiderate”, “rowdy stag and hen groups”. However, some of the issues people raised are more in keeping with work that Engage can conduct.

These gripes include: “total lack of security but this is the fault of the managing agent”, “water leaks, residents who do not observe lease covenants, too many quangos making decisions”, “not in control of how block is run”, “issues with serviced unofficial tenants”. Acting collectively, Engage is able to work with residents to improve outcomes relating to these issues, and there is value in knowing the issues that residents are concerned over.

Other problems that respondents noted were issues that the city council are responsible for, but working in partnership, we are confident that Engage can work to improve these outcomes also.

Q3. How has Engage Liverpool improved your experience of living in a city centre apartment?

Given that this survey was aimed at the city centre and waterfront residents for whom Engage provide practical support, the responses here are of great importance in ascertaining the extent to which Engage succeeds in its mission. Seventeen people chose to reply to this question, and the responses give a good cross section of the experiences people have had of Engage.

First, we shall discuss the negative responses. Five of the seventeen responses were overwhelmingly negative: “it hasn’t” was the pithy response from three, “Engage has majority middle class directors” was another comment, and “unfortunately I would say it hasn’t had a huge effect” was yet another. This may reflect the fact that help has not been needed by those respondents – there is little any organisation can do to improve things, if people do not think those things need improving. However, it may also reflect some of the comments from the first survey – that is, Engage’s marketing of itself and its activities is not always sufficiently wide. Perhaps respondents do not realise that Engage can assist in improving their experience of apartment life if they are not aware of what Engage do?

The more positive responses include the following: “Engage [offers] free support and guidance, both legal and morally to empower individuals”, “useful information about block management”, “Gerry is personally helping me to change the management company here”, “Engage [enables] flat owners to understand legal and other issues and suggest ways of tackling them” and “It has meant realising that authorities exist to help”.

The answers here show that, where Engage is involved with key community leaders in apartment blocks, then positive outcomes can result. However, without branding this as an “Engage-assisted site”, the plaudits for achieving positive change may prove elusive. Nevertheless, the more active residents who would be more likely to agitate for control and change seem to be the ones who are most aware of Engage’s activities and most appreciative of the assistance on offer.

Q4. What more could Engage Liverpool do to improve your experience of living in a city centre apartment?

All nineteen respondents answered this question. Answers ranged from the generally positive: “You’re doing just fine”, “life would not be as good without Engage”, “carry on keeping us informed” to the bemused: “I’m not sure what you’re meant to be doing”, “can’t think of anything”. One theme of those who answered in detail, however, was that Engage’s community building work was of huge

importance and should be expanded: “together people have a voice”, “still feels isolated/disconnected” and “able to meet neighbours”.

Another theme was that support should be extended, with Engage reaching out to new communities: “Engage could widen support to other city centre residents and... other large cities with similar circumstances”, “spread its focus across all tenures”, “work to bring residents together – in blocks and across blocks”. The network effect of making an effort to explicitly include all city centre residents and businesses in influencing decisions on the future of the city could pay dividends. We identified a notion that Engage is overly focused on leaseholders and apartment living – this is reasonable, given that this is Engage’s main area of work, but there is nevertheless food for thought in how to involve others in city living discussions.

Q5. Any other comments?

Given the wide-ranging nature of the questions, respondents’ areas of concern were always likely to have been addressed within the survey. But we felt that a way for people to make miscellaneous comments would be useful. Ten people took advantage of this question, many merely to praise Engage: “keep up the good work”, “thank you”, “more of the same”, “an excellent organisation”. Some commented on issues specific to Engage, its website and the importance of its apolitical stance. Others raised traditional civic casework issues concerning the regeneration and development of the city centre.

The overwhelming feeling from respondents is that Engage’s activities are useful, valued and not a replication of other agencies’ services. However, more could be done to promote Engage – it is generally only once contact is in place with the organisation that stakeholders realise the extent to which Engage is involved in improving the lives of residents. A notable response suggests that Engage’s value is not realised by Engage personnel, and that a more commercial sensibility surrounding the periodic seminar series and regular networking events might be a welcome way of ensuring long-term sustainability for the organisation.

Work on community building in the Baltic Triangle area of Liverpool is progressing well, and the growth in the area in terms of businesses and residential space is benefiting from Engage’s efforts at ensuring a self-sustaining neighbourhood forum in the area. Nevertheless, whilst this is an area that may benefit areas of central Liverpool, it is heavily dependent upon local knowledge and would not be a suitable undertaking with regard to expansion into other cities. This is a subject we come on to discuss in due course.

Funding for Growth

We are in no doubt that Engage Liverpool is looking to grow as an organisation, providing new services and ensuring that currently unmet demand for advice, community cohesion and city events is addressed. But this will undoubtedly mean that new forms of revenue will be necessary. We here discuss some of the challenges Engage may face on this topic, and make a number of suggestions concerning revenue generation.

Revenue generation: funding or trade?

Engage Liverpool has in the past relied for support from, amongst others, the city council and its agencies. Whilst it is preferable for any expansion of Engage, or new social enterprise set up along similar lines, to be funded from self-sustainable revenue-generation, this is unlikely to be feasible in the initial stages of starting up. New companies, even those reliant on volunteering and the goodwill of those involved, need a certain level of seed capital, if only for a marketing budget and to invest in a company launch.

This may come from a number of sources, but the possibilities are limited if the franchisee is run as a not-for-profit organisation. Any company looking to take a stake in an embryonic Engage Manchester, for instance, would look to make a financial return as well as a social return. Given this, it may be prudent to guarantee that any potential franchisee has the autonomy to turn a profit if it wishes. Indeed, if a National Engage company is to fund its own activities through a levy on franchisee or affiliation fees, it may be necessary to allow partners to trade their way to profit for use in reinvestment in the community.



Any potential franchisee should be free to raise funding according to its own specific needs

Should it be the case that part of the Engage ethos that is to be protected is the commitment to remain a not-for-profit organisation, then potential funding options will be more limited. Nevertheless, the Public Services (Social Value) Act 2012 allows for and actively encourages public bodies to award contracts that take account of social value. Many local authorities are extending their 'social value' commitment above and beyond that insisted upon by Parliament, and are ensuring that 'social value' as a concept is at the core of their approach to council services over the next decade.

The option therefore exists for Engage to work with local authorities, city councils, local NHS organisations and others in potential new territories to gain funding and support for expansion. By appealing to their appreciation and knowledge of the innate social value that an organisation such as Engage can provide, locally-administered state funding should prove to be a realistic alternative to funding from the social finance or high street lending sectors.

We provide in our accompanying document to this report an inexhaustive list of the social finance and social investment organisations that may be able to provide capital investment either for potential new social enterprises or for the expansion of Engage into new territories. Whilst the specifics of which funding stream might be most appropriate depend in large part on the choices made for potential expansion of Engage, it is still nevertheless the case that many of the organisations listed may be useful in a more general sense.

The Challenge for the Future

Engage Liverpool has succeeded in positioning itself as a trusted, valued and well-respected part of the fabric of Liverpool’s ongoing city centre regeneration. But the

Options

Discussions with the Chair of Engage Liverpool, Gerry Proctor, have informed our assessment and consideration of a number of the options that we consider. We have attempted to tailor our recommendations in line with how we believe both Proctor and the Engage organisation can play to their strengths.

We consider both expansion of Engage under its current legal structure, and expansion via various models of social franchising. Obviously, Engage would not be the first Social Enterprise to move into a new geographical area. Given this, we have raised the prospect of learning from pioneers, and have discussed a selection of those other organisations, and the model of expansion that they favoured.

We have investigated a number of differing options concerning how Engage can expand its operations



One of Engage’s key strengths is its personnel, and with that in mind, a stronger online presence – with a remit to cover the country rather than just one city – might be more feasible than running a national organisation from a regional base. We have therefore also investigated the potential for online provision of services, in connection with a physical presence and without – this may be a way for Engage to efficiently spread its wings without the need for physical bases in other areas.

National expansion under current arrangements

The first of the options that we have analysed is the option of Engage keeping its current broad organisational structure intact, and entering new geographical markets and territories under its own auspices. This would, in essence, involve replicating wholesale the offering that Engage are currently undertaking in Liverpool - including representation of leaseholders and other apartment dwellers in

the city centre and on the waterfront, hosting periodic urban seminars and events, and working in partnership with other city organisations to improve the lives of stakeholders.

There are both positive and negative aspects to undertaking this course of action. We shall deal with the positives first.



Is the business set up for working at the national level?

Engage Liverpool currently attracts funding from, amongst others, the Lottery-backed Awards For All scheme. This is an example of how the expertise within the current Engage Liverpool team - specifically here concerning bid writing - is person-dependent. Expanding Engage into new territories using the current team would optimally exploit the talent and experience of the people who run the organisation.

One of Engage's strengths is that it is a community-focused organisation. Appreciation of the relational way in which Engage work with partners has been evident from our research, and we suggest that this approach is maintained in any new areas that Engage decides to expand into. By taking this approach, Engage could build valuable relationships in new cities, and seek to provide the same level of both service and involvement that is currently the case within Liverpool.

Another strength, from this perspective at least, is that - due to Engage primarily working through volunteers - Engage's way of working is nimble and lean enough to enter a new geographical territory without having to first overly consider the needs of income and revenue-generation to cover the costs of staffing a new operation. By relying on the work of current and new volunteers, the existing structure could expand into other cities on a rolling basis.

Despite these positives, however, there are also a number of negative issues connected to this approach. Whilst it is true that Engage's relational way of working brings huge dividends to the organisation in lieu of cash funding, it is also a time-consuming and resource-intensive business. The community focus of Engage means that it is part of the community it looks to serve. This would not be the case if the organisation expanded into new cities whilst continuing to be based in Liverpool.

Furthermore, Engage has achieved what it has through building relationships with key people in Liverpool, from business leaders to politicians, community activists to university management. Its overwhelming strength lies in the partnerships it has forged over the last decade. If Engage is to maintain its current structure and use it to enter new cities, then effectively the organisation would be starting from scratch again with regard to building new relationships. This does not seem to us to be a worthwhile or effective use of the organisation's resources.

For these reasons, we consider that any potential for Engage to move into new geographical areas would be limited under the current structural arrangements that the company has in place. Accordingly, we turn next to a discussion and analysis of some of the various alternatives that Engage may pursue if it does decide to expand out of Liverpool.

Discussion of Social Franchising models

The Social Enterprise Coalition defines social franchising as "the use of a commercial franchising approach to replicate and share proven organisational models for greater social impact." We have included in our accompanying document their 2011 "Social Franchising Manual", which goes into much greater detail than here about this particular option.

The concept is a fairly simple one - social franchising is, at essence, a halfway house between expanding through a wholly-owned business model, as discussed above in point one, and implementing a much more loosely-controlled offering. This looser approach might include letting other organisations use the Engage brand, not maintaining any control over activities, giving away knowledge and expertise for free in a way analogous to the open source movement. So whereas a wholly-owned structure for expansion into new areas would offer Engage the opportunity to retain full control over its activities, social franchising sits somewhere along the spectrum towards a more open-source approach.

Whilst we have recommended that the wholly-owned model of expansion would not be right for Engage, we are somewhat less reticent about other franchising models. What the Social Enterprise Coalition call "business format franchising" is a system by which a financial and relational transaction takes place between Engage Liverpool and any embryonic new organisation, for instance an Engage Manchester or an Engage Leeds.

There are a wide variety of social franchising models that Engage may wish to consider. There is no single, established and widely-adopted legal structure through which social franchising is pursued in the UK. The International Centre for Social Franchising undertook a survey in 2012 of 33 registered social franchises. A plurality of parent companies were run as companies limited by guarantee, with only a third being run as Community Interest Companies.



The Social Franchising Model is a popular way for overseas Social Enterprises to expand.

Moreover, the structure of the group of companies within each franchise system was not uniform either. Emmaus is a social franchise which operations as a confederation of organisations - each franchisee opts to be a member of a federation and has an equal voice in the running of the parent company. There is a significant degree of flexibility for the individual franchisees, and this is reflected in the way in which each Emmaus community is free to make its own choice and tailor its activities to the area in which it operates.

The Foodbank organisation, the Trussell Trust, is run differently again, with a central charity maintaining a significant degree of control over the activities of its franchisees and deciding against the granting of excessive autonomy. This allows the parent charity to ensure that their values and mission are accurately replicated across the country without having to micro-manage the specific day-to-day activities of each centre in small communities.

Whilst all of these various models for franchising a social enterprise have specific things to recommend them, we favour an approach that sees Engage working in a way which allows new and overwhelmingly autonomous regional Engage centres to be formed in new cities across the country, whilst retaining the overriding ethos and values that has seen Engage Liverpool become such a success over the past decade.

Restructure of Engage

Social Franchising is an opportunity for Engage, but – almost by definition – it necessitates something of a restructuring of the organisation. Whilst we shall not go into great detail here about the specific contracts that may be needed between franchisee and parent company, we believe that the following discussion will aid Engage’s deliberations on whether and how to expand.



Social Franchising can be a way for Social Enterprises to expand into new markets and new territories while staying true to their ethos

Pursuing a social franchising agenda would necessitate a slight reorganisation of the Engage business structure. One option would be for the Liverpool business to split into two separate discrete organisations. We foresee that these two companies - Engage Liverpool, which would maintain its current activities, and an umbrella organisation, which we shall call National Engage for ease, to oversee the activities of all the separate cities' companies - would initially share resources and personnel, but that in time they would diverge.

If the social franchising concept is to be adopted, we would recommend that the umbrella organisation remains as a Community Interest Company under Engage Liverpool's current legal structure. However, the umbrella organisation would not act as a frontline provider of services in the manner that Engage Liverpool currently does. Rather, it would act as an overseer of the activities of its franchisees, which would under this option include Engage Liverpool as a separate company.

The franchisees may want to consider how their own structures best fit into such a strategy, but one possible option would be for franchisees structure their own regional Engage company as a company limited by share capital. This would allow the specific personnel who run the new companies to take ownership of their own organisation, whilst allowing the National Engage umbrella organisation to retain a stake as well.

There is precedent for this type of arrangement in the social enterprise sector. Care and Share Associates (CASA) is a social enterprise based in the north east of England. It is an umbrella company for a franchise network of co-operatively owned adult and social care providers across the country. Each of their franchise companies - the nearest to Liverpool is based in Huyton and serves the needs of residents across Knowsley - is set up as an employee-owned social enterprise, but with the umbrella company retaining a minority stakeholding.

Whilst CASA is a for-profit organisation, they are run on mutual lines, and are happy to share resources, offer support and exchange knowledge with other companies within the CASA family. We foresee that a National Engage company could work on such lines, albeit with less of a focus on profit and revenue-generation. A golden share held by National Engage giving a veto over certain key aspects of the work done by the franchisees (perhaps concerning branding, pivoting of the businesses, key personnel) would maintain a sufficiently high level of control in Liverpool whilst also allowing enough freedom and autonomy for the new companies in new cities to be flexible in meeting the needs of their own cities' residents.

Care and Share Associates is run on a Social Franchising basis. The nearest franchisee to Liverpool is based in Huyton.



In 2012, the International Centre for Social Franchising (ICSF) used CASA as a case study to exemplify the possibilities of social franchising in the UK. We have included both their paper and a longer case study of CASA from the European Social Franchising Network in our accompanying document to this report. The ICSF list CASA under their 'successes' as a social franchise, and there is an implicit recognition that their own model of franchising could be a suitable one for other social enterprises to follow in the future.

Sister organisations

Another option similar to social franchising would be to forge links with other organisations already operating in cities across the country. Working in partnership with fully autonomous organisations, along the lines of sister companies but without any formal shared parent, could allow the content that Engage Liverpool provides in its region to be shared in other regions through existing infrastructure. In return, knowledge sharing could exist on all sides, with Engage being the recipient of the network effects of working in partnership with other companies with a similar remit.

Whilst we have found few potentially suitable organisations in all cities across the country, two possible organisations with similar aims to Engage are the Sheffield City Centre Residents' Action Groups, and the Leeds Sustainable Development Group. As might be inferred from their names, neither appear to be as professional as Engage Liverpool, but their knowledge of the particularities of their city would surely not depend upon that.

Should Engage Liverpool wish to explore the option of working with sister organisations such as these, we would therefore recommend that Leeds and Sheffield be considered as the most likely geographical areas to expand into.

Attracting interest from other cities' civic leaders

We have made approaches to Housing Associations and local authorities in prospective new areas for Engage, in order to ascertain the willingness to co-operate and meet demand for an Engage-style service. We had a variety of responses, ranging from the very positive, as in Manchester, to confusion as to the potential offering.

Irrespective of the content of the responses, there were a number of key issues we were able to take away from our discussions. Firstly, that positive engagement with cities' civic leaders is of huge importance, over and above the ability to attract finance as a purely private venture. And secondly, that the expectation from organisations currently working in other cities is that any Engage-style service would be led by residents of the city themselves, rather than remotely from Liverpool.



Winning over civic leaders is key to tapping into the potential offered by expanding into new cities.

The implications of this are important. It means that the potential for Engage to expand in a physical sense rather than online are dependent to a large degree upon the goodwill and vision of the people running the city corporation and related agencies. This is unlikely to be fostered by current Engage personnel.

Accordingly, if Engage decides to expand its operations into new cities, our strong recommendation is that partners are sought from amongst community leaders based within those cities, and that the specifics of how the project develops - albeit with sufficient regard to Engage's ethos and values - is delegated to the new organisation away from Liverpool.

Level of autonomy

We shall come later to a full discussion of the survey results that we undertook for Engage. But the results of the surveys do give a clear impression that part of the value that Engage adds to the experience of living in Liverpool is that it has the ability to promote relevant events, give suitable advice, and act as an effective community agent. Similarly, in order to achieve the same impact and effect in other cities as in Liverpool, any newly expanded Engage organisation would need to be able to also remain relevant and flexible enough to address local concerns. Any attempt to adopt wholesale the precise Liverpool model as a way of replicating the success of Engage in other cities would therefore be likely to fail.

It is for this reason that we turn to the level of autonomy that should exist for each variant of Engage in each city it expands into.

The main strengths of the Engage brand in Liverpool are that it is trusted, it is seen as encapsulating a positive mood in the city, and it reflects city residents' concerns. We are concerned that the

brand's positive connotation may not survive if it tries to impose what works in Liverpool onto the people of, say, Sheffield. Conversely, we are concerned that by capturing the mood of other cities' residents, Engage will be seen as a mere corporate entity, rather than as a way of manifesting a city's residential culture.

The extent of autonomy that each city organisation has is, therefore, of crucial importance in meeting the needs of a wide variety of residents and protecting the brand associations of Engage. We propose that the Engage board, should they decide to proceed with an expansion strategy, prepare a statement of principles that any new franchisee should agree to abide by. This would lay down specifically the Engage ethos and values, but would leave open the manner in which that ethos could be pursued, taking into account the specific cultural differences of the geographical area they operate in.



Franchisees should have sufficient autonomy to tailor their offering to the needs of the city they operate in

By stipulating too strictly the means by which a franchisee can fulfil the aims of Engage's remit, the national umbrella organisation runs the risk of making the franchisee irrelevant to the real needs of the residents of the city it works in. Much better, and much more in keeping with the cosmopolitan values of the Engage brand, to agree a sufficiently wide level of autonomy for all franchisees, up to the point at which it begins to damage the associations of the Engage brand itself.

Other Issues

The possibilities and potential issues surrounding whether and how to expand Engage are almost limitless. We hope above to have given a flavour of some of the ways a physical expansion into new areas could work, but by necessity this is only a partial assessment. In addition to the topics discussed above, we also briefly consider branding issues and how any possible National Engage organisation might work with existing bodies with overlapping interests.

To protect the Engage brand and to ensure that there is a level of control of its associations that is retained by the current personnel, what we have previously in this report termed "National Engage" might be better named as a separate organisation entirely. Similarly, it may be considered that 'Engage' remains the name for the Liverpool-based franchise, but that other franchisees in other cities choose their own name, as far from 'Engage' as they want. In this way, the Engage name is protected, the associations within Liverpool of the brand are safe, and the activities undertaken outside of Liverpool can survive or fall under their own auspices, with limited impact on the future of the Engage organisation in Liverpool.

The results of our surveys show that Engage is a valued brand in Liverpool, but anecdotally, there is limited evidence that this value is recognised further afield. Accordingly, there would be limited mileage in relying on goodwill towards Engage in new geographical areas. If the Engage name is used nationally, the risks to the brand are real, whereas the potential rewards are illusory.

The Federation of Private Residents' Associations (FPRA) provides guidance to leaseholders on how to act collectively, raise standards in their blocks, set up residents' associations and work in collaboration. A membership-based organisation with just five hundred members nationwide, it provides urgent advice to members on a range of housing issues. It performs many of the legalistic and advisory activities on a national level that Engage currently does locally.

Given the existence and the good work being done by the FPRA, we have considered how Engage's possible expansion should work in conjunction with the FPRA. Upon first investigations, it appears that there are areas over which Engage and the FPRA would find significant common ground and also ways in which they can each benefit from the other's ways of working.



The FPRA is a membership organisation. Engage could further work with them to offer complementary services

Firstly, the FPRA's membership-based organisational structure necessarily restricts advice provision. Its focus on the practical and technical aspects of leaseholder engagement is appealing to those who have need of assistance, but is less attractive to those who value Engage's focus on wider aspects of city living. There is the potential for greater penetration into the leaseholder sector if a similar offering to the FPRA's is made in conjunction with the 'city life' aspects of Engage's work.

Secondly, it is apparent from a review of their online presence that the FPRA could benefit from further looking to maximise its own potential for advice provision, revenue generation and market penetration. There is a potential opportunity here for the FPRA to work with Engage to provide advice, market its activities and achieve greater penetration in city centre residential circles than has hitherto been the case.

Engage's unique selling point, and the one part of its offering that is most valued by respondents to our surveys, is the fact that it brings together city centre residents as a community, and it adds to the appeal of city centre living. This is not something that the FPRA in its current guise can do. It therefore makes commercial and social sense to concentrate on this aspect of Engage's work if it chooses to expand across the country.

By working in partnership with the FPRA - and other similar bodies, such as the News on the Block organisation - Engage's national body could take advantage of the networks already in existence to

enter new markets. A call out via the FPRA's networks for committed people in new areas to set up and run an Engage-style franchise could prove to be a fruitful way of expanding Engage in a co-operative fashion that best reflects its origins and ethos.

Engage Liverpool, should it decide to embark on a programme of expansion through franchising, may wish to produce and promote a prospectus for potential franchisees, laying out what is expected, what the aims of a new organisation would be, the limitations and the freedoms the organisation would have, and the way in which the legal structure would be set up.

Subsequently, Engage may wish to replicate its previous Liverpool growth strategy, through involvement with city leaders, community figureheads, and voluntary organisations. Any embryonic franchised operation should, as discussed elsewhere, be led from within the city in which it is to be based, but the initial seeding of the idea must be done in collaboration with the existing Engage personnel from Liverpool.

SEN is happy to work in a supporting role in this project, should the Engage board decide on this course of action. Possible areas of work in which SEN may be able to assist are in the formulation of a franchising prospectus, the organising of launch events in potential new markets, or in making contact with suitable stakeholders in new areas.

Online Presence

An option for Engage's future that we have been asked to investigate is the possibility that Engage, rather than have a physical presence in new cities, makes itself the place to go online for information, discussion and sharing of knowledge relating to leaseholder issues and city living.

This is an avenue we are keen to explore in further detail. Internet-based provision of information is the most cost-effective means of distribution, and the community aspects of Engage's offering can be replicated online in a way that is much more difficult to do offline.

In initial discussions, the preferred model for this online presence was assumed to be TripAdvisor. However, upon investigation, we consider that this is unlikely to prove to be a suitable model for online activity.



An online model of user-generated critical content, hosted by Solicitors From Hell, proved problematic in the law industry

A TripAdvisor-style website would host comments from members of the public commenting on their experience of companies in the housing, leasehold and residential apartment sectors. However, at

the level that Engage works, this type of website would be highly likely to attract a negative reputation in the industry, and be counter-productive to Engage's other activities. The experience of the SolicitorsFromHell website is instructive here.

SolicitorsFromHell, as the name implies, was a website set up so that members of the public could comment on their experiences of high street law firms in the UK. It quickly gained a reputation as a scurrilous publication, hosting libellous comments from solicitors' clients. In 2011, the site was shut down by court order due in part to the level of alleged libel hosted there. We consider that the risks to Engage of setting up a similar site for leaseholders are great, and the potential rewards slim.

Writer and academic Anthony Painter made a similar point in a comparison between Wikipedia and TripAdvisor in 2009. Whilst both are run primarily from user-generated content, he writes, "Wikipedia is based on facts. It is either wrong or right but you can check it. It's right almost all of the time so you are willing to go with it in the main. Opinions can't be checked. On TripAdvisor you don't know who the people are, what they are looking for, what they like, how picky they are, or whether there's more motivation to post if you've had an extremely good or extremely bad experience. So there just isn't the foundation to trust in the site. Trust is very important to go with an opinion."

The extent to which the opinions of any Engage online portal are trustworthy is therefore of paramount importance. It is for this reason, and because we think it more in keeping with Engage's overriding social enterprise ethos, that we recommend a different model of online presence for Engage, should it wish to take advantage of the opportunities for expansion.



The Mumsnet model of blended information and community building could be replicated

Rather than TripAdvisor, we believe that a more suitable model for online expansion would be Mumsnet or MoneySavingExpert. Primarily bulletin board discussion forums, these two websites have grown into online communities, networks of individuals helping each other. The information and advice that is disseminated is done in an anarchic fashion, with little direction from the owners of the companies running the sites. Rather, the goodwill and community feel of the organisations is

replicated in the provision of free advice to others on a range of topics associated with the companies' central values.

It is as the host organisation for a discussion forum centred around issues of apartment-dwelling and city centre living that we foresee Engage can expand into an online company. Indeed, this may well prove to be a much more effective means of information and advice sharing than any number of physical presences in cities across the country.

Should this option be pursued, we would strongly recommend that commercial professional partnerships are forged to provide the technical support necessary for hosting such a forum. The potential for growth is huge and we consider that the use of volunteers to set up and maintain a site of this sort would be insufficient for Engage's purposes.

Should funding for expansion of this sort prove necessary, there are a number of social investment and social finance providers who may be willing to provide financial support. We have included in our accompanying document a list of some of the organisations which may be suitable for finance of this sort, from specific bespoke social finance institutions to the public bodies that could be approached to provide funding.

Summary of options

In summary, there are a number of options for how Engage can expand its activities out of Liverpool. Engage could choose to move into new geographical territories under its current governance structure; franchising models of expansion could be undertaken; and Engage might decide to focus solely on developing an online community rather than a physical presence in new cities.

Of these potential proposals, we expect that expansion under current governance and structural arrangements would be the least suitable way to expand Engage's activities. The time constraints on the current Engage team were they to choose to keep the organisation's current structure would be likely to be prohibitive, and cause insurmountable problems. We are not minded to recommend this option at this time.

Replicating the Care and Share Associates model of social franchising, whereby a broadly autonomous franchisee in each geographical area is governed by a national organisation based in Liverpool, is the most suitable way of ensuring that Engage's ethos and values can be embedded into new organisations. This would simultaneously allow each region to have the flexibility necessary to tailor its offering to a particular region, and allow the national body a sufficient level of control to ensure that the values that Engage embodies are furthered.

We have discussed above the possibility of Engage's online presence being an alternative to expanding into the physical area of new cities. However, the Mumsnet example that we discuss shows that the two can be complementary. As well as offering a consumer-led discussion forum online, Mumsnet also encourage local groups to form and to follow their own path to promoting Mumsnet's aims.

In Liverpool, for instance, there is a local "Mumsnet Liverpool and Wirral" group which organises monthly networking events, promotes local workshops and classes, and provides local advice to

members. This is run in conjunction with the online forum, and complements the website with a co-operatively run regional group.

We see no insurmountable reason why, given the correct incentives for expansion, a similar structure could not work for leaseholders and apartment residents across the country. An online presence run from Liverpool, perhaps in partnership with other agencies, to provide a welcoming place for groups to coalesce and improve their own areas in their own way, may be the most effective and cost-aware way of promoting Engage's vision in new areas.

Case Studies

What follows are brief case studies of the current residential and city centre landscape in two other northern English cities. Through desktop research and information requests to local authorities and other agencies, we have sought to provide a rough picture of the leasehold communities in those cities, and to identify some of the organisations that may prove to be useful partners to Engage if expansion is decided upon.

First, we take a brief look at Manchester, some of the changes that have taken place in the city centre there over the past decade, and how this has had an impact on demand for services. Secondly, we take a similar look at Leeds. From discussions with agencies and desktop research, we have identified a number of potential partner organisations within the cities concerned that Engage may wish to make contact with to discuss opportunities. Despite the potential to utilise existing networks for expansion, we doubt that without a formal franchising agreement, the necessary structure would exist for an Engage-style organisation to exist in a sustainable form. The most that could be gained without a formal franchising strategy is marketing ability and a ready base for resident involvement.

Leeds

The Leeds Tenants Federation is a company limited by guarantee. It represents the interests of Leeds residents across the city and has 1500 individual members. It has a lobbying role on behalf of its members on issues relating primarily to housing, but also to issues concerning community safety, environmental concerns and wider welfare problems. Funding comes from Leeds City Council and from Registered Social Landlords, but also from selling business services to local groups wanting to utilise the board room and IT facilities.

Leeds Civic Trust, meanwhile, is a voluntary organisation with a remit to encourage "good modern development" across the city. Its boundaries and activities extend beyond the city centre, but the majority of its work is done in connection with the major centre of Leeds. It holds regular events concerned with urban living, produces regular newsletters for its members, and works with a large number of affiliated societies across the city to improve life in Leeds for all.



Leeds Waterfront is proving to be an increasingly popular residential location

Online, meanwhile, The Culture Vulture is a city-based website - think a Seven Streets for Leeds - that provides "what's on" information, gives a platform for city residents to have their say on new proposals for the city, and hosts debates on the city's future.

BettaKulcha is a Leeds-based firm that puts on events with a twist in Leeds and surrounding cities. Conferences, workshops, networking and seminars are all part of the BettaKulcha offer. We are confident that Engage's "upwards into the town" philosophy is a good fit for the work that BettaKulcha do in Leeds.

Should Engage decide in favour of entry into Leeds, either through a physical presence, or through popular usage of an online portal for the city, we would recommend an approach to each of the above organisations. This would enable greater penetration into the area, and achieve a good degree of appeal to a city centre demographic which would be receptive to Engage's activities.

Leeds city centre has a resident population of over just over 17200, living in 12150 separate dwellings, around 15% of which have been built in the last decade. Over 8000 further dwellings are in various stages of planning and development. The growth of city centre living in Leeds is showing no signs of abating, and the need to address often hidden social issues is likely to increase in the years to come. An offering similar to Engage's will be demanded more and more in the future, and there is prime opportunity for a franchisee to promote the Engage offer to new and existing residents.

Manchester

There are currently over 23000 residents living across the fifteen super output areas of Manchester city centre. This is a 400% increase over the last decade, driven and facilitated largely by the building of new apartment buildings across the whole of the city centre. There are a number of city culture and living organisations that do work across the city, and which may be a complementary fit to Engage's offering.

Unlike in Leeds, however, they are strongly linked to and dependent for funding on the city council. The Manchester Culture Partnership hosts events dedicated to improving the city's cultural industry, and New Economy Manchester provides publications on the city economy.



Manchester's "Our Castlefield" organisation aims to improve the lives of the residents of this part of the city centre

There are two independent organisations which run regular events and provide information on city centre residential issues that we consider to share similar aims and objectives to Engage, and which may be useful as a way of entering the territory. The Our Castlefield residents' group is a non-profit organisation set up to be a voice for apartment dwellers in the Castlefield area of the city centre, and has built up a good working relationship with civic leaders and other agencies. Were Engage to want a physical presence in Manchester, we would propose that Our Castlefield would represent a prime opportunity for a potential partner.

Secondly, the non-profit group Manchester Salon hosts twice monthly debates in the city centre on issues of interest to residents. Whilst the events themselves can be somewhat esoteric, the organisational background of the group could help to add to the city life aspects of Engage's brief.

One of the major drivers in Manchester city centre for improving residents' experience of city living is the commitment shown by the city councillors for the area. Indeed, we are aware of previous links between Engage and elected politicians in the city exploring the possibility of expansion. However, without a Manchester-based group willing to work with Engage to replicate its offering in the city, the prospects for sustainable entry into Manchester look slim.

Bristol

In common with other large cities of the UK, Bristol's city centre is also experiencing a large rise in population. In Bristol's case, however, this rise in people living in the centre of the city is accompanied by a significant rise in the city's population as a whole.

In 2013, the city centre, defined in terms of local authority ward boundaries, had a population of 15,900, up from 9600 in 2001. The huge increase, as in other cities, has had a profound impact on the delivery of services, and also on the built environment in the city. However, judging the needs of Bristol city centre purely by its own residents would be misleading. The neighbouring areas of Clifton, Hotwells and Redland all, to some extent, are considered to have similar demographic mixes to the city centre, and to have the same unmet demand for residential and community services.

Only slightly further afield, the area around Stokes Croft has a separate ethos, more community-minded, but without the same residential access to finance that is found in Clifton. This area, however, could reasonably be expected to become increasingly gentrified in the near future. The ongoing increase in Bristol's population - up 10% from 2001 to 2008, and the even larger increase in the population of the city centre, has led to pressure on property prices and the ability of statutory agencies to provide sufficient and

As in Liverpool, Bristol's waterfront is increasingly home to a mix of young professionals, retirees and students. Previously derelict areas and buildings - warehouses, docks, and the like - are being brought back into use as apartments. It is likely that many of the issues that affect Liverpool's leasehold community will similarly affect those in Bristol. This offers an opportunity for Engage to tap into a ready-made market for its brand of city events, leasehold activism and community building.

One of the positive peculiarities about Bristol's population is the extent of its community association sector. Bristol Council maintains a definitive directory of community organisations active within the city; the figures show that over 900 separate community groups provide services to a population of just under 500,000. Of these 900, 110 are based in - or primarily service - the city centre.



Bristol has over 900 community groups providing services, but none replicating Engage's offering

Whilst it is beyond our capacity to make investigations into the activities of all of these organisations for this report, it is nevertheless the case that their presence in the city is evidence of a strong third sector and that the institutions of civil society upon which Engage could feasibly rely for growth potential are in place in abundance in Bristol. In addition, our research did not uncover any organisation operating within the city that could be said to replicate Engage's work in Liverpool. The strength of civil society is much more obviously the case here than in Manchester or Leeds, and therefore this may indicate an openness to the possibilities of an Engage franchise succeeding here than in other areas of the country.

Social Enterprise Management Option

Following discussions with Gerry Proctor, Engage's chair, and as part of the additional value that we have agreed to provide as part of this report, we have investigated some of the possibilities of Engage, in addition to acting in its present capacity as an advocacy and lobbying organisation for residents, launching a social enterprise competitor within the leasehold management industry. For ease of reference, we shall call this the Management Option.

A piece of desktop research was undertaken to review the extent to which the social enterprise sector currently includes any similar organisations within the industry, some possibilities concerning how a social enterprise might gain a foothold, and the work that might be involved in starting up such a company. Having reviewed the potential opportunities and problems for Engage setting up a new company in competition to private sector management firms, we would recommend against this course of action.

The reasons for this are many and varied, but at essence, advice from experts suggests that the commitment to setting up and running an organisation of this sort is great. A professionally-run, fully-staffed, company spun out from Engage, and attempting to enter into a competitive market would be a high-cost and risky approach to expansion.

Nevertheless, we have included a brief write-up of our findings in the hope that Engage may find some value in partnerships with the social enterprises we investigated, and that some of their areas of work may be replicable by Engage.

Home Turf Lettings is a lettings agency with a difference. A not-for-profit social enterprise founded in April 2012, they specialise in residential lettings to tenants in housing need, and offer landlords a lettings and property management service. They work in "tenant-finding", rent collection and full management services. Profits are reinvested for the good of their members and they offer specially tailored services to often hard-to-reach potential tenants, including the homeless. Working primarily in the south west of England, their services would no doubt be much in demand in other areas of the country as well.



Home Turf Lettings is run as a social enterprise

The publication Flat Living, and its associated website, provides a wealth of pertinent and relevant information, in the form of pamphlets and briefing documents for residents and other stakeholders to inform themselves about the regulations and responsibilities of Residents' Management Companies, the leasehold industry and the regulations that surround housing issues.

However, with this approach, the answer to a person's problems might be hidden under far more information than they can cope with. The provision of information on a personal basis, through online interaction and/or user-generated content, is a much more appealing way to disseminate much-needed knowledge. It is more efficient, in that recipients get given knowledge directly. And it also provides extra, less tangible, value through providing a personalised service and community development.

No amount of magazine publishing or book writing or provision of information through the dry approach of the traditional media can come close to replicating the one-to-one advice that has traditionally been provided in person, and can now be provided through a user-led online portal.

Conclusion

Discussions with Engage's chair have confirmed that Engage's possible expansion is dependent primarily upon practical means of entering new territories in a time-poor, income-poor, information-rich context. The current Engage personnel have no capacity to undertake the day-to-day management activities of running a national organisation. The income and revenue generation that any potential National Engage company might receive is unlikely to be sufficient to sustain a nationwide physical presence under the current business structure. And the intention of this piece of work is primarily to investigate the potential for Engage to expand, rather than to recommend that it does.

Given all that, we believe that a differentiation of means and ends is essential to the organisation. The results that matter to the Engage organisation is that city residents improve their quality of life, through action both up into the apartment block, and down into the city. The means by which these results are achieved must be secondary.

Accordingly, we have looked at a variety of possible options for Engage to consider. Whilst we will not list them again now, they include various models of physical expansion, online presence, market penetration and knowledge sharing. Given the necessary limitations of Engage's personnel's intentions, and the unavailability of capital resources to Engage, we do not recommend that the majority of the possible options are pursued.

However, two of the options that are discussed above are, in our view, worthy of further consideration. Obviously, this would be the case only if Engage decide that national expansion is a worthwhile objective. We can have no impartial view on this, and this must be a decision solely for Engage. Nevertheless, should Engage decide upon expansionary activity, we would recommend consideration of it being undertaken along the following lines.

Firstly, the social franchising proposal is one which has great potential. Engage should identify appropriate civic leaders in a small number of English core cities who are open to the possibilities of Engage operating in their areas. Our discussions with civic leaders in both Leeds and Sheffield have yielded positive responses to an Engage-style organisation operating in their respective cities. As our case studies make clear, there has been huge growth in population across these city centres over the last decade, leading to a large untapped potential for new styles and content of service provision.

Engage is uniquely placed to replicate its Liverpool offering in both of these cities, but only if the human capital which it has done so much to foster in Liverpool is also cultivated in other cities. Whilst this would necessitate a strong initial commitment to, as it were, get the ball rolling, the needs of maintaining such relationships would inevitably fall to the franchisees in the new areas themselves.

The franchisees themselves we would propose to be companies limited by share capital, with a national umbrella organisation run from Liverpool as a community interest company. The national organisation, for purposes of brand protection and propagation of values, should maintain a significant shareholding itself in each new franchisee. With the importance of building on-the-

ground, sustainable and long-lasting relationships, however, a high degree of autonomy should be ensured for each franchisee to promote the Engage ethos in the manner they see fit.

As a means of adding further value to this commission and report, we are willing to compile and provide contact details and an introduction to those relevant civic leaders and cultural ambassadors in the above mentioned areas who would be in a position to assist Engage in its efforts to expand and provide new and innovative services to city centre residents.

Secondly, should Engage look rather primarily to the online world to offer opportunities for expansion, our strong recommendation is for a Mumsnet-style information website with user-generated content in the form of a bulletin board forum. Whilst the costs of setting up and running this may be considerable in the short term, the potential for revenue-generating capacity in the medium term should be sufficient for this option to prove to be both sustainable on a commercial footing, and worthwhile for the social objectives of Engage.

Given the commercial possibilities of an online project, we propose that Engage do not conduct this directly, but rather through a separately-constituted subsidiary. This would help in finding initial seed funding for an online project of this sort, as the commercial possibilities of a popular website of user-generated content should be strong enough to attract investment interest from companies looking to make a financial return.

The potential growth prospects for an online portal of this sort, with Engage's ethos and values, with the community feel of a genuine social enterprise, and with the current latent demand for knowledge sharing capability are significant. Mumsnet was estimated in 2011 to have a £3m a year turnover, and the Moneysavingexpert website, founded and run by journalist Martin Lewis with a skeleton staff and social enterprise values - if not legal structure - was sold in 2012 for a sum in excess of £80m.

We do not necessarily foresee that an Engage-backed website run along similar lines would be financially successful on that scale, but the possibilities of forming a national community on these lines, whilst being financially self-sufficient into the long-term, should not be underestimated.

Should Engage Liverpool decide in favour of an expansionary strategy, we would hope that our analysis of options, and the recommendations we make, would be looked upon with favour. There is an unmet need for Engage's work to be undertaken in other parts of the country, but the form this might take is open to question, and Engage's role in meeting that demand is similarly undecided.

