



**ENGLAND AND GIBRALTAR EUROPEAN SOCIAL FUND
CONVERGENCE, COMPETITIVENESS AND EMPLOYMENT
PROGRAMME 2007-2013**

CALL FOR PROPOSALS FOR INNOVATIVE AND TRANSNATIONAL PROJECTS

31 OCTOBER 2008

Theme	SOCIAL ENTERPRISE
Regions	<p>This theme has been selected by the following regions:</p> <ul style="list-style-type: none"> • East Midlands (Priorities 1 and 2) • Merseyside (Priority 1) • South West (Priorities 1 and 2) <p>The project applicant must be from one of these regions. The application will need to demonstrate how it will address the employment and skills strategies of the region within which it is submitted (see section on regional context). The application may include partners in other regions whether or not those regions have selected the theme.</p>
ESF Operational Programme priorities	<p>Projects within this theme must fall within one of the following priorities:</p> <ul style="list-style-type: none"> • Priority 1 – Extending employment opportunities (Regional Competitiveness and Employment Objective) • Priority 2 – Developing a skilled and adaptable workforce (Regional Competitiveness and Employment Objective) <p>Projects within Priority 1 will focus on developing and delivering innovative ways of providing advice and support for social enterprise to unemployed and inactive people.</p> <p>Projects within Priority 2 will focus on developing and delivering innovative ways of promoting skills for social enterprise within the workforce.</p>
Aim	<p>The aim of this theme is to support innovative actions in social enterprise to develop skills and employment opportunities in order to promote their growth and development.</p>

	<p>To underpin the EU's socio-economic model of growth (mapped out by the Lisbon Strategy), particular emphasis must be placed on the creation of a vibrant enterprise culture. Social enterprise can play a vital role in creating a diverse, inclusive and socially cohesive economy.</p> <p>Social enterprises are profit-making businesses established to tackle social or environmental issues. Using entrepreneurial practices in the pursuit of public benefits, they produce many examples of social and behavioural innovation. These include fresh delivery models which can be more responsive to needs, address multiple needs simultaneously and implement technology more effectively. Examples which mitigate the social and environmental consequences of global challenges include renewable energy, social and health care, community recycling and regeneration.</p> <p>By offering training and jobs to people who have struggled to break into the labour market, social enterprises can help meet the Government's skills agenda. Many business support organisations - including micro finance and community development finance institutions (CDFIs), enterprise agencies and development trusts - take on a social enterprise form and help to enable people from diverse backgrounds to start businesses by providing advice, finance and incubation facilities. As businesses, social enterprises are a route to employment in themselves. Those that focus on work inclusion, including social firms, can help disadvantaged people bridge the gap between unemployment or inactivity and longer term opportunities, particularly those experiencing multiple disadvantages or located in areas experiencing particular problems.</p>
<p>Eligible groups</p>	<p>Innovative approaches will focus on improving access and support to target groups identified in the ESF Operational Programme priorities and regional ESF frameworks. The focus of projects in Priority 1 will be on unemployed and inactive people. The focus of projects in Priority 2 will be on the workforce, particularly managers and workers within existing or emerging social enterprises.</p> <p>Eligible applicants will include social enterprises as well as organisations supporting social enterprise development.</p>
<p>Strategic context</p>	<p>There remain considerable barriers preventing social enterprises from flourishing in the market place, despite growing evidence to show how they can help to meet government objectives including: increasing employment opportunities for the most disadvantaged; improving the business environment; developing innovative</p>

	<p>products, services or processes; and encouraging energy efficiency.</p> <p>Support for, and interest in, social enterprise at government level can be seen in the work of a variety of departments. The Cabinet Office houses the Office of the Third Sector and in 2006 launched the Social Enterprise Action Plan building on the Government's 2002 Social Enterprise Strategy. The Department of Health and Communities and Local Government have created social enterprise units and funding streams. Other departments have developed or are developing third sector and social enterprise strategies.</p> <p>Despite this increased awareness and understanding of social enterprise, there is still much to do. A number of factors and challenges threaten the growth of social enterprise.</p> <p>1. Access to Business Support</p> <p>The availability of appropriate, high quality and readily available business support is crucial to the success of social enterprises. As businesses, social enterprises share many business support needs with private sector businesses. However, research undertaken by infrastructure and support organisations indicates there is a need for specialist social enterprise support because of the distinct needs that mainstream business support does not adequately meet. The Business Support Simplification Programme has identified community based coaching approaches and access to finance as being key requirements of people from disadvantaged backgrounds who want to become entrepreneurs. The Equal programme illustrated the need for specialist approaches to engage with these diverse populations.</p> <p>Over and above the need for good multi-skilled managers, extra demands are placed on social enterprises given the participatory culture of the organisation as well as the need to balance financial sustainability against social and/or environmental considerations (the triple bottom line).</p> <p>Changes to business support in England are having a significant impact on the growth of social enterprises. In particular, the Government's Business Support Simplification Programme which aims to channel business support through the Business Link gateway. The standard Business Link offer needs to be augmented with services that meet the specific skills needs of social enterprise leaders and employees.</p> <p>2. Access to Finance</p> <p>A lack of access to appropriate finance can be a significant barrier</p>
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	<p>to start up and growth. While the range of finance and investment vehicles has increased in recent years, especially through the development of CDFIs, more needs to be done to develop the right skills within the social enterprise movement to access that finance and within CDFIs themselves to develop more sustainable models of support linked to finance for start-ups and better outreach and engagement with disadvantaged communities.</p> <p>A common challenge to all sectors within social enterprise is being able to understand, manage and communicate the value created. Being able to measure and represent the ‘blended return’ of financial, social and environmental investment may also increase the opportunities to access finance. Interest in one particular model, Social Return on Investment (SROI), has been growing and in May 2008, the Cabinet Office announced plans to undertake development work on the model, in particular to standardise and improve how SROI is measured. With increased support to extend testing of the approach, there is much to do in the way of training social enterprises how to apply the tool and use the results.</p> <p>3. Public Procurement</p> <p>There remains a lack of awareness among public sector commissioners of social enterprise, their potential role in delivering public services, and the added social benefits they bring.</p> <p>In tandem, many social enterprises still find it difficult to identify opportunities to win public contracts. The development of social enterprise consortia to generate sufficient scale to manage public contracts and thereby generate further employment opportunities would help to address this challenge.</p>
<p>Regional context</p>	<p>The following regions have set out regional context for the social enterprise theme:</p> <ul style="list-style-type: none"> • Merseyside • South West <p>The regional context identifies specific regional issues that should be addressed by applicants. The regional context documents are available on the innovation page of the ESF website. Applicants should also take account of the relevant regional ESF framework.</p>
<p>Indicative activities</p>	<p>All activities will need to be within the scope of the ESF Operational Programme, and have a clear link to either extending employment</p>

	<p>opportunities or developing skills for social enterprise.</p> <p>Innovative actions in this theme are defined as relating to ‘value for society’ (social innovation) and new, or new combinations of, strategies, concepts, ideas and organisations that meet social and/or environmental challenges, for example in the areas of employment, education and training, community development, health and climate change. Social innovation is vital to improving both our quality of life and our economy.</p> <p>The 2000-2006 EU Community Initiative ‘Equal’ included a theme on the social economy. This provided a resource to carry out action research in areas where the social economy (the third sector) could play a greater role, for example in the delivery of public services. It also enabled experimentation with approaches to capacity building and aimed to deepen understanding about what is needed in fields such as public procurement, impact measurement, social inclusion, business support, workforce development, access to finance and other key policy areas. Innovative actions in the new ESF programme should build on learning from the Equal social economy theme where appropriate.</p> <p>The following is an indication of the areas in which projects could be supported. However as the object of this theme is to support innovative actions, they are not prescriptive.</p> <ul style="list-style-type: none"> • increasing employment opportunities for disadvantaged groups or those removed from the labour market; • developing leadership and management skills, for example governance, business planning, marketing and communications; • developing impact measurement skills, for example in SROI, as well as social profiling; • training in new approaches to business growth, for example social franchising; • developing finance and operations skills; • identifying public sector contract opportunities and developing consortia - skills in partnership development; • promoting and fostering careers in social enterprise.
<p>Results</p>	<p>The primary output of projects within this theme will be the development and delivery of innovative ways to build skills and</p>

	<p>create employment in social enterprises.</p> <p>This will include producing new tools, methods and service provision, and/or adapting and applying existing tools and methods to new regions, sectors or target groups. It will also include piloting these products with participants. The outcomes will therefore include improving the employment prospects and skills of participants and where appropriate helping them to achieve qualifications and enter sustainable employment.</p> <p>The focus on business support organisations and CDFIs will lead to efficiency improvements, better outreach to disadvantaged groups and areas, and higher throughput of clients. This in turn will lead to higher levels of activation to achieve the Lisbon targets in all communities.</p>
<p>Transnational Working</p>	<p>Each project must include an element of transnational working. This will involve working with at least one partner from another EU Member State.</p> <p>The transnational dimension of projects must bring real benefits to the innovative activity by learning from, adapting or mainstreaming approaches from other Member States, and where appropriate transferring good practice to other Member States. ESF will not support transnational activities that merely seek to establish or develop partnerships with other Member States.</p> <p>Projects should allow the exchange of knowledge, experience and best practice that can offer clear added value to regional objectives and targets. They should aim to achieve strategic benefits that can be widely shared rather than purely operational or organisational benefits.</p> <p>Applications should explain why the activity should be undertaken transnationally and the proposed benefits of working with the chosen transnational partners.</p> <p>Applications should identify transnational partners (which may be organisations at local, regional or national level) that have a clear track record in this theme and can support exchanges that will facilitate innovation and fresh ideas. Transnational partners should be willing to work collaboratively in order to share good practice and learning.</p> <p>Transnational partners do not have to be in receipt of ESF funding</p>

	<p>in their own Member State.</p> <p>Some examples of transnational working may include:</p> <ul style="list-style-type: none"> • thematic workshops; • study visits; • joint research/studies; • piloting or testing new tools, methods, approaches etc; • work shadowing towards practice development; • events, seminars and conferences; and • new joint development initiatives
<p>Mainstreaming</p>	<p>All applications must identify appropriate policy linkages and provide clear evidence of their mainstreaming potential. They must have mainstreaming strategies showing effective engagement with decision makers in relevant Government departments, regional and local bodies, sectoral organisations, employers' organisations and other appropriate stakeholders, which demonstrate how innovation, learning and best practice will influence policy development and delivery in this theme.</p> <p>Mainstreaming strategies should include clear methodologies for recording, evaluating and disseminating the learning and best practice, alongside the methods to be used to engage with decision makers.</p> <p>Results may be disseminated through channels such as:</p> <ul style="list-style-type: none"> • good practice case studies; • reports capturing learning from exchanges; • policy impact reports; • conferences, seminars and exhibitions; and • new websites, DVDs, CDs etc.