

BUILDING A SUSTAINABLE SOCIAL ENTERPRISE SECTOR IN SCOTLAND

ACTION PLAN 2017-20



2017-20

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INTRODUCTION



Social enterprises are a vital partner in the economy, civil society and in creating a fairer, more inclusive Scotland. They play a key role in our public services and are an important part of our national identity and international reputation.

Social enterprises trade for the common good. They address social needs, strengthen communities, improve people's life chances and protect the environment.

In December 2016, we published **Scotland's Social Enterprise Strategy**. This set out a wide-ranging, ambitious and long-term framework to help realise the full potential of the social enterprise sector.

This action plan now sets out important first steps that we will take, working across government and with partners, to deliver on our vision for social enterprise over the next three years. Subsequent action plans will follow in 2020 and 2023.

The plan is being published in support of Scotland's Economic Strategy, and demonstrates in particular how social enterprises can be assisted to deliver on our ambitions for inclusive growth.

It is also being published against the backdrop of a major review of the system of support for Enterprise and Skills in Scotland, of which our support to social enterprises forms part. As such, our action plan will continue to develop over the next six

months as we work across government to ensure the strongest possible environment in which businesses of all kinds can thrive and grow.

The pages that follow show how we will lay the foundation for a flourishing social enterprise sector. It sets out how we will stimulate social enterprise activity, develop stronger organisations and realise market opportunity – delivering on the three key priorities set out in the Scotland's Social Enterprise Strategy.

The action plan sets out a broad and balanced approach building a sustainable social enterprise sector. In many cases, the actions outlined build on our established track record of investment and support for the sector. In other cases, they propose pioneering new approaches and signal our ambition to grow the sector further and faster.

Taken together, the commitments set out in the plan will ensure that social enterprises play a central role in business and community life for many years to come.

PRIORITY 1: STIMULATING SOCIAL ENTERPRISE



“We will enable thousands more people to find out about, and start, social enterprises in the places they live, work or study”

1A. National and International Recognition

Over the last decade, the social enterprise movement has taken shape and achieved a growing significance across the world. Our ambition is now to move social enterprise from the margins to the mainstream of civic society, public life and business. To do so, we must step-up the level of recognition afforded to the social enterprise sector nationally and build links with others working towards the same goals internationally.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1A.1. SHAPING A GLOBAL MOVEMENT</p> <p>We will frame, lead and accelerate global developments in the social enterprise movement. This will include hosting the 2018 Social Enterprise World Forum (SEWF) in Edinburgh and continuing to embed social enterprise in our country engagement strategies and international development programme.</p>	✓	✓	✓
<p>1A.2. STRENGTHENING EUROPEAN CO-OPERATION</p> <p>We will maintain the strongest possible relationship with European partners, for example, through continuing our support for Scottish social enterprise partner participation in EU transnational programmes (e.g. Interreg, Erasmus+ and Horizon 2020).</p>	✓	✓	

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1A.3. SHOWCASING THE BEST OF SCOTLAND</p> <p>We will promote Scotland's position as one of the best places in the world to start and grow a social enterprise. Initially, we will explore the potential for both a National Year of Social Enterprise and Annual Social Enterprise Week celebrations.</p>			
<p>1A.4. SHAPING THE NATIONAL DEBATE</p> <p>We will support a small number of high-profile annual conferences with national reach and significance, collectively shaping social enterprise policy, practice and market development.</p>			
<p>1A.5. ENSURING A STRONG NATIONAL VOICE</p> <p>We will support Social Enterprise Scotland, Social Firms Scotland and Senscot to deliver a co-ordinated three-year programme of national representation and support. During this timeframe, we will carry out a review to ensure that this national 'infrastructure' remains fit-for-purpose and responsive to the needs of social enterprises.</p>			
<p>1A.6. DEVELOPING AN ENTERPRISING THIRD SECTOR</p> <p>We will continue to work with SCVO, the Scottish Community Alliance and others to promote social enterprise activity and financial self-reliance within the wider community and voluntary sector, and support the sector to explore the changes in culture, knowledge and skills required to move to a more enterprising model.</p>			
<p>1A.7. CHAMPIONING SOCIAL ENTERPRISE ACROSS GOVERNMENT</p> <p>We will realise opportunities across Government to deliver positive outcomes through social enterprise. This will require continuing work to raise awareness and create space for dialogue around key policy areas.</p>			
<p>1A.8. INCREASING RECOGNITION WITHIN THE BUSINESS COMMUNITY</p> <p>We will raise the profile of social enterprise within Scotland's business community, consulting and working closely with each of the main business bodies in Scotland to drive awareness and change.</p>			

1B. Social Entrepreneurship and Innovation

Social entrepreneurs are making a difference, in ways big and small, in local communities and across Scotland. Individually and collectively, these can-do people are seizing the initiative, setting up charities and social enterprises, and introducing new ways of tackling social issues. Our ambition is to encourage and support more people to create, lead and grow social enterprises. This will help to deliver on the aspirations of Scotland CAN DO, our vision of a world-leading entrepreneurial and innovative nation.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1B.1. SOWING THE SEEDS OF SOCIAL ENTREPRENEURSHIP</p> <p>We will work with Firstport to significantly increase the number of social entrepreneurs that receive seed funding and associated support. This will help reach more people from diverse backgrounds and communities right across Scotland.</p>			
<p>1B.2. DEVELOPING SOCIAL ENTREPRENEURS AS INDIVIDUALS</p> <p>We will invest in the 'Developing Social Entrepreneurs' programme, with European Social Fund support. This will support intensive learning and personal development among social entrepreneurs, enabling them to realise their ambitions, grow and develop as leaders.</p>			
<p>1B.3. LAYING DOWN THE SOCIAL INNOVATION CHALLENGE</p> <p>We will develop a co-ordinated programme of mission-orientated challenges and inducement prizes, including the national Social Innovation Competition and the Good Ideas Academy. These will unleash passion and uncover pioneering solutions to entrenched social issues.</p>			
<p>1B.4. INVESTING IN RESEARCH AND DEVELOPMENT</p> <p>We will continue with our national Social Innovation Fund, enabling enterprises to collaborate with research institutions and others to develop, test and scale new solutions to poverty and disadvantage.</p>			
<p>1B.5. INCREASING SOCIAL ENTERPRISE AND 'MISSION-LED' ACTIVITY</p> <p>We will help budding social entrepreneurs to understand social enterprise and newer forms of 'mission-led' business, through active promotion, knowledge sharing and the encouragement of new activity.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1B.6. ENABLING ‘CO-WORKING’ HUBS AND SPACES TO FLOURISH</p> <p>We will support new co-working spaces for social entrepreneurs (including Scotland’s first Impact Hub in Inverness) and we will continue to invest in the development of existing ones (including the international replication of the Melting Pot, Edinburgh).</p>			
<p>1B.7. UNLOCKING THE POTENTIAL FOR INTRAPRENEURSHIP</p> <p>We will invest in intrapreneurship as a way to unlock entrepreneurial skills, behaviours and mindset in a range of organisations across the public, private and third sectors.</p>			
<p>1B.8. REMOVING THE REMAINING BARRIERS TO SOCIAL ENTREPRENEURSHIP</p> <p>We will support research into the barriers facing social entrepreneurs and identify the additional actions required to mobilise social entrepreneurship across Scotland.</p>			

1C. Social Enterprise in Education

We believe that by helping children and young people understand and experience social enterprises as creative and impactful businesses, they will aspire to effect positive change and play their part in improving society. This in turn will fuel the growth of the social enterprise movement. Our ambition, therefore, is to ensure values-based social enterprise learning in every educational setting to initiate this change.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1C.1. PROVIDING SOCIAL ENTERPRISE LEARNING IN SCHOOLS</p> <p>We will work towards the delivery of social enterprise activity in every school through our Scotland’s Enterprising Schools programme, helping to create the next generation of social entrepreneurs. This will be achieved, in part, through a phased expansion of the Social Enterprise Academy’s Social Enterprise in Education programme.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1C.2. INTRODUCING ENTREPRENEURIAL LEARNING TO EDUCATIONAL SETTINGS</p> <p>We will support work that enables a wider appreciation among teacher bodies, education practitioners and colleges about the potential of social enterprise and its value to the learning experience.</p>			
<p>1C.3. HARNESSING THE POTENTIAL OF INFORMAL EDUCATION</p> <p>We will work with Education Scotland and others to examine the potential for social enterprise to play an increased role in community development, youth work, family learning and adult education.</p>			
<p>1C.4. BUILDING CAREERS IN SOCIAL ENTERPRISE</p> <p>We will explore with the relevant bodies how work placement and internship opportunities can promote employment in the social enterprise sector as an exciting career of choice for our young people.</p>			
<p>1C.5. PROVIDING INSPIRATION ON CAMPUS</p> <p>We will develop the potential of Scotland's universities to stimulate social entrepreneurship through teaching, knowledge transfer and business incubation. We will work with Universities Scotland, Scottish Institute for Enterprise, Enactus and others to realise this potential.</p>			
<p>1C.6. DELIVERING WORLD-LEADING RESEARCH</p> <p>We will establish a social enterprise academic forum, independently chaired and led by the university sector. This will build upon Scotland's world-leading reputation for research in this field and enhance postgraduate scholarship opportunities.</p>			
<p>1C.7. ENSURING PROFESSIONAL RECOGNITION</p> <p>We will extend the range of ways that education practitioners can be recognised for the enterprise and entrepreneurial skills they are developing through Social Enterprise Education. This might include recognition through awards and alignment to recognised qualifications.</p>			

1D. Local Development

Most social enterprises start out as a response to a situation that local citizens and their communities face. They are strongly rooted in Scotland's villages, towns and neighbourhoods, and increasingly among groups that come together based on shared identity and needs. Our ambition is to create the conditions where community enterprise can flourish in places across Scotland.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1D.1. STRENGTHENING LOCAL SOCIAL ENTERPRISE NETWORKS</p> <p>We will invest in local social enterprise networks to support social enterprises within communities. In addition, social enterprise will be part of considerations on the development of wider arrangements for broader third sector infrastructure.</p>			
<p>1D.2. PLANNING LOCAL ACTION</p> <p>We will encourage the development of new local social enterprise plans that help to drive growth of the sector in every part of Scotland. We will use a national event and Community of Practice to exploit best practice and encourage progress across the country.</p>			
<p>1D.3. SUSTAINING COMMUNITY ASSETS</p> <p>We will back the Development Trusts Association Scotland and others to ensure that local communities have the help they need to acquire land, buildings and other assets, and to develop the viable business activity that will sustain these.</p>			
<p>1D.4. UNCOVERING LOCAL POTENTIAL</p> <p>We will support collaborative place-based initiatives to stimulate social entrepreneurship, building upon the early promise of initiatives such as Vital Spark (Dunoon, Rothesay and Campbeltown) and What If (Girvan), and the work of the CAN DO Places programme. This approach will help to empower communities through social enterprise and ultimately build a fairer and more inclusive Scotland.</p>			
<p>1D.5. SUPPORTING EARLY STAGE COMMUNITY ENTERPRISES</p> <p>We will introduce additional, early stage capacity building support to develop collaboration and trading capacity among new, democratically-controlled social enterprises with a place-based focus. This will complement our Strengthening Communities Programme, Aspiring Communities Fund and Regeneration Capital Grant Fund.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>1D.6. PROMOTING ACTIVITY ACROSS EQUALITY GROUPS AND COMMUNITIES OF INTEREST</p> <p>We will work with equality organisations (e.g. disabled persons' organisations and ethnic minority organisations) to stimulate and support nascent social enterprise activity among equality groups and communities of interest. As part of this, we will continue to support the Council of Ethnic Minority Voluntary Sector Organisations (CEMVO) to deliver its Social Enterprise Capacity Building Programme.</p>			
<p>1D.7. ENHANCING THE CONTRIBUTION IN RURAL AREAS</p> <p>We will establish a 'rural collaborative' to examine the contribution that social enterprise plays in these communities, and develop learning and practice across rural areas. This will recognise the unique needs of island communities and build on the already strong development of social enterprise in the Highlands and Islands.</p>			
<p>1D.8. EXTENDING THE REACH OF SOCIAL ENTERPRISE</p> <p>We will work with communities and anti-poverty groups to explore ways that social enterprises can play a bigger role in tackling inequality in areas of deprivation. This will support our Fairer Scotland agenda.</p>			

PRIORITY 2: DEVELOPING STRONGER ORGANISATIONS



“We will ensure that all social enterprises have the resources, knowledge and networks they need to achieve their potential”

2A. Social Finance

Social enterprises continue to test new service models and scale-up to meet new needs and contract opportunities. This requires increasingly creative forms of finance to enable social enterprises to make needed capital investments, develop revenue streams, build capacity and manage cash flow effectively. Our ambition is for social enterprises to achieve their optimal scale and impact through access to responsive forms of finance.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2A.1. PROVIDING SEED CAPITAL TO SOCIAL ENTREPRENEURS</p> <p>We will enable many more social enterprises to get off the ground by doubling the size of the national Social Entrepreneurs Fund to £1m for each year over the period 2017 to 2020.</p>	✓	✓	✓
<p>2A.2. FUNDING FOR DEVELOPMENT AND GROWTH</p> <p>We will deliver a Social Economy Growth Fund, providing major grants that build capacity within the sector to create employment, improve skills and support disadvantaged areas and groups.</p>	✓	✓	
<p>2A.3. EXPANDING THE USE OF COMMUNITY SHARES ISSUES</p> <p>We will build awareness and support the expansion of Community Shares schemes. This will help to increase the amount of share capital and democratic control of businesses that serve community needs.</p>	✓	✓	

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2A.4. EXTENDING MICRO-LENDING IN LOW INCOME COMMUNITIES</p> <p>We will work with fair-credit institutions supporting micro-lending for enterprises (e.g. Grameen Scotland Foundation) to examine how the micro-credit model can be used to best effect, building on pilot activity in some of the most deprived communities in the West of Scotland.</p>	✓		
<p>2A.5. UNLOCKING PRIVATE INVESTMENT</p> <p>We will unlock capital from private investors by working with Social Investment Scotland and others to promote access to the Social Investment Tax Relief and similar mechanisms.</p>	✓	✓	✓
<p>2A.6. ENSURING ACCESS TO SME FINANCE</p> <p>We will work with and through the Scottish Investment Bank to ensure access to traditional forms of SME finance for social enterprises, including through the use of loan guarantee schemes.</p>	✓	✓	
<p>2A.7. GETTING THE SECTOR INVESTMENT READY</p> <p>We will extend the range of pre-investment support available to social enterprise leaders, ensuring that they have the necessary advice, skillset and confidence to make informed decisions about the use of loan funding.</p>	✓	✓	✓
<p>2A.8. TESTING NEW FINANCING MODELS</p> <p>We will test the potential for new social financing models, including creative forms of blended finance (grant plus loan), pioneering outcomes-based investment approaches (e.g. Social Investment Impact Partnerships) and inventive mechanisms to support community reinvestment from within the wider third sector.</p>	✓	✓	✓
<p>2A.9. INFORMING FUTURE DEVELOPMENTS IN THE SOCIAL FINANCE MARKET</p> <p>We will develop a better shared understanding of the demand for social investment through further research, including take-up, requirements, and potential. On this basis, we will continue to develop an approach to social investment that is specific to Scotland, recognising the unique needs and demands of the country's social enterprise sector.</p>	✓		

2B. Business Support

The social enterprise sector is characterised by its diversity - differing traditions, business models, motivations and goals. This leads to a very wide range of needs and aspirations, some specific to social enterprises and some common to all forms of business. We believe that these varied aspirations are best served by a diverse ecosystem of business support, mainstream and specialised, nationally organised and locally delivered. Our ambition is to build the strength of the social enterprise sector by building on the strengths of Scotland's system of business support.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2B.1. CONTINUING SPECIALISED BUSINESS SUPPORT FOR SOCIAL ENTERPRISE</p> <p>We will extend the national programme of specialised business support - Just Enterprise - by another year, investing a further £1.2m before reviewing its performance and impact more fully. During 2018, we will introduce redesigned arrangements for social enterprise start-up, growth and recovery that will complement mainstream provision.</p>			
<p>2B.2. BUILDING AN EMPOWERED NETWORK OF BUSINESS ADVISORS</p> <p>We will equip a growing network of business advisors with the knowledge and relationships they need to deliver the best possible support to social enterprises. Central to this will be the development of a Business Support Exchange Network, an initiative bringing together advisors from Scottish Enterprise, Highlands and Islands Enterprise, Business Gateway, Just Enterprise and others.</p>			
<p>2B.3. MEETING NEEDS THROUGH EXISTING BUSINESS SUPPORT SERVICES</p> <p>We will put in place arrangements to ensure that a growing number of social enterprises enjoy the benefits of engaging with existing mainstream business advice and support, from Scottish Enterprise, Highlands and Islands Enterprise, and Business Gateway. This will be considered more widely by the Enterprise and Skills Review.</p>			
<p>2B.4. SCALING EARLY STAGE SOCIAL ENTERPRISE ACTIVITY</p> <p>We will put support structures in place that early stage social enterprises need to realise their ambitions for growth and achieve impact on a greater scale. This will include extending support for LaunchMe as Scotland's first social enterprise accelerator programme.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2B.5. BOOSTING DIGITAL INNOVATION AND GROWTH</p> <p>We will work with Business Gateway, Scottish Enterprise, Highlands and Islands Enterprise and others to develop the digital capabilities of social enterprises and their associated capacity for business innovation and growth. This will include promoting access to the Digital Growth Fund, Digital Boost programme and related digital support initiatives.</p>			
<p>2B.6. SUPPORTING THE FIRST STEPS INTO INTERNATIONAL MARKETS</p> <p>We will work with Scottish Development International to raise export awareness and ensure access to a tailored suite of support products for social enterprises taking their first steps into international markets. In tandem, we will review our International Social Enterprise Programme and introduce a redesigned form of targeted financial assistance for international social enterprises headquartered in Scotland that have the ability to scale-up their impact.</p>			
<p>2B.7. HELP TO WIN PUBLIC SECTOR BUSINESS</p> <p>We will put in place the expert training, support and information that social enterprises need to compete effectively for public contracts and grow their business. This will build upon the support provided by the national Supplier Development Programme and other sources.</p>			

2C. Collaboration

We believe that social enterprises can achieve much by working together – particularly in fields where collective scale, capacity and financial strength is an advantage. We must therefore look beyond operating solely as single organisations and consider new ways of organising and supporting wider systems of provision. We want to see an increasing number of social enterprises realising the benefits of collaboration, locally, nationally and internationally.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2C.1. EXTENDING SOCIAL ENTERPRISE NETWORKS</p> <p>We will enable Senscot to extend place-based Social Enterprise Networks (SENs) to every part of Scotland that wants one and to develop the potential of Thematic SENs. These will provide an increasingly important collective voice for social enterprises.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2C.2. TESTING NEW CONSORTIA AND RESOURCE SHARING MODELS</p> <p>We will bring forward new models of collaboration and consortia working. This will include early investigation of the Italian Social Co-operatives consortia approach and its application to Scotland, followed by other initiatives that will test the potential of social enterprises to pool collective assets, share services and drive down costs.</p>	✓	✓	
<p>2C.3. SUPPORTING CO-OWNERSHIP AND CONSORTIUM CO-OPERATIVES</p> <p>We will support the take-up of co-ownership and collaborative business models as a basis for stronger social enterprise activity. This will be achieved through a co-ordinated plan of action developed with Co-operative Development Scotland.</p>	✓	✓	✓
<p>2C.4. STRENGTHENING BIDDING CONSORTIA</p> <p>We will back the introduction of a new Partnership and Procurement Hub to enable more social enterprises to tender together and collectively take on contracts of a greater scale.</p>	✓	✓	✓
<p>2C.5. UTILISING COLLABORATIVE TECHNOLOGIES</p> <p>We will bring forward new approaches to support peer-to-peer connections between social enterprises using collaborative technologies. This will accompany our push to ensure that more social enterprises benefit from digital business support.</p>	✓		
<p>2C.6. BUILDING TRADING RELATIONSHIPS</p> <p>We will back opportunities for social enterprises to come together to buy and sell goods and services, network and learn. This will include the Social Enterprise Marketplace Exchange nationally, as well as other regional and local events led by Social Enterprise Networks.</p>	✓	✓	✓
<p>2C.7. DRIVING INTERNATIONAL COLLABORATION</p> <p>In partnership with CEIS, and working with Scottish Development International, we will lay the foundations for an International Social Enterprise Observatory based in Glasgow. This will provide the focus and capacity to harvest best practice as well as foster international connections, trading relationships and development opportunities.</p>	✓	✓	✓

2D. Leadership Development

We recognise that the single most important determinant of the success of any organisation is the quality of its leadership. Effective leadership - both individual and collective - will be essential if social enterprises are to navigate successfully the uncertain period ahead. Our ambition is to realise fully the personal and organisational potential within social enterprises through leadership development.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2D.1. EXTENDING LEADERSHIP DEVELOPMENT OPPORTUNITIES</p> <p>We will continue our strategic partnership with the Social Enterprise Academy to deliver accredited leadership and entrepreneurial learning programmes ever more widely across the social enterprise community and wider third sector.</p>			
<p>2D.2. DEVELOPING BUSINESS SKILLS</p> <p>We will continue the provision of business skills training for social entrepreneurs, leaders and staff of established social enterprises. Initially, we will extend the delivery of training workshops through the Just Enterprise programme for a further 12 months, before reviewing this.</p>			
<p>2D.3. STRENGTHENING COMMUNITY GOVERNANCE AND SKILLS</p> <p>We will strengthen leadership, governance and skills within enterprising community anchor organisations through our support for a Community Leadership and Collaboration pathfinder programme.</p>			
<p>2D.4. PROMOTING GOVERNANCE EXCELLENCE</p> <p>We will support initiatives to promote and share excellence in the governance of social enterprises, including support for the annual Scottish Trustees Week, the development of Good Governance Guidelines, Financial Literacy for board members and other targeted board development initiatives.</p>			
<p>2D.5. ENCOURAGING MENTORING AND EXCHANGE</p> <p>We will bring forward mentoring and exchange programmes that best serve the needs of social enterprise leaders and managers. Our support for the Scottish Community Alliance's Community Learning Exchange will continue this important source of inspiration and peer learning, while we take the time to identify other promising approaches.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2D.6. DEVELOPING AN INTERNATIONAL OUTLOOK</p> <p>We will help social enterprise leaders to foster their international outlook, learning and connections. Through the funding of bursary places, we will enable our leaders to participate in the Social Enterprise World Forum (SEWF) in New Zealand in 2017 as well as other international events, mentoring, learning opportunities.</p>			
<p>2D.7. TAKING THE SCOTTISH APPROACH TO THE WORLD</p> <p>We will work with selected learning providers to help extend or replicate social enterprise leadership and education programmes in international markets. This will build on Scotland’s world-class offering and enable us to play our part as a catalyst for world knowledge about social enterprise.</p>			

2E. Workforce Development

Social enterprises rely on a capable and motivated workforce and, in turn, actively nurture the contribution of their employees. The evidence tells us that this adds up to a very substantial contribution to volunteering, job creation, social inclusion and employability in Scotland. Our ambition is to create the conditions where all social enterprises are able to provide fair workplaces and build human potential.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2E.1. SUPPORTING THE DEVELOPMENT OF SOCIAL FIRMS</p> <p>We will provide ongoing support to the national agency for social firms, Social Firms Scotland, as it continues to promote and support Work Integration Social Enterprises.</p>			
<p>2E.2. TRANSFORMING THE POTENTIAL OF SUPPORTED BUSINESSES</p> <p>We will continue work with Supported Businesses across Scotland, seeking creative ways to enable them to transform their business models, flourish commercially and sustain employment for disabled and disadvantaged people.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2E.3. RECOGNISING THE CONTRIBUTION OF SOCIAL ENTERPRISES AS EMPLOYERS</p> <p>We will further encourage social enterprises to champion equality, diversity, fair pay and progressive workplace policies. By promoting take-up of the Scottish Business Pledge and Scottish Living Wage Accreditation, we will recognise and showcase the role of social enterprises as supportive employers.</p>			
<p>2E.4. ENSURING A STRATEGIC VOICE ON EMPLOYABILITY ISSUES</p> <p>We will enable social enterprises and the wider third sector to help shape employability policy, by continuing to support the Scottish Third Sector Employability Forum and Employability Social Enterprise Network.</p>			
<p>2E.5. DEVELOPING SCOTLAND'S YOUNG WORKFORCE</p> <p>We will support the development of the young workforce in Scotland by providing additional accredited learning experiences within social enterprises. These opportunities should inspire young people and support their employability and entrepreneurship skills.</p>			
<p>2E.6. MEETING SKILLS REQUIREMENTS AND TRAINING NEEDS</p> <p>We will ensure that the products and programmes of Skills Development Scotland, our national skills agency, are fully responsive and accessible to Scotland's social enterprises.</p>			

2F. Demonstrating Social Value

We are committed to ensuring that social enterprises are able to produce the evidence they need to show they deliver well, produce impacts (social, economic and environmental), and live up to appropriate values and practices. This is vital if social enterprises are to extend influence, make better decisions and ensure public accountability. Our ambition is for all social enterprises to be able to demonstrate social value in a holistic, transparent and compelling way.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>2F.1. TOWARDS A SCOTTISH APPROACH</p> <p>We will work with Social Value Lab to consult, identify and develop the approach to demonstrating value that will best serve Scotland's social enterprise community. This should equip even small organisations with the knowledge and tools to provide a balanced account of their performance and impact.</p>	✓		
<p>2F.2. ALIGNING SOCIAL REPORTING REQUIREMENTS</p> <p>We will work with regulators and funders to ensure that reporting requirements are better framed and aligned whilst maintaining both proportionality and consistency.</p>	✓	✓	✓
<p>2F.3. MAKING AVAILABLE TECHNICAL SUPPORT AND ADVICE</p> <p>We will introduce dedicated advisory support for social impact measurement within any future business support programmes for the social enterprise sector. We recognise that the ability to demonstrate social value is central to business success.</p>		✓	✓
<p>2F.4. DESIGNING LEARNING TO IMPROVE SOCIAL IMPACT PRACTICE</p> <p>We will work with the Social Enterprise Academy to bring forward a redesigned introductory learning programme in Measuring Social Impact that offers social enterprise leaders with a break-through method for strengthening impact practice.</p>	✓		
<p>2F.5. TESTING NEW METHODS OF DEMONSTRATING VALUE</p> <p>We will test new impact measurement models, technologies and advice. Initially, we will support Assist Social Capital to pilot its Unlocking Potential social capital evaluation tool in partnership with a small number of local Social Enterprise Networks.</p>	✓		
<p>2F.6. BUILDING A CULTURE OF SELF-EVALUATION</p> <p>We will support the development of self-evaluation training and resources that make evaluation more useful and relevant to the social enterprise sector.</p>	✓	✓	✓

PRIORITY 3: REALISING MARKET OPPORTUNITY



“We will enable more consumers, public authorities and businesses to understand and purchase from social enterprises”

3A. Public Markets

We recognise that the considerable purchasing power of Scotland’s public sector creates a market in which social enterprises can and should play a more central role. During a decade framed by legislative and regulatory changes, the foundations for sustainable and socially responsible public sector procurement are now in place. Our ambition is to build upon these foundations and rapidly increase the number and range of social enterprises involved in shaping and delivering Scotland’s public services.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>3A.1. SUPPORTING COMMISSIONERS AND BUYERS</p> <p>We will draw on lessons from the national Developing Markets for Third Sector Providers programme and determine any successor arrangements required to support Scotland’s public sector commissioners and buyers.</p>			✓
<p>3A.2. DEVELOPING PUBLIC SOCIAL PARTNERSHIPS</p> <p>We will provide ongoing support for five strategic Public Social Partnership (PSP) projects, evaluating fully the effectiveness of this strategic commissioning model before determining future support.</p>			✓

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>3A.3. SUPPORTING IMPLEMENTATION OF THE SUSTAINABLE PROCUREMENT DUTY</p> <p>We will support the implementation of the sustainable procurement duty set out in the Procurement Reform (Scotland) Act. Working in partnership with local authorities and Scotland Excel we will promote effective practices and ensure there is a clear understanding of the capacity, capability and positive impact that social enterprises bring.</p>			
<p>3A.4. EXTENDING THE USE OF COMMUNITY BENEFIT AGREEMENTS</p> <p>We will expand the use and impact of Community Benefits Clauses in public contracts, creating further supply chain opportunities for social enterprises in doing so.</p>			
<p>3A.5 EXPANDING THE USE OF RESERVED CONTRACTS</p> <p>We will make it easier for public bodies to identify and reserve contracts for a wider range of social enterprises, now covered by a revised EU definition of 'Supported Business'. As a first step, we will introduce a new Supported Business Directory, while we continue to obtain a better understanding of the expanded capacity within the Supported Business sector and identify preferred route(s) to market and purchaser requirements.</p>			
<p>3A.6. UNLOCKING EARLY LEARNING AND CHILDCARE OPPORTUNITIES</p> <p>We will encourage the social enterprise sector to play its full role in the delivery of an expansion of publicly funded hours of early learning and childcare.</p>			
<p>3A.7. REALISING MARKET OPPORTUNITIES IN HEALTH AND SOCIAL CARE</p> <p>We will work with partners across the strategic commissioning agenda within Health and Social Care to highlight the benefits that social enterprises bring for choice and sustainability in local communities and to realise associated opportunities.</p>			

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>3A.8. GROWING THE ROLE OF SOCIAL ENTERPRISE IN CRIMINAL JUSTICE</p> <p>We will raise awareness of the contribution of social enterprises to Scotland's Community Justice Strategy, share associated best practice and identify opportunities for the sector to deliver better outcomes for people in the care of the Scottish Prison Service.</p>			
<p>3A.9. UNLOCKING THE POTENTIAL TO DELIVER EMPLOYABILITY SERVICES</p> <p>We will introduce new commissioning models that can deliver opportunities for social enterprises as part of the transfer of employability powers to Scotland. For example, we will reserve one of the nine employment service contract 'lots' for Supported Businesses while promoting their capacity to deliver employment support to potential bidders in all other contracts.</p>			

3B. Consumer Markets

We know that people across Scotland are becoming more concerned about how their products and services are sourced and how they make purchases. These ethical considerations have the potential to fuel demand for social enterprise goods and services. Social enterprises must therefore become more visible to consumers and tap into the consumers' desire to buy ethically.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>3B.1. UNDERSTANDING CONSUMER ATTITUDES</p> <p>We will support research into consumer awareness and attitudes to social enterprise. This will enable a better understanding of the scale of opportunity and task facing the sector.</p>			
<p>3B.2. BUILDING THE SOCIAL ENTERPRISE MARKETPLACE</p> <p>We will establish the feasibility of a national directory and e-commerce marketplace for social enterprises.</p>			
<p>3B.3. SHOWCASING SOCIAL ENTERPRISE PLACES</p> <p>We will celebrate social enterprise activity in villages, towns, islands and cities by introducing an appropriate national campaign that will reach all parts of Scotland.</p>			
<p>3B.4. PROMOTING LOCAL GOODS AND SERVICES</p> <p>We will support a small number of pilot campaigns and events in community venues and public settings that showcase the goods and services of social enterprises.</p>			
<p>3B.5. BUILDING THE SOCIAL ENTERPRISE BRAND</p> <p>We will introduce the international Buy Social certification scheme to Scotland, ensuring appropriate adaptation and a locally responsive method on implementation. With this in place, the Scottish Government family would want to become 'adopters' in support of this.</p>			
<p>3B.6. DEVELOPING THE SUPPLY OF SOCIAL ENTERPRISE PRODUCTS</p> <p>We will support Social Investment Scotland to establish a number of Buy Social Academies, supporting clusters of social enterprises to develop goods and products and enter consumer markets.</p>			

3C. Business Markets

We view social enterprise as part of a wider community of businesses committed to improving society and the economy of Scotland. We also envisage substantial opportunities to increase business-to-business trade within this community. Our ambition is to steadily raise awareness and increase the level of trade between social enterprises and other businesses.

Key Actions	Year 1 17-18	Year 2 18-19	Year 3 19-20
<p>3C.1. BUILDING RELATIONSHIPS WITHIN THE BUSINESS COMMUNITY</p> <p>We will support joint initiatives between appropriate representative bodies, which will raise awareness of social enterprise within Scotland's business community.</p>	✓	✓	✓
<p>3C.2. IDENTIFYING ENABLERS AND CONSTRAINTS ON PROGRESS</p> <p>We will support research into the awareness, attitudes, and barriers to doing business with social enterprises. This will identify opportunities for more productive business relationships.</p>	✓		
<p>3C.3. MAKING CORPORATE CONNECTIONS</p> <p>We will bring forward proposals to pilot a small-scale corporate challenge and brokerage service designed to connect and integrate social enterprises into the supply chains of major corporations.</p>	✓	✓	
<p>3C.4. DEVELOPING RETAIL SUPPLY CHAINS</p> <p>We will encourage the development of initiatives such as the ASDA supplier developer initiative, to increase the role of social enterprises in the supply chains of major retail groups.</p>	✓		

IMPLEMENTATION



The implementation of this three-year action plan will be facilitated by the Scottish Government's **Equality, Human Rights and Third Sector Division**.

We will work with national partners to establish a **Reference Group** responsible for coordinating implementation of this action plan. A full **Monitoring and Evaluation Plan** will also be published this year.

Through the effective implementation of the actions outlined in this plan, we expect to make a positive contribution to each of the following **National Outcomes**:

- We take pride in a fair, inclusive national identity
- We realise our full economic potential with more and better employment opportunities for our people
- We have strong resilient and supportive communities where people take responsibility for their own actions and how they affect others
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens
- Our public services are high quality, continually improving, efficient and responsive to local people's needs
- We have tackled the significant inequalities in Scottish society

- We live in a Scotland that is the most attractive place for doing business in Europe

To strengthen our multi-agency focus and accountability, we will introduce a suite of **headline social enterprise change indicators** that enable us to measure the contribution of the sector towards achievement of our national outcomes and policy goals.

We will monitor change by way of a biennial **Social Enterprise Census**. Building on the data produced in 2015, this will provide evidence of the changing scale, characteristics and contribution of the sector in 2017 and again in 2019. This Census and other sector data will be presented in an accessible online performance dashboard.

The full story of our contribution to these changes will be captured by **performance information** (e.g. output data, case studies) associated with each of the main programmes and initiatives set out in this Action Plan. Additional support for self-evaluation will be built into programme design and made available to delivery partners.



Delivery of the Action Plan will be supported by
Scottish Enterprise and Highlands and Islands Enterprise

