

**REPORT TO: DUNDEE CITY COUNCIL POLICY AND RESOURCES COMMITTEE
14 SEPTEMBER 2015**

REPORT ON: DEVELOPMENT OF SOCIAL ENTERPRISES IN DUNDEE

REPORT BY: DIRECTOR, LEISURE AND COMMUNITIES

REPORT NO: 307-2015

1.0 PURPOSE OF REPORT

This report summarises the outcome of work done to deliver the Social Enterprise Development Strategy and Action Plan for the period 26 November 2012 to 2014, and seeks endorsement for the 2015-17 Action Plan..

2.0 RECOMMENDATIONS

The Committee is asked to note the current position, the progress made in partnership with Dundee Social Enterprise Network (DSEN), and endorse the Action Plan for 2015-17.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The additional £30k cost of providing consultancy support was met from underspend in the Childcare Subsidy Fund operated by Discover Opportunities and Early Years Change Fund and was contained in the 2013/14 financial year within budget.
- 3.2 As detailed in the action plan, the cost of implementation in 2015-16 can be contained within the City Development Department budget and the Dundee Social Enterprise budget, or would be covered by generated income.
- 3.3 The Rank Foundation have also confirmed they will financially support the work being delivered by Dundee Social Enterprise Network during 2015-17.
- 3.4 There were no further financial implications.

4.0 BACKGROUND

- 4.1 Reference is made to the Policy & Resources Committee of 26 November 2012 Report No 440-2012 when the Social Enterprise Strategy was approved. As part of the Strategy, an Action Plan was detailed. The attached update provides a Summary of Achievements for 2012-14 against planned Action Plan items.

4.2 Progress against the 2012-14 Action Plan

Appendix 1 notes the achievements against each of the items listed in the original Action Plan, approved by the Policy and Resources Committee on 26 November 2012.

The 2012-14 Action Plan was delivered in full and on budget. A major success was Dundee's first social enterprise conference which raised the city's profile, further enhancing Dundee's reputation as a socially enterprising and innovative city with a strong and effective social enterprise partnership.

In December 2014, DSEN had 46 members, with a combined annual turnover of £19.5 million, providing employment for 696 people.

4.3 Proposed 2015-17 Action Plan

The 2015-17 Action Plan (Appendix 2) builds on current achievements and further develops opportunities that will grow the sector, improve sustainability, create employment and support capacity building.

Good progress is being made in implementation of the 2015-17 Action Plan and Council approval will assist this process.

The Community Asset Transfer Strategy will continue to have a positive impact on increasing the asset base and scale of the sector as will developments to improve the ability of social enterprises to compete for and benefit from public sector procurement contracts.

The Cultural Strategy and Waterfront Development provide a platform to create retail, exhibition and work space to support cultural and creative social enterprise development. Partnerships to develop travel, tourism and catering opportunities will increase participation and entrepreneurial activity in key sectors of Dundee's future economy.

5.0 POLICY IMPLICATIONS

5.1 The report has been screened for any policy implications in respect of sustainability, Strategic Environment Assessment, Anti-Poverty, Equal Impact Assessment and Risk Management. No major issues have been identified.

5.2 The Social Enterprise Strategy feeds into the Council's economic development, regeneration and social inclusion objectives and establishes links with the Council's City Development Service Plan 2012-17, Dundee Partnership Economic Strategy & Action Plan 2013-17 and Single Outcome Agreement for 2013-17.

6.0 CONSULTATIONS

6.1 The Chief Executive, Executive Directors of Corporate Services and City Development, and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

6.2 The Action Plan 2015-17 has been discussed and agreed by the Social Enterprise Development Board.

7.0 BACKGROUND PAPERS

7.1 None.

Stewart Murdoch
Director, Leisure and Communities
3 September 2015

Summary of achievements 2012-14

Following the launch of the 5 year Social Enterprise Strategy in November 2012 and 2 year Action Plan, this report reflects on the success of what has been achieved during this period.

A real strength in delivering the Strategy and Action Plan has been the strong partnership and dialogue with DSEN to identify the challenges faced by the sector and what had to be done to support social enterprises. A number of priority actions and shared objectives were identified as essential in delivering a range of outcomes aimed at bringing together and coordinating local and national resources to support the continued growth and development of social enterprises over the 2 year period:

Raising awareness and demonstrating the value of social enterprise-

A DSEN Member's Directory and Member's Business Profile (guide for procurement officers) were produced, providing easy read reference guides. The Member's Directory was widely distributed. An extensive mapping exercise, the first in depth research to identify the scale, size, strength, value and diversity of the sector was commissioned. The findings revealed a larger Third Sector than previously anticipated, with 123 social enterprises supporting 2,520 jobs and a total income of £91.3m. Dundee's first social enterprise Conference was held in Discovery Point in 2014 and was well supported by delegates from across Scotland and raised the bar in terms of Dundee's local and national profile.

Improve access to procurement contracts to develop new market opportunities-

The opportunities for the uptake of procurement contracts far outweigh the current capacity of the sector to engage for reasons of complexity, time and neither product or service matching procurement opportunities. Nevertheless, activity to promote procurement as a shift away from dependence on grants and efforts on building the sectors capacity to bid, a number of training and events were organised through the Just Enterprise, Ready for Business and Supplier Development Programme. The Scottish Welfare Fund provided the opportunity to engage 2 local social enterprises in the delivery of six figure contracts, providing an effective and efficient way to deliver public services and support the sector through contracts.

Potential to transfer property assets where evidence indicates beneficial outcomes for the Council, social enterprises and neighbourhood areas-

The development of Dundee's Community Asset Transfer Strategy highlighted the opportunity for social enterprises to access surplus property assets that could be used to drive growth, create employment and bring local community assets back to life. A list of surplus properties along with guidance notes and application forms is now freely available on the Council's website. Initial demand for properties has been high with 17 of the initial 18 properties having notes of interest, with some properties receiving multiple notes of interest. A Community Asset Transfer Steering Group

was formed to process applications, with additional support from a Council officer to deal with initial inquiries. The first properties have been transferred during 2015.

Align mainstream business support services to provide pre-start, start-up and more focussed business planning-

The strength of the partnership between the Council and DSEN has played a major role in bringing together a number of local and national organisations to support enterprises at various stages of their development. The success of this approach is evidenced in the increasing number of new starts and the impressive rise in DSEN membership which is fast approaching 50 enterprises. The role of encouraging private sector businesses to participate in a business mentoring scheme is undertaken by Scottish Business in the Community who received a 3 year contract from the Council commencing May 2014 to identify and match the needs of the sector with private sector mentors.

Support key skills shortages in social enterprises that have the capacity to grow more rapidly, achieve scale and become more investment ready-

Social enterprises rely heavily on the business and management skills of their Board members but often struggle to find suitably skilled members and in sufficient numbers. It is acknowledged that many Council employees engage in a variety of volunteering roles in their own time. The Council is considering introducing a Corporate Social Responsibility policy, a draft paper has been circulated for comment. Engagement with the private sector through Scottish Business in the Community will also help identify mentors to support this activity. This policy has the potential to both support staff and stimulate further development of the social enterprise sector in the city.

In Summary

The Social Enterprise Strategy and initial 2 year Action Plan have been successful in promoting and profiling the sector, coordinating resources and delivering on a range of actions to create employment, capacity building, asset ownership and a stronger more resilient sector.

Key Theme 1: Raising the profile and demonstrating the social and economic impact of social enterprise to the local economy

Current Position: DSEN membership figures as at December 2014 – 46 members, combined turnover of £19.5m and employing 696 people

Key Theme	Actions	Outcome	Responsibility	Funding	Timeframe
Promote what social enterprise is and does and how it benefits the local economy and communities	Produce an annual directory of social enterprises in Dundee	Raise profile of social enterprise sector locally & nationally	DSEN	Within DSEN budget	By Oct-Nov 2015 for 2 years
	Produce a mini catalogue for public sector procurement officers	Improved information and reference guide for purchasing officers. Increases opportunities for longer term contracts and increased turnover	DSEN	Within DSEN budget	By Oct-Nov 2015 for 2 years
	Arrange a social enterprise conference for 2016	Delegates attend from across the UK, raises the profile of SE activity in the city – Dundee builds on its reputation as a centre of excellence, innovation and opportunity	DSEN/CD	City Development/Generated income	Oct–Nov 2016
	Raise awareness of the concept of social enterprise	Greater number of enterprises are established	SBC	Within SBC Council contract	May 2015 for 2 years
Improve use of social & digital media to market and support social enterprises	Develop and circulate a questionnaire to gather information on DSEN member’s digital and social media needs eg Facebook, Twitter, web content/design etc	Use the information to provide training, source funding and support to develop improvements to media platforms to improve communication and connect members to local, national and international markets	DSEN/CD/ Business Support Network	Questionnaire within existing budgets Training/ Workshops	By Nov 2017

Business promotion and marketing support for DSEN members	Work with Scottish Business in the Community to identify private sector mentors with specific marketing, media and promotion skills	Develops partnerships with private sector and makes best use of their skills Improved marketing and promotion material that also supports content for digital and media platforms	SBC/DSEN/CD	Within SBC Council contract	By May 2017
	Develop a programme of activities and learning to market Dundee as a destination for study visits Organise 1 study visit for 2016 & 2017	Dundee gains recognition as a city of good practice, knowledge and innovation Potential source of revenue from delegate visit fees Local enterprises participate and host delegates Delegates attend and learn from the Dundee experience	DSEN/CD	Self funding	By Mar 2016 for 2016 visit & Mar 17 for 2017 visit
Education establishments in Dundee are engaged in and participate in social enterprise education	Establish and build on current activity to engage with schools, Colleges and Universities to promote social enterprise Identify internship opportunities for students	Greater awareness and understanding among children and HE and FE students of social enterprise Younger entrepreneurs begin to bridge the significant age gap in DSEN member's profile Businesses involved in the early stages of a child's education Increase in number of students gaining internships	SBC/ Educational establishments	Within existing budgets	By Sept 2015 for 2 years

Key Theme 2: Developing and opening up procurement practices to access and create new market opportunities

Current Position: Procurement spend for 2014 - £5.8m

Key Theme	Actions	Outcome	Responsibility	Funding	Timeframe
Public sector agencies and social enterprises work together to identify services and opportunities	Produce an annual catalogue of social enterprise organisations that can deliver Community Benefit outcomes for construction contractors delivering public sector contracts	Awareness of social enterprise products and services raised with appropriate contractors	DSEN/CD/Procurement Team	Within existing budgets	By Feb 2015 for 2 years
		DSEN Annual Member's Survey reflects an increase in turnover from procurement contracts	DSEN	Within existing budgets	By 2015 for 2 years
	Council/NHS procurement team deliver a half day information session to DSEN members	Improved understanding of procurement processes and opportunities. Relationships developed and point of knowledge, information and contact established	DSEN/NHS/Procurement Team	Within existing budgets	By Nov 2015 for 2 years
	Continue to promote social enterprises in addressing public sector efficiencies and savings	More social enterprises are able to access procurement opportunities and win tenders to deliver services			
		Builds on the success of current PSP models eg Welfare Fund, Community Transport & Environmental Contracts	DSEN/NHS/Procurement Team	Within existing budgets	On-going to Nov 2017

<p>Integrated governance arrangements for health and social care (framework to integrate adult health and social care services)</p>	<p>Work with Senscot to take forward a programme of workshops and support activities to identify local objectives and priorities for Health & Social Care initiatives eg Mental Health & Dundee Food Network</p>	<p>Local Action Plan and package of support developed to support the implementation</p> <p>Social enterprises deliver public sector services, opens up new market opportunities and maximises social and community benefit</p>	<p>Senscot/DSEN/ Council</p>	<p>£25k from Social Work & SDS/ £42.5k from Integrated Care Fund/£10k from Senscot</p>	<p>By Nov 2015 for 2 years</p>
<p>Promote and encourage DSEN members to access relevant procurement support programmes and address gaps in provision</p>	<p>Circulate information about national procurement training sessions and events eg Supplier Development Programme and Just Enterprise</p> <p>Review options to develop a bespoke entry and advanced level procurement training programme</p>	<p>More members attend training events, greater number of and improved quality of bids submitted. Enterprises win more contracts to deliver more public services</p> <p>Increased skills, knowledge and confidence to complete tenders</p>	<p>DSEN</p> <p>DSEN</p>	<p>Within DSEN budget</p> <p>DSEN budget/ CD</p>	<p>By Nov 2015 for 2 years</p> <p>By Sept 2015</p>

Key Theme 3: Develop the entrepreneurial capacity of the sector to promote growth and sustainability to become a strong business model

Current Position: DSEN membership figures as at December 2014 – Grants £4.3m, SLA £1.46m, Contracts £4.2m & Traded Income £6.49m

Key Theme	Actions	Outcome	Responsibility	Funding	Timeframe
Increase the strength and capacity of SEs to become strong, resilient business mode	Two half day development sessions offered to DSEN members wishing to generate a greater % of income from trading	Reduced dependency on grants through increased capacity to improve current and create new income streams through trading	DSEN/SBC/CD		By Nov 2015 for 2 years
		20 individuals attending 2 half day development sessions	DSEN/CD/external trainer	External trainer /venue/catering	By Nov 2105 for 2years
		Potential follow up session to support development planning and allocation of a business mentor to support the process	DSEN/SBC/CD		As above but depending on demand
Social enterprise leaders and staff have the appropriate skills base, knowledge and information	Support capacity building by providing integrated business development training and support, including peer to peer networks and access to learning programmes: <ul style="list-style-type: none"> • E-Zone start up sessions • Just Enterprise programme • Ready for Business • Social Enterprise Academy 	Greater uptake and participation in local and national business support programmes:			
		E-Zone provide 30 workshops per year – 10 people attending	E-Zone/DSEN/CD	E-Zone budget	By Nov 2015 for 2 years
		1 workshop per year – 10 people attending	DSEN/CD	Required-venue/catering	By Nov 2015 for 2 years
		1 workshop per year – 10 people attending	DSEN/CD	Required-venue/catering	By Nov 2015 for 2 years
		1 workshop per year – 10 people attending	DSEN/CD	Required-venue/catering	By Nov 2015 for 2 years

	<ul style="list-style-type: none"> • DSEN bi-monthly meetings/newsletter • DSEN support team • Scottish Business in the Community 	<p>Hold 6 DSEN meetings per year. Issue 6 newsletters per year to member organisations</p> <p>55 individuals registering with DSEN advisers</p> <p>Identify business opportunities for 4 potential enterprises</p> <p>Support the business planning processes for 15 enterprises</p> <p>Establish 2 enterprises</p> <p>Provide appropriate support to 4 newly established enterprises</p> <p>Greater motivation and inspiration for leaders to start new ventures, grow enterprises and import ideas</p>	DSEN	DSEN budget	Jan-Nov 2015 for 2 years
			DSEN	DSEN budget	Jan-Nov 2015 for 2 years
			SBC	Within SBC Council contract	May 2015 for 2 years
	Arrange 2 study visits per year to experience examples of good practice and innovation throughout the UK		DSEN/CD	Required	Jan-Nov 2015 for 2 years
		2015 Programme: Atlantis Leisure (Oban) – re Health & Social Care Integration	DSEN	DSEN budget	18 th June 2015
		Edinburgh SEN – Market Stalls – upskill entrepreneurs to sell directly to the public through local markets	DSEN/CD	CD	Sept 2015

<p>Improve access to the knowledge and business skills of the private sector</p>	<p>Promote and strengthen the partnership with Scottish Business in the Community to provide coaching and mentoring from skilled entrepreneurs</p>	<p>Social enterprises develop more robust entrepreneurial models with the emphasis on improving sustainability, increasing turnover and achieving scale</p> <p>SBC and private sector measure the effectiveness of the mentoring programme:</p> <p>12 mentors 120+ hours of mentoring 20 social enterprises participating</p>	<p>SBC/DSEN/CD</p> <p>SBC/Private Sector</p>	<p>Within SBC Council contract</p>	<p>May 2015 for 2 years</p> <p>By end 2015 for 2 years</p>
--	--	---	--	------------------------------------	--

Key Theme 4: Improve access to a greater range of social investment and development funding

Current Position: Limited take up of local grant and loan schemes and low level of external investment in the city's enterprises

Key Theme	Actions	Outcome	Responsibility	Funding	Timeframe
Enable access to a range of finance	Discuss with funders what can be done to help develop and support social enterprises to access a range of funding packages suitable for the needs of the sector	<p>Access to the right kind of and level of funding to support growth</p> <p>Increase in applications, more awards and investment in Dundee's enterprises</p> <p>Increased profile and marketing opportunity for funders. Opportunity for larger funders e.g. Social Investment Scotland / Resilient Scotland's JESSICA Fund to understand and respond to local investment opportunities</p>	DSEN/CD	Within existing budgets	Jan-Nov 2015 for 2 years
	Explore new funding streams/models to improve the financial capability of the sector and fill gaps in the financial infrastructure	<p>Potential partnership with Inverclyde Social Investment Fund / DSL to increase funds available for local investment and to syndicate larger loans</p> <p>Local funding models established and increased provision of funding from new sources</p>	ISIF/DSL	Application for £6m ERDF funding June 2015	Jan-Nov 2015 for 2 years

	Promote existing Council business start-up and growth grant schemes – E-Zone – up to £1250 Dundee Development Grant – up to £2250 (Capital)	Greater uptake of local grant schemes	DSEN/CD/ Arash Gillan/ Alan Dobson	Within existing budgets	Jan-Nov 2015 for 2 years
	Promote John Sharp Futures Fund – DSEN – grant support up to £5k for new start-ups and pilot projects	Greater uptake of local grant schemes	DSEN	Secured	Until Dec 2015

Key Theme 5: City Waterfront – Identify and develop enterprising opportunities emerging from the Waterfront that will strengthen the sector, improve awareness of and promote the social enterprise brand and culture

Current Position: New area of activity and opportunity

Key Theme	Actions	Outcome	Responsibility	Funding	Timeframe
Develop market opportunities that reflect the needs of the Waterfront plan and which promote the social enterprise brand and culture	Work with the creative sector to exploit Dundee’s position as Unesco City of Design, UK City of Culture finalist and current Culture Strategy to promote the Culture & Arts sector	Culture & Arts social enterprises develop new market opportunities, can access good quality work and retail space and play a leading part in Dundee’s innovative and changing future	Leisure & Culture Dundee/DSEN/ SEs/ Cultural Agencies/ Waterfront Project	Within existing budgets	By Nov 2017
	Identify opportunities that social enterprises can deliver and establish partnerships.	Increased entrepreneurial activity in key Travel & Tourism sector Enhanced visitor services and Waterfront attractions	DSEN/CD/SEs/ Private sector/ Waterfront Project	Within existing budgets	By Nov 2017
	Work with social enterprises involved in catering sector to assess interest and potential for: <ul style="list-style-type: none"> • Cafe • Restaurant • Sandwich shop • Mobile cart(s) • Dundee Pop Ups 	Social enterprise gains a foothold in a lucrative and long-term market Growth and diversification that will strengthen the sector, promote brand image and support Council’s vision for a greater number of and choice of food outlets	DSEN/CD/ Waterfront Project	Would require to develop as a sustainable enterprise	By Nov 2017

Key Theme 6: Build on the successful implementation of the Community Asset Transfer framework to improve the use of existing surplus Council property assets by social enterprises

Current Position: Applications in the process of being assessed - 19 properties listed on Council website, 17 with notes of interest

Key Theme	Actions	Outcome	Responsibility	Funding	Timeframe
Facilitate opportunities for surplus Council properties to be owned, leased or managed by social enterprises	Maintain and update the Asset Transfer guidance notes and list of surplus property assets on the Council website	DSEN members are aware of the number, location, size of properties and application process Stronger, more sustainable social enterprises with asset base Local property assets used for the benefit of the community Council savings and efficiencies through disposal of surplus properties	CAT Steering Group/DSEN	Within existing budgets	By Nov 2017
	DSEN continues to be part of CAT Steering Group	Sector represented in the planning and decision making process			
	Support VCOs with the CAT process	Source of support and improves the quality and number of applications from other Third Sector organisations			
	Assess the impact of the Community Empowerment Bill on asset transfer	Council understands the needs of the communities and can improve access to services and support			

Key Theme 7: Build on the success of the UNESCO City of Design, UK City of Culture finalist and Dundee’s Culture Strategy 2015-2020 to ensure that Culture & Arts social enterprises benefit from Dundee’s national and international status

Current Position: Dundee Cultural Strategy Action Plan 2015-2020

Key Theme	Actions	Outcome	Responsibility	Funding	Timeframe
Support cultural and creative social enterprise development and increase the capacity of the sector	Expand business support network to include organisations that can support the cultural and creative sector	SBC identify private sector businesses to provide bespoke package of support and mentoring	SBC/DSEN/Cultural Agencies Network Members/Leisure & Culture Dundee	Within SBC Council contract	Jan-Nov 2015 for 2 years
City Waterfront work space and retail units	Investigate potential locations and premises to create Waterfront opportunities for cultural and creative enterprises	Affordable work and retail space available for Culture & Arts sector Pop Up shops create temporary City Centre work space Enhances the shopping experience of visitors to the city Connects with Waterfront V&A theme	DSEN/Cultural Agencies Network Members/ Waterfront Project/Leisure & Culture Dundee	Would require capital for: Site purchase/ container costs/fit out etc	By Nov 2017