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**To: Economy and Jobs Policy Board**

**On: 25 May 2016**

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**Report by: Director of Development and Housing Services**

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**Heading: Social Enterprise Progress Update**

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## **1. Summary**

- 1.1 The 20 May 2015 Economy and Jobs Policy Board noted the successful establishment of the new Small Grants Fund for social enterprises in Renfrewshire.
- 1.2 This paper reports on
- progress in delivering the Social Enterprise Small Grants Fund
  - the introduction of a new pilot Community Traineeship Programme
  - a proposal to contribute to the new Big Issue Invest Scotland Corporate Social Venturing Fund
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## **2. Recommendations**

- 2.1 It is recommended that the Board:
- note the continued success of the Social Enterprise Small Grants Fund, with 15 awards made to date to the value of £97,422.
  - agree to introduce more flexibility into the Small Grants Fund by amending the existing eligibility criteria to:
    - (a) increase the maximum value of grant from £5,000 to £10,000 and
    - (b) increase the annual income maximum amount for applicant organisations from £500,000 to £1 million, to enable more mature social enterprises to access the fund in order to achieve wider economic benefit.
  - Delegate authority to the Director of Development and Housing Services to enter into further discussions and negotiations with Big Issue Invest around a potential

Renfrewshire Council investment of up to £50,000 to the Scotland Corporate Social Venturing Fund.

- Note that further updates will be provided to Board.

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### 3. **Background**

- 3.1 In May 2014 the Economy and Jobs Policy Board approved a new Strategic Framework and Action Plan for the development of the social economy in Renfrewshire. The Strategic Framework and Action Plan is built around four priorities:
- Awareness raising
  - Capacity building
  - Market development
  - Community Assets
- 3.2 The Social Enterprise Small Grants Fund was established as one of the key actions to support the development strategy in Renfrewshire.
- 3.3 The initial allocation of £100,000 to the Fund was supplemented by a further £100,000 at the 20 May 2015 Economy and Jobs Board.
- 3.4 The maximum grant is currently set at £5,000 and organisations with an annual income of less than £500,000 can apply. Eligible uses include business plans, feasibility studies, marketing plans, new product/service development and infrastructure investment.
- 3.5 A well established case management system is in place for providing development support to applicants from initial interest through to application stage, grant decision management, 'after-care' support during the period of funding and beyond, as well as for internal grant appraisal, payment and monitoring processes.

### 4. **Small Grants Fund: Progress April 2015 – April 2016**

- 4.1 The Small Grants Fund is well known across the sector, and 66 expressions of interest in the Fund have been received from local social enterprises, or other organisations aspiring to become social enterprises.
- 4.2 By late April 2016, 18 full applications had been submitted. Of these, 15 grants totalling £97,422 have been approved, leaving a balance of just over £100,000 to be allocated by 31 March 2017. The total amount awarded includes an exceptional grant payment to the Paisley 2021 Community Trust for a feasibility study into establishing a new Multi-Purpose Arts Hub to support the City of Culture bid, as reported to the 20 May 2015 Economy and Jobs Policy Board meeting. 11 of these 15 grant cases are now completed.

- 4.3 Three applications to the Fund were rejected: one was re-routed to the Creative Renfrewshire Grant Fund as a more appropriate grant source, while the organisations submitting the two other applications had an annual income marginally above the £500,000 maximum currently approved by the Economy and Jobs Policy Board.
- 4.4 Experience to date suggests there is a case to build more flexibility into the Fund by (a) increasing the size of the maximum grant from £5,000 up to £10,000 and (b) increasing the annual income maximum from £500,000 to £1m. However, it is envisaged that the majority of grant applications would still be for £5,000 or less.
- 4.5 As well as managing the Small Grants Fund, the Social Enterprise Officer liaises closely with officers from Engage Renfrewshire in fine-tuning support to a steady stream of emerging social enterprise organisations requiring development support. This includes providing business planning, marketing and legal advice and this support can extend over many months.
- 4.6 During 2015/16, the Social Enterprise Officer also played the key role in the appraisal, management and delivery of the Creative Renfrewshire Grant Fund in liaison with the Town Centres and Events Team Manager. 12 grants were awarded to 10 social enterprises and two other organisations totalling £35,573. The Creative Renfrewshire Grant Fund has now been superseded by the new Culture, Events and Heritage Fund which has been designed to support Paisley's bid for UK City of Culture. This Fund is being managed by the City of Culture Bid Team.
- 4.7 Background Paper 1 provides summary details of the 15 Small Grants Fund awards.

## **5. Community Traineeship Programme**

- 5.1 Following on from the success of the Invest in Renfrewshire Traineeship Programme, in November 2015 a new pilot programme was launched, providing 26 weeks of training based within a Renfrewshire social enterprise and/or third sector organisation, with an investment of up to £5,000 per trainee. The key aim is to enhance the confidence, skills and experience of unemployed people so that they can move into employment at the end of the traineeship.
- 5.2 The Programme is primarily aimed at larger, more established social enterprises which have the capacity and resources to provide the important workplace supervisory and mentoring support roles for the trainee. The Programme provides a 21 hour placement within the enterprise, with the trainee also undertaking up to 9 hours towards a recognised vocational training qualification. Most opportunities are likely to focus on business and administration improvement, and customer service skills. To date, 5 of the allocated 10 places for 2016 have been accessed.

## **6. Big Issue Invest Scotland Corporate Social Venturing**

- 6.1 Big Issue Invest is the social investment arm of The Big Issue. Founded in 2005, Big Issue Invest extends The Big Issue's mission to tackle poverty and create opportunity by financing the growth of sustainable social enterprises.
- 6.2 The Big Issue Invest Scotland Corporate Social Venturing Fund is raising investment finance from a range of Scottish public and private bodies and charitable trusts including BT, the University sector, The Life Changes Trust and possible match funding from The Scottish Government. The lead investment partner is Standard Life Investments and it will cover the revenue costs of the programme. Big Issue Invest plans to launch the Fund in June 2016 and at this stage is expected to have around £700,000 available to invest through loans in both 2016/17 and 2017/18.
- 6.4 The Fund builds on Big Issue Invest's impressive track record in managing a number of grant and loan funds across the UK in recent years. The Fund differs from mainstream grant and loan funds in that the corporate partners will not only provide funding for successful applicants, but also business support through staff expertise and mentoring.
- 6.5 Renfrewshire Council has been invited to invest up to £50,000 in the Fund. This investment would be committed exclusively to Renfrewshire social enterprises. The Council would follow-up this investment by aiming to raise additional investment finance for the Fund from larger Renfrewshire-based businesses. The Fund's investment decisions would be made by an Investment Panel drawn from the funding partners.
- 6.6 A number of issues still need to be clarified prior to the Council making a decision on funding. It is therefore recommended that the Director of Development and Housing Services be given delegated powers to take forward the negotiations with Big Issue Invest and, subject to satisfactory progress to make a maximum commitment of £50,000 from the Invest in Renfrewshire Social Economy fund.

## **7. Progress and Priority Actions in 2016/17**

- 7.1 Further reports on social enterprise development will be brought forward to the Economy and Jobs Policy Board to update on progress.
- 7.2 Priority actions in 2016/17 will include: (a) allocating the remaining Small Grants Fund budget to a range of new and innovative projects; (b) utilising all 10 places in the Community Traineeship Programme and reviewing experience to inform a potential 2017 programme; and (c) providing additional support to social enterprises on community benefits, procurement and asset acquisition projects.

## Implications of the Report

1. **Financial** – The Small Grants Fund maximum grant will increase from £5,000 to £10,000 and the maximum annual income of applicant organisations will increase from £500,000 to £1m. However, there is no change in the Economy and Jobs Policy Board approved total budget for the Small Grants Fund of £200,000 up to 31 March 2017. A potential allocation of up to £50,000 to the Big Issue Invest Scotland Corporate Social Venturing Fund will be made subject to the satisfactory progress of negotiations on this proposal.
2. **HR & Organisational Development** – none
3. **Community Planning – Jobs and the Economy** – Support to local social enterprises will increase their capacity to deliver services, build their sustainability and achieve wider economic impact.
4. **Legal** - none
5. **Property/Assets** - none
6. **Information Technology** – none
7. **Equality & Human Rights** -  
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report as it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none
9. **Procurement** – none
10. **Risk** – none
11. **Privacy Impact** - none

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## List of Background Papers

Background Paper 1: Social Enterprise Small Grants Fund – Summary of Awards Made March 2015 – April 2016

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## **Background Paper 1: Social Enterprise Small Grants Fund**

### **Summary of Awards Made March 2015 – April 2016**

#### **Awards**

##### **March 2015**

1. **Crisis Counselling** was awarded up to £5,000 for enhanced security systems, fitting-out costs, marketing and promotional materials for its new Eco-Pod counselling building in Erskine. The grant will significantly increase capacity and expand the number of customers benefitting from Crisis's counselling services. Status: completion expected April/May 2016.
2. **Erskine Music & Media Studio** was awarded £5,000 to upgrading its equipment from analogue to digital, allowing it to reach new markets, increasing turnover, training, volunteering and job opportunities. Status: completed and full award made.
3. **Scottish Huntington's Association**, whose national headquarters is in Linwood, was awarded £3,782 to develop an innovative eBay online service to generate additional income for the Association to continue to expand its information, advice and development services throughout Scotland. Status: completed and full award made.
4. **Kilbarchan Improvement Projects** was awarded up to £5,000 for modernised CCTV security inside and outside the property and for a new IT server, resulting in increased footfall, better usage of the facility and reduced insurance premiums and maintenance costs. Status: completed and £4,594.01 awarded.
5. **Environmental Training Team** was awarded £2,000 towards establishment costs, primarily for office equipment and landscaping tools, to enable this new business located in Ferguslie Park to move to the next stage of development with the potential to secure commercial contracts. Status: completed and full award made.
6. **KLAS Care** was awarded up to £5,000 to commission an architect/building surveyor practice to undertake a technical feasibility study identifying the detailed costs of refurbishing and then converting a former janitor's house within a school estate in Linwood into a dedicated childcare facility. Status: completed and £4,058.96 awarded.

##### **May 2015**

7. **I Am Me** was awarded £5,000 to support the further development of the award-winning organisation and match fund a Graduate Intern position in continuing to raise awareness across Renfrewshire and other local authority areas of disability-related harassment and abuse. Status: completed and full award made.
8. **LoudnProud** was awarded £5,000 to commission an external marketing consultant to work with the organisation in producing and guiding the implementation of a three year marketing plan aimed at maximising future income generating potential. Status: completed and full award made.

## June 2015

9. **The Paisley 2021 Community Trust** was awarded an exceptional grant of £32,640 to commission external consultants to prepare a business case and feasibility study for a new Multi-Purpose Arts Hub in Paisley to support the City of Culture Bid. This grant was approved at the 20 May 2015 Economy and Jobs Policy Board meeting. Status: completed and full award made.
10. **ROAR** was awarded £4,790 to work in partnership with NHS Greater Glasgow and Clyde in piloting and establishing a low level foot care service for isolated and vulnerable older adults in Renfrewshire. Status: completion expected summer 2016.
11. **Johnstone Community Sports Complex** was awarded £4,710 for new energy efficient lighting inside and outside the Complex, leading to significantly reduced energy bills, reduced carbon footprint and improved economic and environmental sustainability. Status: completed and full award made.

## July 2015

12. **Rainbow Turtle Just Trading** was awarded £5,000 as a contribution towards the costs of purchasing a new EPOS (Electronic Point of Sale) stock control system to improve management and business efficiency for its range of Fair Trade products. Status: completed and full award made.

## November 2015

13. **Capability Scotland** was awarded £5,000 to commission an external consultant to prepare a feasibility study to develop the most appropriate employability model for the organisation's learning disability clients at its West Lane Gardens horticultural facility in Johnstone. Status: completed and full award made.

## March 2016

14. **Eadha Enterprises** was awarded £5,000 to appoint an external consultant to produce a marketing plan and marketing materials to expand its trading operations focused on native woodland creation and environmental conservation. Status: completion expected summer 2016.
15. **Linwood Community Development Trust** was awarded £4,500 to commission an external consultant to produce a business plan to guide the development of its newly established 'Roots' grocery enterprise over the next three years. Status: completion expected May/June 2016.