WHAT ARE THE USUAL OBSTACLES/DIFFICULTIES WHEN APPLYING SOCIAL INNOVATION AND HOW CITY AUTHORITIES OVERCOME THEM?

REPORT ON THE ONLINE CHAT SESSIONS ORGANISED ON THE 30 SEPTEMBER 2014

Moderated by Tricia Hackett (The Young Foundation).

Topics covered

This session sought to answer to questions related to:

- Obstacles and difficulties
  - Main obstacles cities faced when seeking to apply social innovation (Financial, legal, related cultural or political, lack of skills and/ or capacity within the city authority)
  - Resistance to social innovation and effective ways of dealing with this
  - Promotion of social innovation when budgets are being cut

- City responses
  - Most important responses to addressing legal, financial, cultural and political barriers?
  - Capacity-building of key stakeholders (within and beyond the public sector)

Participants

The following people took part in the chat:

- Nicola Bacon, Founding Director, Social Life
- Gorka Espiau, Director of Innovation of Cities and Regions, The Young Foundation
- Robiin Murray, Industrial and environmental economist, co-author of the Open Book of Social Innovation
- Rachel Schon, Lead Researcher on TEPSIE, The Young Foundation
- So Jung Rim, Associate, SIX; Associate, Social Life
- George Keranis, External Consultant, Athens Development and Destination Management Agency
- Fabrizio Barbiero, Manager Municipality of Turing in charge of Torino Social Innovation

Summary of discussions

Context

Overcoming obstacles and barriers that city leaders face in embracing social innovation requires an understanding as to why blockages arise in the first place. All too often good ideas never get further than being just that – ideas. To add to the existing research on this, URBACT's Social Innovation in Cities recently convened a conversation with leading urban practioners and policy makers focused on understanding the obstacles and seeking examples of city responses.

Several key issues emerged with one of the most salient being the pervasive structural and bureaucratic barriers that large institutions face when key stakeholders are not on board with the innovation message. In practice this means good ideas often sink because the people in charge fail to support or implement them. These kinds of barriers can be linked to the fact that authentic engagement with social innovation usually requires a change in the culture of 'business as usual' and this can be a difficult for entrenched civil servants. Even very strong ideas can wither in the face of the inertia and misunderstanding.

Fragmentation can be yet another obstacle to civil servants and urban practioners accessing creative methods and innovative solutions. The 2011 BEPA report on social innovation suggested that *"…the field of social innovation remains fragmented and there is a need for more developed networks as well as innovation intermediaries for brokering the connection needed to nurture and scale up social innovations."* Things have moved on significantly in the intervening years however the fragmented and atomistic nature of social innovation remains a barrier for cities being able to promote and make the most of it.

Another barrier to the uptake of social innovation relates to how rules and regulations on procurement often obstructs social entrepreneurs and innovators as well as civil servants who would like to commission more innovative approaches to solving city problems. The Young Foundation's has done some relevant research on in this area through the TEPSIE programme and provides an interesting example of Toronto's City Council pilot of a Social Procurement Framework.

Jaime Lerner (former Mayor of Curatiba, Brazil) says that if you want innovation cut a zero from the budget and if you want sustainable innovation cut two zeros. The financial crisis meant many budgets are being slashed has created both an opportunity and an imperative for piloting and embedding social innovation approaches to solving urban challenges. Cities and local governments are – now more than ever - scrambling to find ways to effectively deliver much needed public services with fewer resources. This has created an environment where social innovation is gaining traction and interest.

Some approaches to overcome obstacles and barriers

Through the Tepsie programme, the Young Foundation has done in-depth research on the ways to create a supportive eco-system for innovation. Specifically the research looked at the supply side measures that influence the generation of innovation and support the viability and future development of social purpose organisations that produce innovative goods and services.

(http://www.tepsie.eu/images/documents/d73final.pdf)

The different forms of financial support that may be particularly relevant to social purpose organisations that can also be relevant at the city level include:

- Grants for early stage development,
- Prizes for social innovation
- Debt instruments
- Patient capital
- Social investment funds
- Crowdfunding
- Loans
- Social impact bonds
- Venture philanthropy

And non-financial resources include:

- Incubators
- Safe spaces for R&D (e.g. labs for social innovation)
- Business development support (e.g. accelerator programmes)
- Mentoring and coaching
- Peer to peer support
- Professional services of various kinds including:
  - Legal advice, marketing services, fiscal and accounting services, HR and Governance advice, strategy/organisational development advice,

These are resources and opportunities that will impact the ability of people to innovate which include tailored courses for social entrepreneurs and other actors, university programmes for social entrepreneurs and innovators, subsidised secondments, and mobility schemes.

The role of Social Innovation transformation of Bilbao and the Basque Country

The Basque Country in Spain was an early adopter of the term 'social innovation' through its inclusion in regional strategic plans. This was reinforced by the creation of a Strategic Plan for Social Innovation in February 2011. The City of Bilbao has also made a specific commitment to social innovation through the creation of the DenokInn Social Innovation Park. The Basque Country is one of the EU leading territories according to the UN Human Development Index and Bilbao is internationally recognized as a successful case of socio-economic transformation. Through incorporating a new ecosystem for social innovation, the city and region have been able to flourish.

(http://www.slideshare.net/SIeXchange/sixseoul13-day-1-city-talk-bilbaobasque-case-gorka-espiau)

Many factors contributed to this transformation. In the latter half of the 1980s, the city produced a "Strategic Plan for the Revitalization of Metropolitan Bilbao" that recognized Bilbao's growing challenges and crafted a strategy to intervene. The plan aimed to ensure collaboration across government levels and promote the objectives set forth in the roadmap for Bilbao's transformation. A "Territorial Plan" was completed in 1989 that identified 'opportunity areas' to revitalize the city's dilapidated infrastructure. Whilst there are lessons to be learned from this high-profile success story, cities leaders will always have local context and culture to contend with and *". . .change tends to occur over a long term horizon and requires a carefully constructed approach and commitment by many stakeholders to follow a shared vision.*

(http://www.gmfus.org/archives/lessons-from-bilbaos-transformation).

Using social Innovation to address structural inequality in Leeds (UK)

The leadership of Leeds City Council (UK) understands that cities are complex systems and they are willing to experiment and to invest in new methods and platforms to address entrenched social problems. The Young Foundation has recently been commissioned by Leeds City Council to create a new level of citizen engagement which will tackle some of most important structural and institutional causes of inequality in the city. The rationale of the programme in rooted in the idea that innovation is too blocked and neutralised by intransigent systems and attitudes. In looking at innovation typologies, two areas have proved fruitful in deepening the understanding of how to increase the level of social innovation to meet the scale of the challenge. One focuses on the object of the

innovative thinking (product, service, etc.) and another on the process of innovation itself (open, iterative, planned, bricolagist, etc.) This has resulted in leading practitioners adopting a deeper and more sophisticated definition of the most promising social innovation strategies as not just social in outcome (e.g. improving health, education, etc.) but also social in execution.

(http://youngfoundation.org/our-work/places/)

Seoul City and the Social Innovation Mayor

Seoul City is led by a Social Innovation Mayor – Mr. Wonsoon Park. He aims to bring change from the ground up and give voice and power to the citizens of Seoul. He envisages Seoul City to be a platform for collaboration and sharing by opening up and sharing the city's underutilized spaces, information and data with citizens. Mayor Park combines a narrative of transformation that allows citizens to be part of an inspirational movement with tangible, real world results. The Mayor has invested in a 'social innovation' park to incubate and spark social innovation from outside of city government. Mr. Park has written that "*As the mayor of Seoul, I have striven to create innovative ways of governing that are based on cooperation and collaboration. I have made a point of soliciting greater citizen input and getting citizens more directly involved in decision-making, fostering social enterprises that use innovative approaches to tackle social problems, and expanding collaboration between government, the market, and civil society.*"

(http://www.ssireview.org/articles/entry/forging_ahead_with_cross_sector_innovations)

The Mayor has sought to ensure innovation and cross-sector collaboration are deeply rooted in city administration through offering citizens concrete and direct ways to offer their ideas to be heard and ways to actively engage with the city. The Seoul Innovation Planning Division collects examples of innovation from around the world and researches how these examples could be applied in Seoul. They also gather the creative ideas of Seoul citizens and then are responsible for bringing the best of these ideas to life. The social innovation park is a physical space where organizations are creating a living social innovative ecosystem.

Innovation in procurement piloted in Toronto (Canada)

In May 2013, the City Council adopted the Toronto Social Procurement Framework, directing staff to explore ways to use the collective buying power of the City's divisions to maximize the City's economic, workforce and social development goals when determining best value for public funds. The City of Toronto has an annual procurement budget of $1.5 billion for goods and services and issues approximately 2,000 purchase orders and blanket contracts and approximately 19,000 divisional purchase order. The City is explicitly committed to delivering services at the best possible value through open, fair, competitive and transparent municipal procurement processes

In doing this the Toronto City Council are part of an international trend which has seen 'social value' increasingly being inserted into procurement processes; the ultimate aim of the process is to develop a piece of evidence based. The pilot framework includes mechanisms for engaging stakeholders, pilots to test various social procurement approaches, and a process to monitor and evaluate impacts. In particular, the framework will focus on increasing access to economic opportunities for under and unemployed Toronto residents from disadvantaged communities, increase diversity in the supply chain by supporting all businesses including social enterprises to

compete for city contracts, and increase the number of employers who work with the city to promote local workforce development.

(http://www.tepsie.eu/images/documents/d73final.pdf)