



Glasgow City Council

City Administration Committee

**Report by Councillor Susan Aitken, Leader of the Council and
Convener for City and City Region Economy and Just Transition**

Contact: Kevin Rush Ext. 74613

Item 4

24th October 2024

SOCIAL INNOVATION CHALLENGE FUND

Purpose of Report:

To seek committee approval for a Social Innovation Challenge Fund.

Recommendations:

The Committee is asked to:

- Approve the programme as outlined in this report; and
- Note that progress updates will be provided to the Economy, Housing, Transport and Regeneration City Policy Committee on an annual basis.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1.0 Introduction

- 1.1 The Social Innovation Challenge Fund programme will serve underrepresented groups in Glasgow, by breaking down the systemic barriers that have previously prevented these groups from accessing valuable business support and starting up small businesses.
- 1.2 Organisations will be encouraged to design and deliver business support programmes to groups such as female or minority ethnic community entrepreneurs, or to signpost these groups to existing public services, where they have traditionally been less likely to access them.
- 1.3 The first iteration of the fund will open following committee approval and run until the end of March 2026, or until total budget is fully allocated, whichever comes first, with £250,000 available to be issued to successful applicants. Subsequent years funding and challenge fund topics will be brought to committee for approval.

2.0 Background

- 2.1 In June 2021, Glasgow was invited to participate in the Harvard Bloomberg City Leadership Initiative, which equips city leaders with tools to tackle longstanding and complex challenges. Following this, Glasgow was invited to participate in the Harvard Bloomberg Innovation Track, a cohort-based training model designed to support cities to adopt a design-based innovation approach to solving challenges in new ways.
- 2.3 Glasgow's team, made up of a collection of Council officers and representatives of partner organisations, identified that a persistent problem is the existence of systemic barriers that impact on underrepresented communities' ability to access support that would encourage and empower entrepreneurship.
- 2.4 This issue was explored through a combination of extensive desk-based research and several months of face to face and group interviews with members of these communities. It quickly became apparent that these barriers are a particular problem for women, minority ethnic communities, and younger and older people from areas where there are high levels of social deprivation.
- 2.5 Already, this process has resulted in improved collaboration between the Economic Development division and these underrepresented groups. A key proposal to build on this engagement, to ensure a long lasting and impactful response, is the creation of a Social Innovation Challenge Fund. This fund will empower organisations to create and develop new services, or broaden existing services to new beneficiaries, to overcome systemic barriers, catalyse innovation, and stimulate entrepreneurship. In turn this fund will encourage people from underrepresented communities to take the first steps to starting up a business in Glasgow, as well as linking them in with existing mainstream business support services.

3.0 Structure and Resourcing

- 3.1 In June 2019, it was agreed by this committee that Council funds held in the West of Scotland Loan Fund would be withdrawn to support Economic Development programmes, with proposals for the use of this funding to be brought back to committee. This paper advises the City Administration Committee of the intention to use this available finance to support the Social Innovation Challenge Fund programme.
- 3.2 It is proposed that £250,000 from this source is allocated to this fund, until March 2026.
- 3.3 Applications will be invited that will connect and empower Glasgow early-stage entrepreneurs and startups. While the Social Innovation Challenge Fund seeks to nurture start-ups, it does not provide direct funding for individual starting their business.
- 3.4 Applications in the region of £50,000 will be sought, although consideration will be given to other sums. A minimum application cost of £30,000 and maximum application cost of £100,000 will be applied.
- 3.5 Applications are invited to demonstrate clear strategic economic importance and impact. Any amount awarded will be based on the strength of application and on availability of funds.
- 3.6 A panel is being developed comprising GCC staff and partners connected to the Innovation Track programme, including the Glasgow City and Glasgow Riverside Innovation Districts. This group will work with prospective providers at the Expression of Interest phase to help shape applications. Final decisions on eligible shortlisted applications will be made by the Economic Development Funding Panel.
- 3.7 Successful applicants for funding will be subject to three, six and twelve monthly monitoring reviews to gauge progress and the impact funding has had in relation to fund outcomes.
- 3.8 It is proposed that 40% of funding is awarded up front, 40% after three months upon meeting of initial project milestones, 20% after six months, provided milestones have been met.
- 3.9 All proposed activity must be delivered, and all project costs incurred by 31st March 2026.

4.0 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	Outcomes will be maximised through targeted use of resources and joint working and resourcing with partners.
<i>Legal:</i>	There will be no new legal issues presented by the fund.
<i>Personnel:</i>	The input by the Council into the preparation, deliverance and monitoring of the Challenge Fund will be carried out by existing staff.
<i>Procurement:</i>	There are no procurement implications.

Council Strategic Plan: *Grand Challenge 1: Reduce Poverty and inequality in our communities.
Grand Challenge 2: Increase opportunity and prosperity for all our citizens
Grand Challenge 4: Enable staff to deliver essential services in a sustainable, innovative, and efficient way for our communities.*

Economic Strategy 2022-2030:

- Supporting the themes:
 - “Growing our Economy” – promoting entrepreneurship in the city.
 - “Innovation” – social innovation and engaging communities.
 - “A Fairer Glasgow” – working with diverse and community wealth building.

Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021-25</i>	<p>The project specifically looks to focus on supporting the entry and progression of under-represented groups in entrepreneurship.</p> <p>The proposal has the potential to impact on the council Equality Outcomes in relation to the following improvement aims: Improve economic outcomes for people with Protected Characteristics; and Improve access to council Family services by people with protected characteristics.</p>
<i>What are the potential equality</i>	Positive impacts through a focus on lack of opportunities available to ethnic minority

impacts as a result of this report? groups and under-represented groups when seeking to start a business.

Please highlight if the policy/proposal will help address socio economic disadvantage. The immediate benefits will lead to people from underrepresented groups taking the first steps to becoming successful entrepreneurs. They will be provided with advice and support through the Business Glasgow team, in collaboration with our partner organisations, and through local community groups. This will lead to skills, training and employment for local communities.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: This process will widen access to the city's SME base who will be signposted to available Green Business Support programmes.

What are the potential climate impacts as a result of this proposal? Reduction in CO2 emissions for the business sector through organisations and new business's supporting innovation for cleaner and greener processes.

Will the proposal contribute to Glasgow's net zero carbon target? Yes, by working towards reducing the carbon footprint of successful organisations who are awarded funding and the resulting start-up businesses.

Privacy and Data Protection impacts: This report has no impacts upon privacy or data protection.

5.0 Recommendations

5.1 The Committee is asked to:

- Approve the programme as outlined in this report; and
- Note that progress updates will be provided to the Economy, Housing, Transport and Regeneration City Policy Committee on an annual basis.