

The Social Economy in Midlothian: A Framework for Development

**Midlothian Social Inclusion Partnership
and Social Enterprise Alliance for Midlothian**

Midlothian

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Social Enterprise Alliance for Midlothian • Partners



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Contents

Foreword	1
Executive Summary	2
1: Background: social enterprise and the social economy	3
1.1: The social economy	3
1.2: Social enterprise as business	3
1.3: Organisational structures and community leadership	3
1.4: The diversity of the sector	3
1.5: Procurement	4
2: The Local Context	5
2.1: Midlothian: economic growth and continuing challenges	5
2.2: The social economy in Midlothian: growth and barriers	5
2.3: Who will benefit from this strategy	6
2.4: Local procurement practice	7
2.5: Local social economy partnerships: the Social Enterprise Alliance for Midlothian	7
3: The Policy Framework	8
3.1: Closing the Opportunities Gap	8
3.2: A Smart Successful Scotland	8
3.3: Midlothian Moving Forward	9
3.4: Midlothian Social Inclusion Plan	9
3.5: Midlothian's Regeneration Outcome Agreement	9
3.6: Futurebuilders Scotland	10
4: A Framework for Development	11
The first six months	12
Medium-term goals	13
Long-term goals	14
Stimulation of social economic activity in key niche markets	15
5: Social Enterprise Alliance for Midlothian	16

Foreword

A vision for the social economy in Midlothian

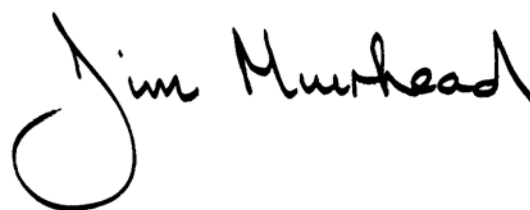
Social enterprise is nothing new. Businesses designed to benefit communities rather than individuals have been around for many decades, in the form of workers' co-operatives, mutuals and friendly societies, social welfare clubs, credit unions, and the Co-operative movement. However, social enterprise as an identifiable category of economic activity has only recently begun to enter the mainstream vocabulary of policymakers and practitioners in the public, private and voluntary sectors.

The Scottish Executive now recognises the potential for social economy organisations to provide high quality public services, to contribute to the social and economic well-being of Scottish communities, and to tackle deprivation. The Executive has now backed up this recognition with the Futurebuilders Scotland funding programme, which will invest £18 million in the social economy in 2005 and 2006.

Government backing at a central level is critical, but social enterprise that arises from local needs, responds to local markets and builds upon local knowledge will make the most effective contribution to social justice and regeneration. This strategy therefore lays out a framework that will support, encourage and stimulate grassroots social economy activity, rather than direct it.

The purpose of this framework is to outline a vision for the growth of a vibrant, community-driven social economy, which will be central to the processes of social inclusion, regeneration and sustainable development in Midlothian. We envision a social economy that builds upon the collective capacities of the public, private and voluntary sectors to meet local needs and expand local opportunities.

The first priority of this strategy will be the creation of a Social Enterprise Alliance for Midlothian (SEAM), which will co-ordinate the ways in which key public, private and social economy sector agencies encourage the growth of social enterprise. SEAM will take the lead in bringing the action plan presented here to fruition.

A handwritten signature in black ink that reads "Jim Murhead". The signature is written in a cursive style with a large, looping initial 'J'.

Executive summary

This document has two main functions: 1) to set out an action plan to support social enterprise growth and development in Midlothian over the next five years; and 2) to locate this action plan within the wider strategic and policy framework.

This strategy, and the action plan it presents, aims to create a support network that will benefit new and developing social enterprises based and/or working in Midlothian. This includes organisations already operating as social enterprises and voluntary organisations that wish to explore business opportunities in order to increase their prospects for sustainability.

Section One provides background about social enterprise and the social economy more broadly. It offers widely-used definitions of the terms ‘social enterprise’ and ‘the social economy’ and provides brief profiles of common types of social enterprise.

Section Two gives an overview of the socio-economic context in Midlothian. It provides demographic information relevant to social economy development, and examines some of the prevalent economic challenges in the area. Section Two also provides some background about existing social economic activity in Midlothian, explores some of the barriers that currently hamper growth, and outlines the future role of the Social Enterprise Alliance for Midlothian (SEAM).

Section Three provides an overview of strategic framework that is currently guiding social economy growth in Midlothian and in Scotland more widely. The policy documents summarised here are:

- Closing the Opportunities Gap;
- Smart Successful Scotland: Strategic Direction to the Enterprise Networks and an Enterprise Strategy for Scotland;
- Midlothian Moving Forward: Our Community Plan and Vision;
- Midlothian’s Social Inclusion Plan
- Futurebuilders Scotland

Section Four lays out a framework for social economy development in Midlothian over the next five years. It presents short, medium and long-term goals for building the capacity of the local social economy, and a number of goals related to the development of key niche markets for social enterprise development.

Section Five provides a description of the Social Enterprise Alliance for Midlothian, the partnership of key support agencies which will take the lead in implementing this strategy. Many of the agencies represented in the partnership, including Midlothian Council, Midlothian Voluntary Action, Melville Housing, Midlothian Chamber of Commerce and Enterprise, Scottish Enterprise Edinburgh and Lothians, Scottish Business in the Community, Communities Scotland, Social Firms Scotland, Community Enterprise Limited and others, already provide support for social economy organisations. The formation of SEAM will enable these agencies to pool their expertise, identify and fill gaps in service provision, and strengthen the social economy for the benefit of everyone in Midlothian.

1: Background - social enterprise and the social economy

1.1 The social economy

The term ‘social economy’ is increasingly used as a catch-all to describe the sector which includes both social enterprises and externally-supported voluntary organisations. The social economy is often described as a ‘third sector’, which operates between the private and public sectors, and terms such as ‘social economy’ and ‘third sector’ are sometimes used interchangeably with ‘voluntary sector’.

According to Scottish Executive figures, the social economy (including social enterprises, charities and other voluntary sector agencies) has an income of around £2.2 billion, or roughly 4% of Scotland’s GDP, and employs 100,000 staff and 700,000 volunteers .

The Scottish Executive describes social economy organisations as ‘... organisations which are independent of the State providing services to citizens—services which complement and/or meet gaps in public service provision.’ Independence from the state is often regarded as a crucial feature of the sector, but in fact social economy organisations have complex relationships with the public sector, and may be both supported and confined by governmental policies, priorities and funding opportunities.

1.2 Social enterprise as business

The Scottish Executive has avoided offering a strict definition of social enterprise, and tends not to differentiate between social enterprises and voluntary organisations. However, in its social enterprise strategy for England and Wales, the DTI has narrowed the parameters. It defines a social enterprise as:

... a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

This definition is useful because it puts specific emphasis on the idea of social enterprise as business. Business can imply different modes of working and different types of organisational culture from those prevalent in many voluntary sector organisations. Most fundamentally, the emphasis in a business model is upon revenue generation through trading and contracting, rather than upon grant-funded projects.

1.3 Organisational structures and community leadership

Most social enterprises have some form of community ownership and/or leadership, through voluntary boards of directors and membership structures. Some social enterprises, such as community businesses and development trusts, are intimately linked to the particular needs of geographic locations, while others focus more upon communities of interest.

Organisations take a variety of legal forms, and it is important that these reflect the aims and finance options of the group. Most, though not all, social enterprises have charitable status. Many groups establish a charitable organisation with an affiliated trading arm. It is also worth noting that many organisations have the characteristics of social enterprise without necessarily recognising or promoting themselves as such.

1.4 The diversity of the sector

As a broad category, social enterprise includes many types of organisations, including:

- Community businesses: trading organisations that reinvest directly in local communities by distributing funds, providing training, and generating employment opportunities.

- Social firms: businesses that provide supported employment opportunities for people with disabilities or other disadvantages in the labour market.
- Co-operatives: organisations that are collectively run and owned by workers or members. Small businesses, including childcare providers, farms, and others, are increasingly forming umbrella co-operatives for cost-sharing purposes.
- Development trusts: organisations that engage in a variety of economic and environmental activities for the purposes of local regeneration. In some cases, local development trusts own capital assets (including land) for community benefit.
- Other common forms of social enterprise include:
 - Credit unions
 - Housing associations
 - The Co-op

Social economy organisations occupy a range of positions on the spectrum between full grant support and full self-sufficiency. Some start life as distinctly business-like organisations with little or no grant funding, while others start as ‘traditional’ voluntary organisations that seek to adopt entrepreneurial approaches to gain a greater degree of independence and sustainability. Reaching the point of full self-sufficiency can take many years, or may not be a realistic target, and even the most effective social enterprises may require some amount of grant support.

1.5 Procurement

The ability to sell goods or services to the public sector, through contracts and service level agreements, is increasingly seen as a route toward longer-term sustainability for social economy organisations. However, most social economy organisations face considerable challenges in both procuring contracts and delivering them as efficiently as many private sector providers. Organisations must have the capacity and confidence to compete equally with the private sector for contracts, and for many organisations currently operating in the sector, this capacity is still developing.

Equally, there is widespread lack of awareness among the public sector commissioning agencies about added social benefits that social economy organisations can offer. This lack of awareness may also be accompanied by fear that non-profit distributing providers will be more expensive and less effective than those in the private sector.

Social economy support networks therefore face the dual task of building capacity within the sector to deliver services and opening more effective channels of communication with the public sector. The Futurebuilders Scotland programme will support this effort by producing a Commissioner’s Guide to buying services from social enterprises. This publication will compliment the recent Tendering for Public Sector Contracts (2004) guide that has recently been produced for social economy organisations.

Social economy providers also have further scope to develop markets in both the private sector and with other third sector organisations, and this will be another area for development for the Scottish social economy in the coming years.

2. The Local Context

2.1 Midlothian: economic growth and continuing challenges

Edinburgh and the Lothians have one of the fastest growing economies in the UK, and both economic and population growth are predicted to continue. The population, currently around 82,000, is predicted to rise significantly in the next decade, with an expected 11,500 new homes to be built before 2015. The biotechnology sector, clustered around Roslin, continues to expand, as does the retail base at Straiton. The Waverley Line will eventually provide direct rail access into the centre of Edinburgh. Planning for the regeneration of Dalkeith and Bonnyrigg town centres is currently underway. Midlothian's overall unemployment rate is around 1.8%, compared with the Scottish average of 3.3%.

However, despite an overall air of optimism, Midlothian still faces a number of social and economic challenges :

- A comparatively low-waged economy: average individual weekly earnings in Midlothian are roughly £332, compared with £397 in the Lothians more widely and £357 in Scotland.
- 36% of unemployed people in Midlothian are under 25.
- Roughly 33% percent of Midlothian's working population claim one or more of the following benefits: Family Credit, Income Support, Attendance Allowance, Disability Living Allowance, Jobseekers Allowance, Incapacity Benefit, and Severe Disability Allowance. In Gorebridge, this rises to 44%, in Woodburn to 47% and in Mayfield/Easthouses to 51%. This does not include those families also claiming new tax credits.
- Fewer than average numbers of school leavers enter further or higher education.
- Single parent households account for roughly one out of four households with dependent children
- The rural villages have few amenities or community

facilities, and despite their geographic proximity to Edinburgh, many areas have poor to non-existent public transport links. Internal public transportation links within Midlothian are also poor.

Although Midlothian as a whole ranks relatively low on the Scottish Index of Multiple Deprivation, there are significant pockets of poverty and social exclusion within the area. This is particularly marked within the Community Economic Development areas of Mayfield/Easthouses, Woodburn and Gorebridge, but is also apparent in parts of Danderhall, Bonnyrigg, Loanhead, and Penicuik.

2.2 The social economy in Midlothian: growth and barriers

Midlothian has an active social economy, much of which has roots in the mining industry. The miners' clubs have outlived the coal industry itself, and continue work for the welfare of local families and community groups. The McSence group was born as a response to unemployment caused by mine closure, and has become one of the UK's most well-recognised community enterprises.

There is a great deal of emergent social enterprise activity in Midlothian, including:

- Gorebridge Development Trust: recently constituted and awarded funding to employ a development worker. Seeking to acquire capital assets around which to base a number of local regeneration initiatives.
- Gorebridge Food Co-op provides fresh produce to local communities. They have recently acquired a van, which will extend the service across Midlothian.
- Midlothian Advice and Resource Centre runs a flourishing furniture recycling project in Mayfield. Now expanding into white goods recycling.
- Woodburn After School Club and Nursery, run on a

non-profit distributing basis. Currently expanding with the intention of becoming a Midlothian Childcare Partnership-approved provider.

- The South East Pentlands Rural Development Partnership is seeking to convert a disused film studio into a community enterprise and resource centre, including a café and conference facility, in Nine Mile Burn: a village which currently has very few amenities of any kind.
- The Midlothian community radio station, to be called Black Diamond FM, which is currently applying for its broadcasting licence, will be run as a social enterprise.

There are currently some barriers that prevent the social economy from making its full contribution upon the regeneration process. Most significantly:

- Although the voluntary sector is well supported through Midlothian Voluntary Action and the Regeneration Development Team within Midlothian Council, there is a lack of co-ordinated business-focused support for those individuals or groups who wish to develop sustainable social enterprises.
- Organisations seeking to procure contracts and service level agreements from Midlothian Council or other public sector bodies currently find the processes to be unclear and inconsistent.
- There is also evidence that many social economy organisations and community groups in Midlothian are hampered by a lack of adequate meeting spaces, office facilities, shop-fronts, and other capital assets. Both Midlothian Voluntary Action and Midlothian Council's Regeneration Development Team receive repeated requests for support from organisations wanting to locate new premises or build new facilities, from cafes and gardens to community halls, workshops, and business centres. However, high property prices in the area make it difficult for social economy organisations to purchase premises or fund new construction. These types of community facilities must be central to the regeneration process in Midlothian's towns and rural villages, and are included within the long-term aims of this framework.
- The uncertain future of many sources of grant

funding is another current barrier to growth within the voluntary sector, in Midlothian and more widely. The restructuring of European funding in 2006 will likely result in a dramatic decrease in the overall sums available. Similarly, levels of funding available from the National Lottery distributors are significantly lower than they were initially. The decline of these funding sources is a challenge to the long-term sustainability of many of Midlothian's most important and successful organisations. The ability to pursue other options for funding therefore becomes ever more critical.

2.3 Who will benefit from this strategy?

This strategy aims to create a support network that will benefit new and developing social enterprises based and/or working in Midlothian. However, to accommodate the diversity of the social economy, and because the transition from external support to self-sufficiency is slow and often only partial, no strict definition of social enterprise will be used to target support. Those voluntary organisations that have an interest in developing entrepreneurial activities, which may increase their prospects for longer-term sustainability, will also be supported through SEAM.

The creation of SEAM will not detract from the support that MVA and Midlothian Council's Regeneration Development Team currently offer to charities and traditional voluntary organisations. SEAM will not work to 'convert' voluntary organisations into social enterprises unless there is the desire and potential within the organisation to explore business opportunities. It is anticipated, however, that closer links within the support infrastructure, and increased business expertise among support staff, will bring added benefit to the voluntary sector.

2.4 Local procurement practice

An important feature of Midlothian's strategy for social enterprise development will be to work within the public sector to raise awareness of the potential of social economy organisations to compete for contracts in important service niches, particularly childcare, community care, recycling, housing, and supported employment and training. Markets will also be explored within the private sector and the social economy more widely.

Likewise, SEAM will provide practical support and guidance for organisations seeking to trade with any of the three sectors. This support will cover aspects such as identifying opportunities, developing organisational capacity and profile, making contacts, marketing goods/services, compliance with tender specifications and capacity to deliver. SEAM will also support organisations to determine whether they are financially and culturally ready for procurement.

2.5 Local social economy partnership: The Social Enterprise Alliance for Midlothian

The Scottish Executive is encouraging the development of local social economy partnerships (LSEPs) in every local authority area. LSEPs are cross-sector networks which will support and promote social economy growth. In some areas, these are already formed and operating. For example, Fife's Social Enterprise Development Partnership has already drawn down significant European and other funding to develop its local support programme. However, LSEPs in most areas throughout Scotland are still at relatively early stages of development.

Midlothian's Social Economy Strategy Group, which convened as a subgroup of the Social Inclusion Partnership to draft this strategy, identified the need for a better co-ordination of support provision for local social economy organisations. In particular, the lack of true business expertise, either in the sector or within a number of the supporting bodies, has been recognised as a significant gap. Issues surrounding the roles and responsibilities of voluntary board members, human resources, accounting, and public sector procurement are also areas in which Midlothian social economy organisations require additional support.

The Strategy Group's first priority, therefore, has been to form a Social Enterprise Alliance for Midlothian (SEAM), a cross-sector partnership which will co-ordinate support for the social economy and take responsibility for carrying out the actions set out in this document. Most crucially, SEAM will bridge what is currently a significant divide between the voluntary sector networks and the enterprise networks. As Midlothian's local social economy partnership, SEAM will replace the wider Strategy Group but will continue to report to the Social Inclusion Partnership. Through the SIP, SEAM will maintain a link to the community planning process. Membership, roles and aims of SEAM are further detailed in Section Five of this document.

3. The Policy Framework

The Scottish Executive has located its agenda for social enterprise within a set of wider strategies for social inclusion, economic development and regeneration. The strengthening of the social economy is one of a number of initiatives designed to promote economic growth, greater community capacity, active citizenship, and the provision of more effective services. This section details how Midlothian's support for the social economy fits with the wider local and national-level strategic framework, as contained in the following documents:

- Closing the Opportunities Gap;
- Smart Successful Scotland: Strategic Direction to the Enterprise Networks and an Enterprise Strategy for Scotland;
- Midlothian Moving Forward: Our Community Plan and Vision;
- Midlothian's Social Inclusion Plan
- Futurebuilders Scotland

3.1 Closing the Opportunities Gap

This agenda provides a set of priorities that form the core of all Scottish Executive policy in the areas of social inclusion and social justice. The six priorities are:

- Regenerate the most disadvantaged neighbourhoods, so that people living there can take advantage of job opportunities and improve their quality of life.
- Increasing chances of sustained employment for vulnerable and disadvantaged groups—to lift them permanently out of poverty.
- Improving the confidence and skills of the most disadvantaged children and young people, to provide them with the greatest chance of avoiding poverty when they leave school.

- Reducing the vulnerability of low-income families to financial exclusion and multiple debt—to prevent them becoming over-indebted and/or to lift them out of poverty.
- Increasing the rate of health improvement for people living in the most deprived communities—to improve their quality of life, including their employability prospects.
- Improving access to high quality services for the most disadvantaged groups and individuals in rural communities—to improve their quality of life and enhance access to opportunity.

Social economy development in Midlothian will make contributions toward all of these targets, most particularly in the areas of regeneration and sustained employment. A Financial Inclusion Strategy for Midlothian will be produced in 2005, and this will complement the development of the social economy in some areas. For example, widening membership of credit unions, and increasing the availability of affordable services such as childcare will help tackle some aspects of financial vulnerability in the most deprived areas.

3.2 A Smart Successful Scotland

This agenda, published first in 2001 and updated in 2004, is the Scottish Executive's strategy for enterprise development. This document focuses on those aspects of the Executive's wider Framework for Economic Development which particularly relate to enterprise, and has three broad themes:

- Growing businesses: taking forward entrepreneurial dynamism and research and development to deliver innovative companies growing in scale;
- Learning and skills: developing skills to make best use of our human capital and to prepare for tomorrow's labour market;

- Global connections: taking forward aspects of physical and electronic infrastructure, together with building the global connection of Scottish businesses to create world class locations, part of Europe and connected to the global economy.

The updated document makes particular reference to high levels of young people outwith employment or education in some parts of the country, and the challenges this poses for future economic growth. There is also an increased emphasis upon developing social enterprise alongside private enterprise, and growing recognition of the potential for social enterprise to enable many economically disadvantaged groups to move toward the labour market.

Smart Successful Scotland issues direction for the Enterprise Networks to become involved in local social economy partnerships and to provide greater business support for the social economy sector. Midlothian Chamber of Commerce and Enterprise and Scottish Enterprise Edinburgh and Lothians will be active partners in SEAM.

3.3 Midlothian Moving Forward

Midlothian's community plan, entitled Midlothian Moving Forward, represents a 'grand plan' for Midlothian, and has been drawn together through a partnership involving local communities and a range of public, private and voluntary sector agencies. The document lays out the priorities for the community planning process up to the year 2020. These priorities are grouped into seven themes:

- Lifelong learning
- Health and well-being
- Cultural identity and diversity
- Community safety
- Environment
- Economic capacity
- Social inclusion

Within the broad framework of the Community Planning Partnership, working groups have been set up to work toward the goals identified under each of the above themes. The social economy works across and between all of these thematic areas, and this strategy has identified actions that will contribute to all of them. Midlothian's

Social Enterprise Strategy Group is a subgroup of the Social Inclusion Partnership, which feeds up to the Community Planning Partnership on issues connected with community economic development, regeneration and social inclusion. Once established, SEAM will continue to report to the Social Inclusion Partnership and will therefore remain tied into the community planning process.

3.4 Midlothian Social Inclusion Plan

Midlothian's Social Inclusion Plan is designed to co-ordinate all of the work undertaken by Midlothian Council and partner public and voluntary sector agencies in the areas of poverty and social exclusion. This plan informs the work of the Social Inclusion Partnership, which itself informs the Community Planning Partnership on social inclusion and social justice issues. The Social Inclusion Partnership is comprised of key public and voluntary sector agencies involved in combating social exclusion throughout the authority. Working alongside the SIP is a Social Inclusion Forum, comprised entirely of voluntary sector agencies. The Forum operates as a link between communities and the SIP.

Development of the social economy is a key objective of the Social Inclusion Plan. The plan outlines a number of target outcomes for social economy development, including both support for specific organisations and building the capacity of the sector as a whole.

3.5 Midlothian's Regeneration Outcome Agreement

Midlothian is currently in the process of drafting its Regeneration Outcome Agreement. This document represents a statement of the Community Planning Partnership's strategic regeneration objectives for Midlothian's most deprived areas, and of how existing and planned services, opportunities and expenditures fit with these objectives. The ROA, which will be submitted to Communities Scotland early in 2005, will enable Midlothian to draw down its pre-allocated share of the Community Regeneration Fund, which has been offered by the Scottish Executive as a replacement for the Social Inclusion Partnership programme.

Midlothian's pre-allocated share is £100,000 a year for three years. Community Regeneration Fund investment is to be targeted at the fifteen percent most deprived areas

in Scotland, based upon the Scottish Index of Multiple Deprivation. According to this index, only a small area of Woodburn, Dalkeith is eligible for investment. However, the Regeneration Outcome Agreement will make a case for widening the target areas to include Woodburn, Mayfield and Easthouses (also Dalkeith), and Gorebridge, which comprise the three areas of Midlothian that are eligible for ERDF Community Economic Development investment.

These three areas share a number of social and economic disadvantages, which are also evident in smaller pockets elsewhere in Midlothian. In particular, there are high levels of youth unemployment and low income, and high numbers of young people leaving school without qualifications. Local consultation has revealed widespread concern about issues of community safety and the lack of opportunities for young people.

Much of Midlothian's existing and developing social enterprise is already located within and focused upon these areas, and SEAM will support the continued expansion of social economy activity there.

3.6 Futurebuilders Scotland

In January, 2003, the Scottish Executive published a review of its policies to promote the social economy. This document identified a number of obstacles preventing the further development of the social economy, including a lack of capital assets and access to revenue in the sector, the difficulty of accessing market opportunities including public sector contracts, and lack of clarity about support mechanisms for social enterprises.

Following on from this review, the Executive has now announced the £18 million Futurebuilders Fund for investment in the social economy. The fund, which will be administered by Communities Scotland, is designed to bolster the capacity of social enterprises to deliver high quality services that meet the priorities of the Closing the Opportunities Gap agenda. The fund will be broken down into the following streams:

- A direct investment fund of £16 million, which further breaks down into two areas:

- A £12 million Investment Fund to develop the business and service-provision capacity of established medium to large social enterprises. It is envisioned that at least 70% of this stream will be for capital projects.
- A £4 million Seedcorn Fund, which will support new and developing organisations to explore new ideas. This will include a programme of smaller grants to assist new entrepreneurs with start-up projects.
- The remaining £2 million will be split equally between a Training Fund for social economy managers and staff, and a Support Fund, which will invest in the social economy support infrastructure.

Futurebuilders Scotland outlines a number of other measures to support social enterprise development, including several documents that aim to enable social enterprises to more effectively tender for public sector service contracts. These include:

- Tendering for public sector contracts: a practical guide for social economy organisations in Scotland, published in 2004 by the Scottish Executive.
- A guide to social added value, to help social economy organisations quantify the added value that they generate;
- A database of service delivery opportunities, which will provide social economy organisations with information on local, regional and national service delivery opportunities; and
- A commissioners' guide to enhance service commissioners' understanding of the social economy.

Communities Scotland has specified that local social economy partnerships will have a role in identifying local priorities and supporting organisations to make Futurebuilders bids. A small panel of SEAM partners will review Futurebuilders bids for work in Midlothian, and will support applicants to ensure quality of application and fit with strategic priorities.

4. A Framework for Development

This framework contains four sets of actions and objectives, which encompass short, medium and long-term goals for developing the capacity of the social economy in Midlothian and also a set of strategic goals which relate to developing particular markets within the local social economy.

The short-term goals, to be undertaken within six months, will focus upon creating the right environment for social enterprise development in Midlothian. Over the first two years, medium-term goals will focus upon building capacity within the social economy. This work will include strengthening the support infrastructure for social economy organisations through the formation SEAM. Long-term goals, which will progress over a period of two to five years, will focus upon improving the asset base of the social economy in Midlothian, encouraging a new generation of social entrepreneurs, and ensuring that the social enterprise sector is central to the regeneration process.

The fourth set of goals represents a strategic aim to stimulate the growth of social enterprise activity in particular sectors of the economy in Midlothian: health and care (including childcare); training and employment; environmental activity; and culture/heritage and tourism.

The grid below lays out each set of goals with associated activities, target timeframes, expected outcomes, and resource implications.

1. First six months: creating the right environment for social enterprise development

Goal	Baseline	Key activities	Expected outcomes	Lead agency	Resource implications
1.1 To develop a framework for the creation of effective relationships between the social economy and the public sector	Ad-hoc, inconsistent relationships between social enterprises and the public sector currently.	Social enterprise strategy developed, agreed by the Community Planning Partnership and supported by key public sector agencies	Document finalised by end January, 2005, adopted by CPP	Midlothian Council (Regeneration Development Team) with social enterprise strategy group partners	Minimal: met by RDT budget and in-kind contributions
1.2 To develop an awareness of social enterprise throughout Midlothian	Poor understanding of social enterprise within public, private and voluntary sectors	Repeat the 'Chamber of social enterprise' event held in June, 04 for voluntary organisations in Midlothian; Hold 'social enterprise open day' for public and private sector; Develop social enterprise/ CSR printable PDF leaflet linked to MC, MVA and Business Gateway websites.	Increased understanding within all three sectors of what social enterprise is, what kinds of organisations are social enterprises, and how social enterprise can benefit communities. Monitored through post-event feedback forms.	Midlothian Council (RDT) with MVA and Business Gateway/Chamber of Commerce and Enterprise; also major social enterprises (McSence, MARC, Melville, Loanhead Miners, others?)	Minimal: Room hire and catering: met from existing budgets/in-kind contributions.
1.3 To strengthen networks between social enterprises and affiliated local, regional and national support agencies	Wide variety of agencies offering different services/ lack of communication or co-ordination between them	Form and constitute Social Enterprise Alliance for Midlothian (SEAM) as primary support network for social economy organisations; Strengthen links with national agencies (SENSCOT, SSBC, others).	SEAM constituted/launched April 2005; SEAM website development underway early 2005, developed over first six months; SEAM referral systems and information packs developed April-June 2005	SEAM partners MVA IT officer will work on website	Some external funding may be sought to support development of SEAM: Possible ESF Objective 3 bid, matched with Wider Role, CRT, and other sources
1.4 To create an environment in which social enterprises can compete equally for public sector service level agreements or contracts	Procurement practices currently unclear and inaccessible; difficulty in quantifying social benefits of services provided by social enterprises	Draft a guide to procuring contracts from Midlothian Council: review the range of methodologies/toolkits for assessing the value of social benefits; procurement training for organisations; engage procurement officers in awareness-raising about potential of social economy. Work toward procurement guide with Lothian Health Board.	Guide will be drafted and available for any organisation seeking to tender for contracts; Timing of best value review will be informed by publication of Futurebuilders toolkits. Spring and Summer 2005; procurement training to be held in January 2004	Midlothian Council (A cross-divisional working group will be established to draft the guide); Procurement training organised by RDT, taught by Forth Sector.	Minimal financial implications but some time commitment required from members of cross-divisional working group

2. Medium-term goals: building capacity within the social economy

Goal	Baseline	Key activities	Expected outcomes	Lead agency	Resource implications
2.1 To provide clear sign-posting toward appropriate sources of support, information, training and guidance for social economy organisations	Support is often inconsistent and variable depending on source; social enterprise often falls into gap between voluntary sector support and business support	To use SEAM as a focal point for identifying and consolidating support services; to identify and monitor needs of client groups.	It will be easier for new and developing social enterprises to link into support network; to be monitored through client feedback forms, etc; over year 1 of SEAM and ongoing	SEAM/constituent partners	SEAM to be co-ordinated by RDT and MVA for 1 st six months using existing workers; need for a SEAM co-ordinator will be reassessed in summer, 2005
2.2 To generate and raise awareness of opportunities for training and learning for social entrepreneurs, managers, staff and volunteers	Need to build individual capacity within social economy workforce; need to accredit existing expertise.	Disseminate information on training opportunities; organise and run series of training events on issues identified by client groups	Series of training events organised over years 1&2 of SEAM and ongoing, resulting in more effectively run organisations and better equipped workforce. Monitored through post-training feedback forms.	SEAM, with MVA in lead.	MVA seeking funding to continue its training programmes; social enterprise to be made a priority for future training events.
2.3 To enable new and developing social economy organisations to operate effectively, efficiently and be good employers.	Lack of resources often leads to ad-hoc management; need for support with HR, financial management and legal issues; project managers are often practitioners with little management expertise.	To provide HR support/advice on ongoing basis through SEAM; to provide links to HR/professional services providers; to work toward change of organisational culture through training and mentoring.	Social economy organisations will manage HR and financial aspects more efficiently, leading to increased productivity and sustainability; over years 1 & 2 of SEAM and ongoing. Monitored through feedback forms, questionnaires.	SEAM/constituent partners.	To be included in training budget and co-ordination budgets above. SEAM to investigate options for generating a proportion of its revenue by charging for some training/events and through membership fees.
2.4 To generate a better understanding of business practices and an 'entrepreneurial spirit' within the social economy.	Suspicion of 'business' in voluntary sector; short-sighted 'project' focus due to constraints of grant culture; need for support with marketing and business planning.	'Ideas generation' workshops borrowing from SEEL model; mentoring schemes between private sector and social economy; better support for business planning and training	Social economy organisations will have a better understanding of business models; to begin in April 2005, and ongoing. Monitored through feedback forms, etc	SEAM/with Chamber of Commerce and Enterprise taking lead.	As above.
2.5 To improve access to range of finance options for social economy organisations	Unclear and confusing range of finance options	To compile information on CDFIs, loans, etc, provide web-based info and	Organisations will have better understanding of options, from April 2005	SEAM/constituent partners	As above

3. Long-term goals: regeneration and the future of the social economy

Goal	Baseline	Key activities	Expected outcomes	Lead agency	Resource implications
3.1 To encourage a new generation of social entrepreneurs	Social economy requires 'new blood', innovative ideas and business expertise.	To develop educational/training and placement links with FE/HE providers, with training schemes and with the private sector to draw in new talent.	Widen recruitment pool and HR profile, bringing in business skills and new ideas; increased aspirations and local employment opportunities. Years 2-5 and ongoing	SEAM/constituent partners	To be explored in partnership with education providers.
3.2 To improve the capital asset base of the social economy in Midlothian	Individual organisations often lack essential assets, including appropriate building or base, technology, vehicles, etc.	Work with organisations to assess what assets are essential for sustainable operation and development; run a capital projects funding training event; To investigate long-term capital development ideas, such as social economy hub/community facility	Capital projects training event to be held in early 2005; 5 social economy organisations to be assisted with planning/development and fundraising for capital development over years 1-2 and ongoing; scoping study to be carried out to investigate idea of voluntary sector hub, in years 2-3	SEAM, with MVA and MC in lead.	3-4 Futurebuilders capital applications developed by key Midlothian social economy organisations in 2005, for completion in 2007; other capital funding raised (Lottery, Europe)
3.3 To ensure that the social economy plays an active role in the economic, cultural and physical regeneration of Midlothian	Local plans for regeneration of Dalkeith town centre, population growth, the need for improved community facilities for conferences/arts/workshops, other uses.	Support formation of 2-3 Development Trusts to play central role in physical regeneration; Form a social economy steering group (made up of SEAM membership and others) to liaise with Community Planning Partnership and relevant Council divisions to look at potential for social economy to play role in capital developments; Support SE Pentlands Rural Development Partnership in funding bid for enterprise centre; to work in partnership w/ McSense and NSEW for construction of social enterprise business park development in Midlothian	Support Gorebridge Development Trust to acquire property in Gorebridge Town Centre, to use as a base for community regeneration; establishment of 2-3 other Development Trusts formed for regeneration in other areas; 1-2 enterprise parks with spaces for social enterprise development to be constructed in Midlothian	SEAM with Community Planning Partners, Gorebridge Development Trust, McSense, South East Pentlands Rural Development Partnership; Community Councils and others.	To be assessed individually for each area.

4. Stimulation of social economic activity in key niche markets (year 1- ongoing)

Niche		Need/market		Key activities		Expected outcomes		Lead agency		Resource implications	
4.1	Health and care	Projected population growth due to outward migration from Edinburgh; growth of 65+ age group; need for affordable child and elderly care services	Assess scale of existing social economy care sector; create profile of needs of existing providers; link providers with relevant support; support for new organisations	Build on success of "A social firm in our area" event held (Nov. 04) by MEAN and Social Firms Scotland, to develop ideas and investigate markets for potential social firms; work with RSL's on 'Wider Role': training and work experience programmes; other enterprises (community radio, others); support existing work (MARC, McSense, others)	Social economy based care providers will be more sustainable, and will be enabled to provide more effective services	SEAM, in partnership with Midlothian Association of Play, Childcare and Early Years Partnership, Community Care Forum, and others	To be assessed based on survey of sector needs.				
4.2	Employment and training	High levels of youth unemployment in Midlothian; few supported opportunities for people with disabilities or other disadvantages; poor public transport links to connect people with opportunities in Edinburgh	Build on success of "A social firm in our area" event held (Nov. 04) by MEAN and Social Firms Scotland, to develop ideas and investigate markets for potential social firms; work with RSL's on 'Wider Role': training and work experience programmes; other enterprises (community radio, others); support existing work (MARC, McSense, others)	Build on success of "A social firm in our area" event held (Nov. 04) by MEAN and Social Firms Scotland, to develop ideas and investigate markets for potential social firms; work with RSL's on 'Wider Role': training and work experience programmes; other enterprises (community radio, others); support existing work (MARC, McSense, others)	1-2 social firms started/supported (years 3-4); 3-4 work experience/training programmes started for young people throughout Midlothian (through community radio station, RSLs, and other enterprises)	SEAM, with Midlothian Employment Action Network, Social Firms Scotland, Melville Housing, McSense, MARC, Community Radio Station, others	Possible Wider Role bid in partnership with Melville Housing Association for development of social firm				
4.3	Environmental activity	Midlothian plans to introduce kerbside recycling; WEEE legislation; growing demand for organic produce and need to diversify rural economy	Continue to support existing social economy environmental activity (MARC, McSense), support development of new environmental social enterprises; raise awareness among local community and within public sector about recycling and the contribution of social economy organisations.	Continue to support existing social economy environmental activity (MARC, McSense), support development of new environmental social enterprises; raise awareness among local community and within public sector about recycling and the contribution of social economy organisations.	2-3 social economy organisations taking on public sector contracts or sub-contracts for recycling/other environmental activities; creation of one additional environmental social enterprise	SEAM in partnership with MARC, McSense, Bridges Project and others	1-2 Futurebuilders bids to promote recycling activities; MARC in receipt of NOF funding to develop white goods recycling service				
4.4	Culture/heritage and tourism	Midlothian priority to develop tourism; to build on close proximity to Edinburgh to develop arts/cultural sector; growing population bringing increased market for leisure/arts activities; existing plans for town centre regeneration	Assess the market and development potential for Midlothian arts/conference centre; identify funding to conduct feasibility study (possibly building on existing feasibility study conducted on Corn Exchange in 1992); further development of tourism-based social economy organisations, developed in conjunction with forthcoming Midlothian Tourism Strategy	Assess the market and development potential for Midlothian arts/conference centre; identify funding to conduct feasibility study (possibly building on existing feasibility study conducted on Corn Exchange in 1992); further development of tourism-based social economy organisations, developed in conjunction with forthcoming Midlothian Tourism Strategy	A business case would be made for the creation of an arts/conference centre in Midlothian; a feasibility study conducted; partner agencies will be brought on board and an appropriate location identified, (years 2-5 and ongoing); social economy to have role in new tourism developments	SEAM, Community Councils, Scottish Mining Museum, Visit Scotland, Development Trusts, other relevant partners	To be assessed				

5. Social Enterprise Alliance for Midlothian

What is SEAM?	Partners at the time of formation
<p>The Social Enterprise Alliance for Midlothian will be a cross-sector partnership of agencies involved in the provision of support, training, guidance, development, and services for social economy organisations based and/or working in Midlothian. The main purpose of this partnership will be to co-ordinate the skills, resources and expertise of existing agencies in order to form an effective support infrastructure for new and developing social economy organisations. SEAM will also work with new and existing agencies to foster social enterprise growth in key strategic areas.</p> <p>SEAM will operate as a partnership, with a steering group comprised of representatives of each partner agency.</p>	<ul style="list-style-type: none"> • Midlothian Council • Midlothian Voluntary Action • Melville Housing • Midlothian Chamber of Commerce and Enterprise • McSence • Midlothian Advice and Resource Centre • Scottish Business in the Community • Scottish Enterprise Edinburgh and Lothian • Community Enterprise Limited • Loanhead Miners Charitable Society
What are SEAM's aims?	What will SEAM do?
<p>SEAM has the following principle aims:</p> <ul style="list-style-type: none"> • To form an effective support network for social economy organisations; • To raise the capacity of social economy organisations to make sustainable and effective contributions to the well-being of local communities. • To raise the profile of social enterprise and expand awareness of the potential of social enterprise to benefit local communities. 	<ul style="list-style-type: none"> • SEAM will provide a range of services and tools for social economy organisations, including: • Website and other information materials • Inter-agency referral system • Support with funding, business-planning, project design, start-up, book-keeping, HR and personnel issues, etc • Training sessions • Marketing/advertising • 'ideas generation' workshops • conferences/networking events • mentoring schemes • education/learning exchanges with schools and HE/FE providers, • strategic level contribution to regeneration and economic development in Midlothian
How will SEAM be run?	How will SEAM be funded?
<p>SEAM will be managed by a committee comprised of representatives of each of the core partners.</p> <p>Day-to-day co-ordination of activities will in the short term be carried out by existing staff within the Midlothian Council's Regeneration Development Team and MVA. After the initial start-up phase, the long-term feasibility of this arrangement will be reassessed.</p> <p>It may be deemed necessary at that point to seek funding to create a part-time co-ordinator's post, to be situated within one of the existing partners as appropriate.</p> <p>Training and other events may require some use of external consultants.</p>	<p>In the short-term, staffing and associated costs will be met out of existing budgets.</p> <p>Funding for the development of SEAM's programmes over a two to three year period may be sought. A combination of sources, including ESF Objective 3 and Wider Role will be considered.</p> <p>SEAM will also investigate the feasibility of eventually generating revenue by charging for some services, in order to reduce dependency upon grant income.</p>