



Case Study: Sector 3 - Achieving Safeguarding Jobs

Sector 3 provides infrastructure support to social enterprises and VCSE organisations across Stockport. Through the E26 programme, they have responded to multiple urgent cases where social economy organisations were at immediate risk of collapse, threatening jobs and service continuity.

Several social economy organisations approached Sector 3 at a crisis point. Challenges included:

- A community benefit society lost its workspace due to lease confusion, risking closure and the loss of two full-time jobs.
- A CIC delivering NHS Housing Trust related services became ineligible for contract renewal due to changing procurement rules, leaving only six weeks of operations.
- A governance breakdown led to two directors being locked out of company accounts and offices.
- charity shop was on the verge of job loss due to unresolved HR and compliance issues.

Each of these organisations lacked the legal, financial or advocacy resources to resolve the issues independently.

E26 Thematic Areas:

Support was provided through the Legal and Financial thematic area. Types of support included:

- Legal advice and pro bono legal intervention via Sector 3's capacity-building network
- Contract negotiation with public sector partners
- Governance and HR conflict resolution
- Crisis mediation and advocacy at the local authority level (e.g. accessing emergency workspace)

Sector 3's position within local networks and decision-making spaces was key to mobilising fast, practical responses.

Outcomes:

- Two full-time jobs were safeguarded from immediate loss
- One organisation is in the process of securing a new space following advocacy with the council
- A CIC was able to continue delivering services after contract terms were renegotiated
- Legal and governance support helped resolve disputes and secure access to Companies House and business assets
- Sector 3 has developed a stronger early intervention approach to support before crises escalate

Insights and Lessons:

- Access to legal and financial advice is crucial and should be embedded before crises arise
- Infrastructure organisations can act as brokers and advocates when others can't due to trust and networks that are already in place
- There's a critical gap in accessible professional support (legal, HR, financial) for smaller social enterprises

Questions for other Social Enterprise organisations:

- Are your legal agreements, contracts, and governance structures fit for purpose?
- Do you have a trusted support route if your organisation were to face an operational crisis?

Link: <https://www.sector3sk.org/learning-events-1/ij3g9tvoxykw05210fxrkves041izq>

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