

## Management report to Council

Agenda item 6.2

### Support for social enterprises

Council

**Presenter:** Andrew Wear, Director Economic Development and International

**26 October 2021**

#### Purpose and background

1. The purpose of this report is to seek endorsement of the proposed approach to the Social Enterprise City Impact Program, which seeks to support social enterprises as part of the city's post-crisis recovery efforts.
2. Council supports a wide range of small businesses, social enterprises and business events through grants and sponsorship programs that deliver economic and social benefits.
3. Social enterprises are organisations that promote, encourage, and make positive social change while maintaining financial sustainability. To be considered a social enterprise, the business must have a defined primary social, cultural or environmental purpose aligned with a community benefit, derive a substantial portion of their income from trade, and invest efforts and resources into their purpose such that public/community benefit outweighs private benefit.

#### Key issues

4. In recognition of the post-crisis recovery challenges faced by the city, key features of the Social Enterprise City Impact Program include:
  - 4.1. Support for social enterprises that demonstrate the ability to help reinvigorate the city or respond to post-pandemic opportunities or challenges.
  - 4.2. Grant funding of up to \$10,000, as well as access to temporary vacant space for pop-up style business activity (eg in vacant shopfronts), mentorship and capability building opportunities, and the chance to pitch at a showcase event.
5. In support of the City of Melbourne's Waste and Resource Recovery Strategy, a separate program stream will also support social enterprises that provide positive circular economy outcomes in the community. Examples of activity funded through this stream could include the collection and processing of hard to recycle products, or the refurbishment of donated bicycles that might otherwise go to landfill.
6. Types of social enterprises supported by this program will include: Impact startups and organisations utilising digital technologies with high growth potential; organisations operating more traditional 'bricks-and-mortar' business; or those that operate as a combination of the two models. Applicants may include social enterprises, B Corporations, charities and other philanthropic organisations. Applications will be accepted from both not-for-profit and for-profit businesses.
7. Applicant organisations must be located within, or be delivering their activity, product or service to customers within the City of Melbourne municipality.
8. The program has two application streams: One for new startup enterprises; and the other for existing enterprises who are expanding or developing new products or services.
9. All applications received will undergo a competitive, merit-based assessment process to ensure that only the strongest applications receive funding. Assessment will be based on criteria including: Social purpose; vision and problem definition; business viability and marketing strategy; demonstrated experience; and impact and benefits to the City of Melbourne.
10. The refreshed Social Enterprise City Impact Program will open in late November 2021, with successful enterprises expected to be announced in early 2022.

#### Recommendation from management

11. That Council endorses the proposed Social Enterprise City Impact Program which will provide for new and established social enterprises to receive cash grants, access to pop-up spaces as well as capability-building activities such as mentoring and pitch events.

#### Attachment:

1. Supporting Attachment (Page 2 of 2)

## Supporting Attachment

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### Legal

1. There are no direct legal implications for council in the recommendation of this report.

### Finance

2. The approved 2021-22 Council Budget includes an allocation of \$100,000 for the Social Enterprise City Impact Program and \$100,000 from the Waste Minimisation and Innovation Fund.

### Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

### Health and Safety

4. In developing this proposal, Health and Safety factors such as adherence to COVID-19 safety were taken into account. The proposal includes the opportunity to showcase successful applicants through a public pitch event. COVID-19 safety protocol will be strictly followed in the delivery of any such event.

### Stakeholder consultation

5. This proposal was shaped by Council's Economic Development Strategy, which was developed with extensive stakeholder input.

### Relation to Council Policy

6. This proposal aligns with Major Initiative 3 in the *Council Plan 2021-25* – 'Drive economic growth and resilience by implementing the Economic Development Strategy'.
7. It also seeks to deliver on the *Economic Development Strategy 2031* priorities of Business Friendly City, Action 3 ('support for Melbourne's innovation, entrepreneurship and start-up ecosystem, to encourage business development and capacity building') and Unlock Climate Capital, Action 30 ('support small businesses and start-ups that demonstrate positive social and environmental impacts, through incubators and investment programs'). It will also deliver on the *Waste and Resource Recovery Strategy 2030*, Action 2 ('*Incentivise and promote innovative solutions*').

### Environmental sustainability

8. In developing this proposal, environmental sustainability issues have been considered and no direct issues were identified.