

# ***Developing Leaders for Sustainable Communities***

**an Academy Programme  
for  
the Highlands & Islands**

**An Interim Review for  
The Social Enterprise Academy**

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## **Executive Summary**

i. *This is an independent interim Review of the “Developing Leaders for Sustainable Communities” programme run across the European Social Fund (ESF) part of the Highlands & Islands Enterprise (HIE) area. Funded by ESF, HIE and The Scottish Government, Developing Leaders is being delivered by the Social Enterprise Academy. Two years in, the Academy asked us to review their activities, check on progress against targets and help identify the lessons for the future.*

ii. *Setting up in April 2008, the Academy launched a first course on time in July and to May 2010 had delivered 52 courses over virtually the whole territory. Specific attention has been given to harder-to-reach communities in line with the original bid’s focus on rurality and accessibility. Courses are attracting an average quarterly flow of some 50 learners, almost twice the rate anticipated. By the end of the programme and with an extra £25,000 to ensure that no-one will be turned away, Developing Leaders will likely see 600 participants – double the target. With these numbers and despite remoteness, it’s clear that courses have been well-attended: an average of 60%+ capacity and moving upwards. Our customer survey indicates high levels of customer satisfaction with the courses, with their delivery and with their relevance – with 95% prepared to recommend onwards.*

iii. *We’ve been tough on the figures but the Academy is clearly performing very well against all the core targets. We estimate that it has already exceeded the learner (411 at May 2010 vs 300) and social enterprise (215 vs 200) targets; it’s on track to meet the SME (79 vs 100) target and the range of qualifications measures. It has covered off other ambitions set within the bid – a broad reach into organisations (234 vs 150), drawing from social firms (18 vs 15). It’s within an ace of exceeding the numbers for every age cohort – the profile is older than anticipated and biased towards women. All we can cavil about is the bid’s wish to raise the average length of learning; so far, shorter courses have predominated but this investment may lead to increased repeat business for the Academy and others. We think monitoring should apply a common definition of social enterprise (rather than self-description~). The partners have told us that, while the SME target will be met, the challenge of tackling the private sector directly remains.*

iv. *Overall, it seems to us that this programme was soundly conceived, is being sensitively managed and robustly monitored and is founded on a strong partnership. Two years old, the programme is already making a difference. The personal impacts (e.g. self-awareness, skills development, career goals) for H&I participants are on a par for the survey results for the Academy as a whole. We see strong impacts on participants’ organisations - enhancements in strategic thinking and innovation capacities and efficiency gains – with signs of business growth and consolidation beginning to emerge.*

v. *The Academy can learn from its Developing Leaders experience. Success can be ascribed to a combination of price (we prefer “fully-funded” to “free”), the characteristics of a market with a strong history of community activism and social enterprise, the personal and institutional relationships binding the Developing Leaders partnership (including the weight of HIE’s confidence) topped off with the Academy’s own management style and approach. Work on a successor programme is under way with an emphasis on youth and H&I’s more fragile areas. Consultees wondered if, without moving away from local accessibility, it might be possible to incorporate the occasional wider – national - mix of people.*

vi. *The Academy needs to be gearing up for the post-Developing Leaders successor era - post 2014; who, then, will be buying Academy services? With this perspective in mind, the Academy might look at how it might corporately buttress the next stage in H&I. We see scope to step up from good working relations to genuine full partnership-working – say, with HIE itself and DTAS; in following up, in H&I as in the Lowlands, its DTS involvement; in addressing the private sector challenge. By the same token, the Academy can learn from Developing Leaders in the effective use of networks, the accumulation and deployment of market knowledge and in “how to do rural areas” on the rest of its patch.*

## 1. INTRODUCTION

This is about the “*Developing Leaders for Sustainable Communities*” programme, funded by the European Social Fund (ESF), The Scottish Government (SG) and Highlands & Islands Enterprise (HIE) and delivered by the Social Enterprise Academy (“the Academy”). It sits alongside a Review of the Academy’s overall performance and two *Working Papers*<sup>1</sup> listing the chronology of Academy courses.

### Our Approach

*Developing Leaders* began in April 2008, delivering its first course on schedule in July that year. With still over a year to run, the Academy sought our perspective on progress with the objectives of:

- helping the Academy and its Highlands & Islands (H&I) partners with an objective interim review, checking that delivery was proceeding in line with the bid and reviewing progress on targets;
- working with the Academy and its family to identify the lessons from experience and changing circumstances – for ongoing H&I activities and more widely.

We know the Academy; we reviewed it early in 2008. This exercise is again based on scrutiny and analysis of performance data; a customer survey; interviews with funders and stakeholders; all underpinned by our appreciation of the policy environment. We have tried to make the report concise and pertinent.

Consultants borrow clients’ watches in order to tell them the time. The Academy and its H&I partners are self-aware with a keen sense of their situation; they know what time it is. As social enterprise players ourselves, we have probed hard but like the story. This project was soundly conceived, is sensitively managed, robustly monitored and based on a strong partnership. We’d like to add value by identifying ways in which the Academy might enhance its excellence. Or just return your watches.....

### Acknowledgements

.....And we’ve borrowed a lot of watches. Thanks are due to all our contributors – the funders, stakeholders and partners who talked with us (*Annex One*); the hundreds of learners who responded in our survey; Academy Board and staff. Special thanks go to the Inverness contingent, particularly Lorna Dinning and Kate McArdle; we know that an external review means extra work.

### Report Structure

The rest of this document is organised into the following sections:

- 2 the Inputs** – looks at the Academy’s activities and the verdicts of the participants;
- 3 Performance** – examines progress against targets;
- 4 Any Difference?** Scans for signs of personal and organisational impact downstream;
- 5 Messages for the Academy** – draws out the lessons of *Developing Leaders* for the Academy.

*So, what did the Academy do?*

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<sup>1</sup> *Working Paper 1* sets out a comprehensive chronology, *Working Paper 2* divides course delivery among *Developing Leaders*, other Academy delivery in H&I and Lowland Scotland.

## 2. DEVELOPING LEADERS: THE INPUTS

This Section looks at activity - what the Academy *did*, what it offered the folk of the H&I in relation to the proposal – and what the H&I folk who took part thought of it. The programme title – *Developing Leaders for Sustainable Communities* – was prophetic, anticipating the Academy’s crystallisation of its mission as “*Leadership with Social Purpose*” and we can see the synergies of agendas at work.

### The Background

The Academy has been active in H&I since November 2005 but initially lacked the capacity to deliver at scale into a large rural area; up to 2007-08, it was running no more than four courses a year (Section 5 below details this wider context). During these early years, the Academy therefore worked with a range of local agencies – most notably HIE and the University of the Highlands & Islands (UHI) in order to:

- ensure that its product was flexible enough to meet the needs of people in a largely dispersed rural region, much of it highly remote;
- build up its delivery capacity, in particular collaborating through the *Hi-hopes* programme to develop its associate tutors (and eventually, opening an Inverness office for *Developing Leaders*);
- strengthen and widen its partnership with the key H&I players – a developmental process that has been sustained through the operation of the programme.

With these thrusts maturing, the preparation of the bid came together through late 2007 and targeted a launch at the beginning of 2008-09. With hindsight, it appears to us that the care with which *Developing Leaders* was brought to life demonstrates the value of sound preparation in paving the way to effective implementation.

### The Offering

The Academy’s activities were thus mounted against a strong bid document that combined a powerful policy context with a lucid focus on how learning and personal development can help build community leadership. The bid leaves no-one in any doubt about its practical ambition to tackle rurality and deliver access to what the Academy has to offer.

The bid and subsequent Academy prospectus offered a flexible choice drawn from the Academy’s portfolio of Institute of Leadership & Management endorsed Awards and Certificates covering leadership, writing tenders, enterprise and social impact:

- ⇒ Level 5 Certificate in Leadership (Level 5 Cert - 12 days);
- ⇒ Level 5 Award in Leadership (Level 5 Award - 6 days);
- ⇒ Leadership for Social Enterprise (LFSE - 12 days);
- ⇒ Starting Your Social Enterprise (SYSE - 8 days);
- ⇒ Contracting Know How (CKH - 4 days);
- ⇒ Social Accounting & Audit (SAA - 2 days);
- ⇒ Understanding Social Enterprise (USE - 2 days);
- ⇒ 2020 Residential (4 days).

We stepped into the programme in May 2010 at which time we were looking at a momentum built through 52 courses or identified modules drawn from those courses since July 2008:

**Figure A: Developing Leaders – Courses July 2008-May 2010:**

	2008-09			2009-10				2010-11	Totals
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
L5 Cert (12 days)	✓	✓		✓	✓		✓	✓	6
L5 Award (6)							✓		1
LFSE (12)					✓				1
SYSE (8)			✓✓			✓✓	✓✓✓	✓✓	9
CKH (4)				✓	✓		✓		3
SAA (2)	✓	✓✓		✓	✓	✓✓	✓✓	✓	10
USE (2)				✓	9	✓✓✓	7	✓	21
2020 (4)							✓		1
<b>Q Totals:</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>13</b>	<b>7</b>	<b>16</b>	<b>5</b>	<b>52</b>
<b>Annual Totals:</b>			<b>7</b>				<b>40</b>	<b>5</b>	<b>52</b>

*Source: Social Enterprise Academy*

At its peak, that's building quite a punishing management burden. The bid presaged an average quarterly flow during the three years of 27 learners (after an initial quarter devoted to set-up). To date, the Academy is picking up an average of just on 50 learners a quarter – nearly twice the throughput anticipated; the fourth quarter of 2009-10 saw a throughput of 62.

The shorter courses and modules predominate but there is a flow of the longer leadership courses – some 15% of courses and 20% of learning places. They have been delivered widely across the territory, including the Western Isles, Shetlands and Orkneys; only a quarter of courses were run in Inverness. We are aware that it was a deliberately-administered policy to seek out the harder-to-reach areas or areas where uptake was proving slow or low. Table 1 below sums up more facts about delivery:

**Table 1: Developing Leaders Programme 2008-2010:**

	2008-09	2009-10	2010-11
Course days pa	46	137	20
Cumulative	-	183	203
Learning days pa	370	1,354	204
Cumulative	-	1,724	1,928
Average Course capacity	53%	63%	68%
Cumulative	-	63%	63%

*Source: Social Enterprise Academy/SCAL*

Course capacity has been an issue for the Academy since inception; as far as this programme is concerned and notwithstanding the sparse population of some delivery locations, we see an average capacity level building to over 60%; around a quarter of all courses have had a capacity of over 70% and the figures appear still to be inching up. Participants have so far consumed a grand total of 1,928 learning days; on an average day, wherever he or she happened to be, an Academy tutor would be working with 9.5 learners. Basically, it is evident that the Academy has done what the bid asked it to do.

### Customer Views

We have collected through the survey the views of participants on the provision; we should reflect on who these learners are. The typical Academy customer either works in a small and established organisation (generally unlikely to undertake training and development) or a larger social enterprise (often via customised provision). This was the picture in 2008 and it holds good generally for 2010. Today, however, with a greatly expanded base, the 2010 Academy customer is:

- still more likely to work in the not-for-profit sector, less likely to come from a public or private background;
- marginally more likely to work in an established organisation (the proportion of start-ups has fallen);

- less likely to be based in an urban area (71% in 2008 down to 53% now), a bit more likely to work in an accessible rural area (up from 19% to 22%) but considerably more likely to come from a remote rural area (up from 10% to 25%).

This last point identifies one of the two characteristics distinguishing the Academy's H&I learners – more likely to be working in an organisation in a rural and very likely a remote rural area. The other differentiating factor is the likelihood of coming from the for-profit sector. We return to this issue later but *Developing Leaders* has supplied 70% of the Academy's private sector participants since 2004.

*What were the learners looking for?* Figure B below extracts from our customer survey the reasons for first going on a course in the H&I:

**Figure B: Reason for Going on a Course (% H&I):**



*Source: Survey of Academy Customers 2010*

The profile remains much as it was for the Academy in 2008. There are only modest variations against the Lowlands; the H&I shows marginally greater hunger for learning about social enterprise, networking and developing a business idea. We note the low score for accreditation as a reason for participating.

We have two general observations to make at this point;

- the motivation question is being asked in hindsight but it has been designed to anticipate this and we feel that we are gaining accurate feedback. On this assumption, the four most popular choices seem to give a fair match to the Academy's take on what benefits it offers participants.....
- .....bearing in mind that the decision to go and the crystallisation of motivation will likely have followed on from the Academy's marketing. We consider later the importance of the way the Academy has marketed its courses under this programme. We seem to be looking at an accurate communication of the value to be had from participation and an accurate setting of expectations.

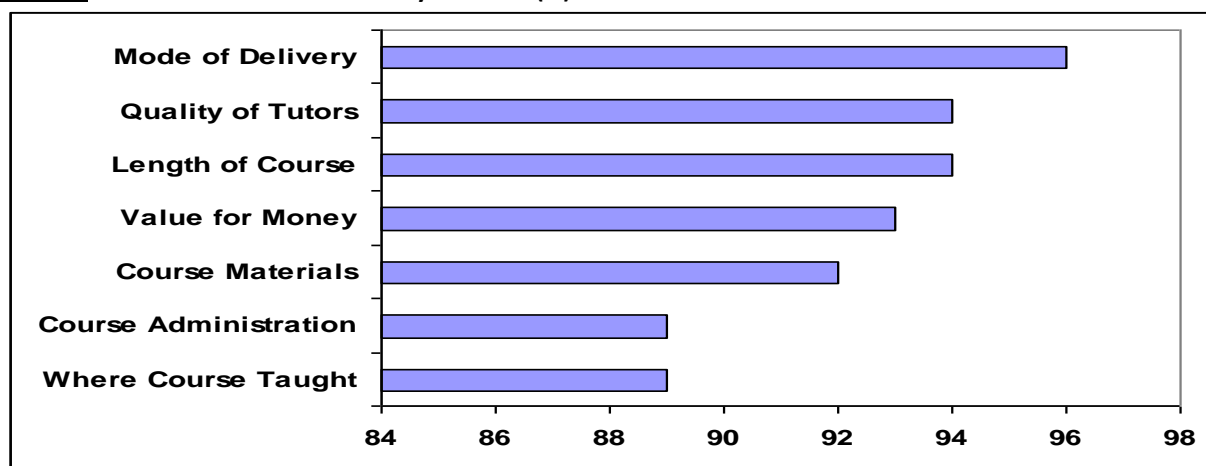
*Did the Academy courses meet the learners' objectives?* We had wondered whether, with larger numbers of learners and with a much larger set of survey responses, the Academy would be able to hold 2008's impressive ratings. Table 2 below compares the current survey results with the 2008 answers:

**Table 2: Delivery on Learning Objectives (% All):**

	2008	2010	Change
Completely satisfied	52%	57%	+5%
Partially satisfied	45%	40%	-5%
<b>Sub-total</b>	<b>97%</b>	<b>97%</b>	<b>-</b>
Not at all satisfied	3%	3%	-

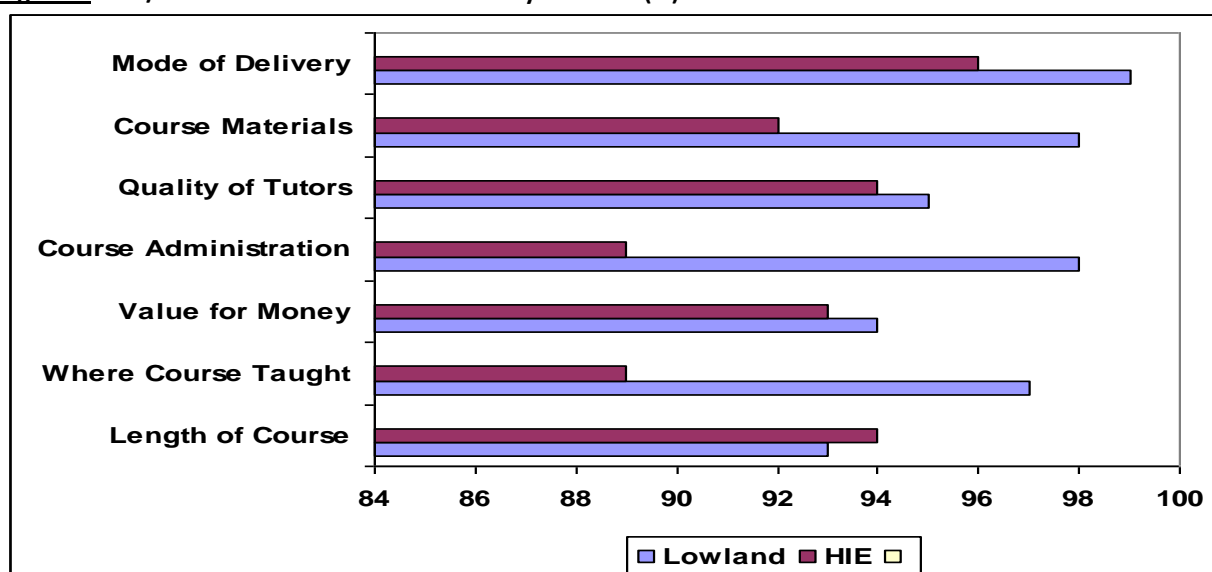
Source: Surveys of Academy Customers 2008/2010.

Not only has the broad level of satisfaction been maintained at 97% but within that 5% has shifted up from “partially” to “completely” satisfied. Satisfaction levels for H&I participants comes in at the same 97% rate, with 55% completely and 42% partially satisfied. With that in mind, Figure C below shows H&I learner satisfaction with key aspects of delivery:

**Figure C: H&I Learners Satisfied & Very Satisfied (%):**

Source: Survey of Academy Customers 2010

These are doughy scores. The only two showing below 90% are “administration” (often influenced by meal quality and temperature) and location (inevitably a problem for an area so diverse and fragmented and with difficult transport links). Setting those aside, the scores are higher (e.g. tutor quality, length of course, value for money) or match (course materials) comparable categories from our 2008 Academy survey. It’s interesting to compare H&I satisfaction levels with responses from Lowland Scotland:

**Figure D: H&I/Lowland Learners Satisfied & Very Satisfied (%):**

Source: Survey of Academy Customers 2010

H&I respondents have tended to score slightly lower than respondents from Lowland Scotland. We suggest that there are two explanations for this:

- people from the H&I are cannier, tougher and overall more demanding;
- the scores rise if the respondent has been on two or more courses – and repeat business is more common in the Lowlands simply because the Academy has been selling for longer.

*So, the Academy delivered within the framework promised and the attendees liked it; we have compliance and customer satisfaction. How is it stacking up against the targets set?*

### 3. DEVELOPING LEADERS: PERFORMANCE

This Section is about progress on targets. In due course, there will be a final accounting; part of our role is to provide an independent interim check. We are aware that the partners are pleased with progress and we have seen the press release celebrating 400 learners.....but we take nothing at face value; we have reviewed the ambitions of the original bid and scrutinised the figures without compunction.

#### Overall Learners

We start with the headlines, recognising the widespread appreciation of the programme's success in attracting people to courses. The discussion below takes the main core targets together:

- the target of passing **300 people** through the programme.....
- .....with **200** of those learners coming from **social enterprises** and.....
- .....**100** from **private sector SMEs**.

This is the guts of it. The bid's policy arguments are very clear around the relevance to healthy communities of spreading the net beyond the "third sector" into small private business – similarly important to communities, frequently smaller in rural areas and often family-owned and run. People working in such private enterprises are as likely to be "social entrepreneurs" as those from 3<sup>rd</sup> Sector outfits and thus well in scope for the Academy's mission.

Drawing on anonymous Academy data, Table 3 below begins with the split of learners in gross terms (essentially filled course learning places). We are interested in demand and have grouped numbers according to start date and by the Academy's financial year; we have added in the data from an extra five programmes run in 2010-11 (we have to draw a line somewhere) – this doesn't give a pro-rata picture, just a sense of how numbers are continuing as "work in progress":

**Table 3: "Gross" Programme Learners:**

	Public	SME	Soc. Ent./Vol.Org.	Not-known	TOTALS
To end 2009-10	13	77	149/135	28	402
To May 2010	15	84	167/162	28	454

*Source: Social Enterprise Academy/SCAL*

With the best part of a year to run, these figures look very good; we begin to understand the press release. Our first observation has to do with the classification of learners (we have discussed this with the Academy Team). In line with Academy practice, participants describe themselves. However, it is clear that to a significant degree:

- there is internal inconsistency, with learners from the same or very similar organisations entering different classifications;
- some of the self-descriptions are plain wrong. In particular, we think there are variations around the "social enterprise/voluntary organisation" split.

While the original bid (wisely) steered clear of attempting a specific definition of "social enterprise", it clearly had an overriding concept in mind. We think it would be reasonable to revisit the descriptions from an editorial perspective and take a common view. Based on the information we have, we hazarded some re-classification and our re-cast estimates are at Table 4 below:

**Table 4: "Re-classified" Gross Programme Learners:**

	Public	SME	Soc. Ent./Vol.Org.	Not-known	TOTALS
To end 2009-10	15	72	191/96	28	402
To May 2010	15	79	215/117	28	454

*Source: Social Enterprise Academy/SCAL*

Our first contribution is to boost Academy performance (assuming our judgements are accurate – and we are confident that many of them are). Instead of being on track to hit the social enterprise target, it has already been passed!

Not all these learners are eligible in terms of ESF funding. We need to set aside those from the public sector. We have also set aside the “not-known” category; we believe the Academy when they offer the numbers but for these cases there is not yet sufficient detail for us to confirm whence they came. The Academy will, in due course, be rounding these up but for the moment we have excluded them, leaving:

**Table 5: “Re-classified” Eligible Programme Learners:**

	Public	SME	Soc. Ent./Vol.Org.	Not-known	TOTALS
To end 2009-10	-	72	191/96	-	359
To May 2010	-	79	215/117	-	411

Source: Social Enterprise Academy/SCAL

We think that Table 5 is the key headline match to the bid’s targets. It confirms that the **Academy has met its 300 learner target** and **exceeded the social enterprise target** and is well **on track to meet the SME target**. But we have one further test to apply.

The original bid was not explicit as to whether the target was to fill 300 learning places or to reach 300 individual learners. There is clearly some measure of repeat business from individuals within the programme – indeed, that might be considered a measure of success. Our survey shows that, overall, 70% of Academy learners taking a first course since 2008 have done a single course, meaning 30% have done two or more. The Inverness office ran the *Developing Leaders* calculations for us, showing that 82% of learners attended a single course and 18% took two or more. Applying this across the board leaves us with a bottom line in Table 6 below:

**Table 6: Estimated Individual Programme Learners:**

	Public	SME	Soc. Ent./Vol.Org.	Not-known	TOTALS
To end 2009-10	-	59	156/78	-	293
To May 2010	-	64	175/96	-	335

Source: Social Enterprise Academy/SCAL

And that’s as rigorous as we can be. However the cake is cut, the Academy has exceeded ahead of schedule its overall learner target, is weeks away from its social enterprises target (it will probably have passed it by the time this report is published) and is on track to tick the SME target box.

## Accreditation

The remaining core target specified in the bid concerned qualifications to be achieved by the programme participants:

- 240 participants to gain full or partial qualifications (i.e. 80% of learners);
- 140 of these to be from social enterprises (70% of social enterprise learners);
- half of the participants – 120 – to gain Level 3-5 skills qualifications.....
- .....of whom, 69 to be female, 51 male!

Some of this looks a little like finessing the bid document. If we look back to Figure B, only 10% of respondents cited the possibility of accreditation as a reason for attending a course. Accreditation has not loomed large in either the 2008 or 2010 surveys albeit it is clearly a significant issue for a minority. That said, the Academy has taken the programme past most of these targets aside from:

- total learners gaining a full or partial qualification – but at current rates, this is likely to be met during the life of the programme;
- the number of participants from social enterprises gaining a full or partial qualification – but, again, a more accurate classification will likely uplift the score.

## Other Bid Ambitions

While not classed as formal targets, there were some other ambitions tucked into the text of the bid and for the sake of thoroughness, we have explored them:

⇒ **Organisations.** The bid had in mind a wide reach into at least 150 organisations - to avoid drawing from a small number of large outfits or over-concentration in favourable geographies. We don't think this has been a problem, since the Academy has approached delivery very much in the spirit as well as the letter of the bid. Our estimate is that the number of organisations from which the target learners came is as in Table 6 below:

**Table 7: Estimated Organisations Engaged:**

	Public	SMEs	3 <sup>rd</sup> Sector	N-k	Totals
To end 2009-10	-	53	153	-	206
To May 2010	-	60	174	-	234

*Source: Social Enterprise Academy/SCAL*

There is one further wrinkle within this in that the bid also hoped for 15 of the 200 learners from social enterprises to come from social firms. There are five organisations among those sending people on *Developing Leaders* courses which are members of Social Firms Scotland (SFS). We have discussed this with SFS and they consider the five to be either social firms or "emerging" social firms – COPE, Employability Orkney, Orkney Blide Trust, Rag Tag N Textile and Touchwood. Collectively, they have sent 18 people on a *Developing Leaders* course. Another target ticked off early.

⇒ **Age profile.** The bid did go into considerable detail in anticipating an age breakdown for the target learners. Table 8 below summarises variation against target numbers to date:

**Table 8: Learning Places – Age Profile:**

	Male	Female	TOTALS
To 24	-	-	-
25-40	+11	+49	+60
41-50	-23	+21	-2
51-54	+5	+24	+29
55-64	+40	+52	+92
Over 65	-1	+2	+1
<b>TOTALS</b>	<b>+33</b>	<b>+151</b>	<b>+184</b>

*Source: Social Enterprise Academy/SCAL*

In order comprehensively to match the age profile sought, the Academy needs:

- another 23 men aged 41-50;
- one more male of pensionable age.

This should be attainable. More pragmatically, the bid made clear the *general wish* to encourage older people. Given the likely age-profile of communities and the chance that older folk might be more backward in coming forward for a leadership initiative, we can see the thrust at work here, encapsulated in the statement of seeking to get *70% of learners aged over 40*. Current figures are hitting that nail (73% in Table 9 below). Perhaps the most interesting message from the age of participants has been to shift sights to young people in the next phase but it may be worth a look at the distribution of ages in terms of bid/actual to date;

**Table 9: Learning Places by Age Profile - % Distribution:**

	Male		Female		Totals	
	Bid	To date	Bid	To date	Bid	To date
To 24	-	Ng.	-	1%	-	1%
25-40	10%	8%	12%	18%	22%	26%
41-50	22%	9%	31%	23%	53%	32%
51-54	6%	5%	8%	10%	14%	15%
55-64	3%	10%	5%	14%	8%	24%
Over 65	1%	1%	2%	1%	3%	2%
<b>Totals:</b>	<b>42%</b>	<b>33%</b>	<b>58%</b>	<b>67%</b>	<b>100%</b>	<b>100%</b>

*Source: Social Enterprise Academy/SCAL*

In the interests of enriching market knowledge, we note variations in:

- **gender** – more women, fewer men;
- an **older profile** – for men and women, again emphasising the succession issue.

⇒ **Increase in learner numbers.** The bid set its 300 headline target on a 20% increase in learner numbers. The programme is, of course, eclipsing that. We should say that, even with the benefit of hindsight, the aim looks to have been pitched plausibly; its targets were not easy, there was no evidence to suggest that demand would take off as it has - and the programme has not exceeded them without a good deal of skill and effort.

⇒ **Longer average learning.** According to the bid, previous courses had involved participants in an average of 40 hours learning; the proposition was to lift this 50% to an average of 60 hours. It would be interesting to unearth the original calculations behind this as we cannot see that this has been attained or is likely to be attainable. Table 10 summarises average learning days.....

**Table 10: Developing Leaders Average Learning days:**

	2008-09	2009-10	2010-11
Course days pa	7.12	3.80	4.34
Cumulative	-	4.22	4.23

*Source: Social Enterprise Academy/SCAL*

.....so the average learner going for the average time will do around 4.25 days on the programme. That adds up to no more than 30 hours of learning and development. On the other hand, what is not factored in here is the longer-term result – the repeat business rate is likely to increase for the Academy and participation in *Developing Leaders* may lead to learning activity with other institutions. The ultimate learning figure may well be much higher.

## The Bill of Health

*Developing Leaders* has clearly delivered successfully on the original ambitions. It has met or seems very much on track to meet just about every challenge. We think the enthusiasm of the Academy and its stakeholders over progress is justified. The only meaningful comments we can find to offer at this stage are these:

⇒ **common definitions.** as the Academy settles up at the end of this programme and rounds up the details of those whom we have set aside in the “not known” column, we think you could usefully revisit the classification of “social enterprises”. We are not advocating a debate about the “definition” of a social enterprise; the bid wisely avoided that cul-de-sac. Nor are we asking the Academy to introduce a new apartheid among its learners. The Academy’s interest is in social entrepreneurs wherever they are and they can be anywhere – hence part of the justification for including learners from SMEs. We simply think that a stronger consistency in the treatment of organisations would line performance more accurately with the way the relevant targets were set.

⇒ **private sector.** the Academy and its partners have been honest about what may be something of a missed opportunity. The bid boldly and reasonably set its stall at SMEs; the HIE Strategy for Strengthening Communities recognises their status and contribution. We expect that the statistics will in due course show the SME target being met but no-one has tried to hide the wee bit of legerdemain at work here, with those active in communities likely wearing diverse hats. The penetration of markets has been very much down the “3<sup>rd</sup> sector route”, naturally touching private entrepreneurs along the way. The challenge of tackling appropriate parts of the private sector directly remains in the future for the Academy – and not just in the H&I. We do think that, notably in rural areas, the social enterprise/SME combination incorporated in *Developing Leaders* is a valuable model.

The level of demand is accelerating well above that anticipated in the original bid. The relative cheapness of venues et al has enabled the Academy team to stretch the budget and cope with the higher flow but an additional £25,000 package (including contributions from HIE and the Gateway – the later having joined the steering group during implementation) has been agreed and that will ensure that, within the programme timescale, it is not necessary to turn away applicants. By Spring 2011, throughput is likely to touch 600 learning places – double the original plan.

*So, targets met and exceeded or well in scope. But so what?*

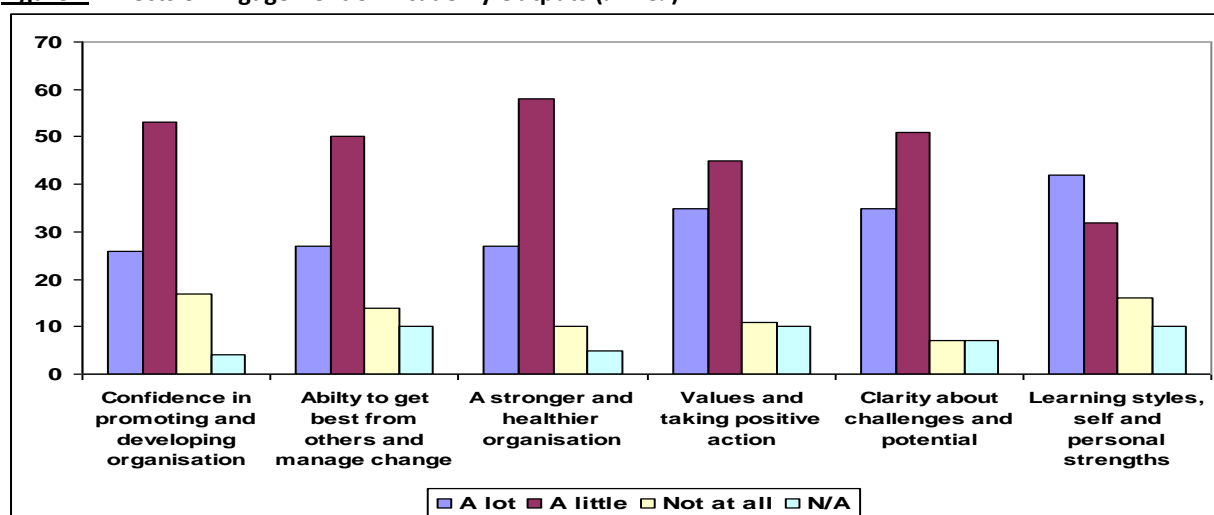
#### 4. DEVELOPING LEADERS: ANY DIFFERENCE?

Good on learning, good on the causes of learning. Things look good in terms of the outputs sought by the programme; broadly speaking, the Academy has persuaded the target people to behave as desired by attending courses and we know they rated the experience highly. *But so what? Did the experience make any difference to our learners?* We asked them some broad questions in the survey and this Section summarises what they said.

##### Academy Outcomes

First, had the experience helped in achieving the Academy's stated outcomes?

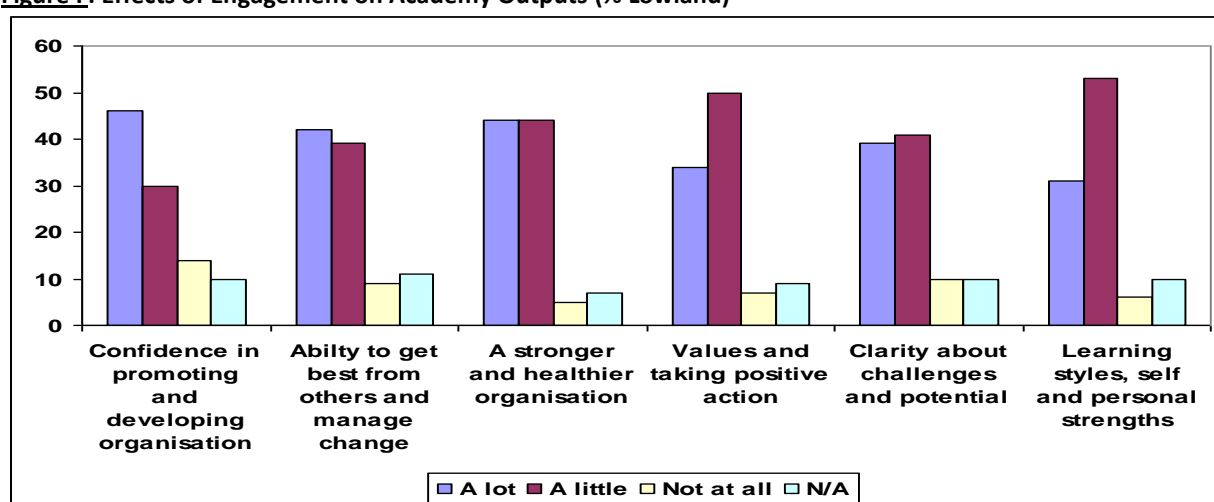
**Figure E: Effects of Engagement on Academy Outputs (% H&I)**



Source: Survey of Academy Customers 2010

Reading across these, the proportions indicate that engagement helped “a lot” or “a little” is generally substantial. The Academy might want to look at the persistent percentage answering “not at all” or “N/A” (tantamount to a “no”) and the level of “a lot” response, especially in comparison with Lowland scores in Figure F below:

**Figure F: Effects of Engagement on Academy Outputs (% Lowland)**



Source: Survey of Academy Customers 2010

Only on “values” and “learning style” do the H&I “a lot” returns show better than the Lowland scores. H&I looks specifically weaker on the two organisation-related outcomes – “stronger and healthier” (to be expected given timescales) and “confidence “. It may be that we need to get more concrete and straightforward.....

### Personal Impacts

..... as we explore more keenly whether the experience made any difference to individual learners:

**Figure G: Impacts on Individual (% H&I)**



*Source: Survey of Academy Customers 2010*

This profile is very similar to that for the Academy as a whole in 2008, with identifying gaps (65% citing this as a valuable impact), developing new skills (45%) and a clearer career goal (13%) emerging most strongly. These clearly pop straight out of the “Academy experience”. For marks on the remaining possible impacts, we need to be realistic about timescales. Interestingly, Lowland respondents tend to report slightly (but only slightly) greater impacts, possibly due to more repeat business in the south:

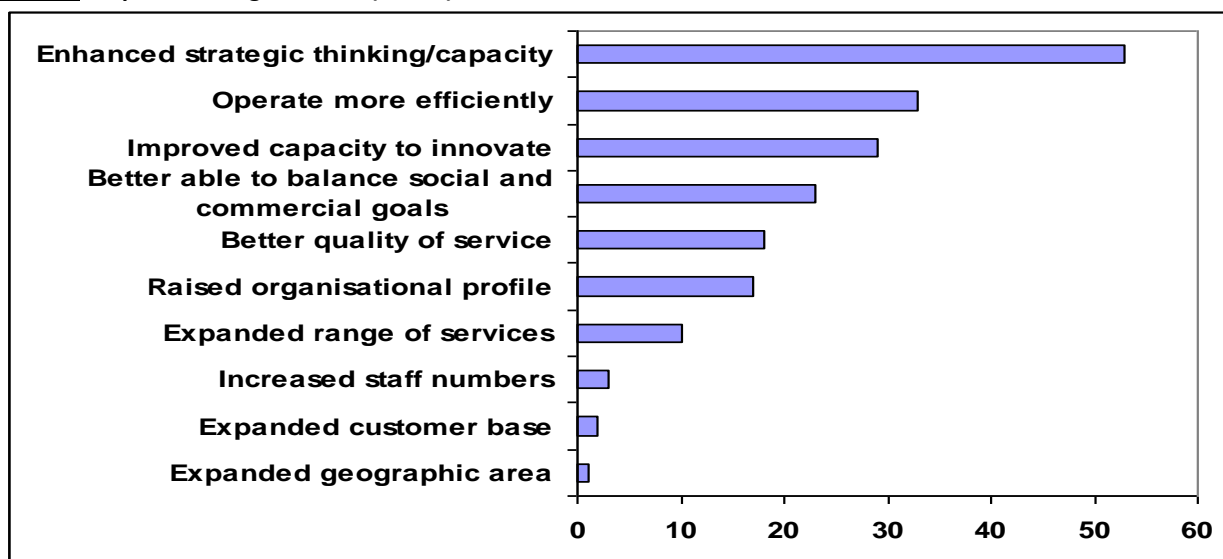
**Figure H: Impacts on Individual (% H&I/Lowland)**



*Source: Survey of Academy Customers 2010*

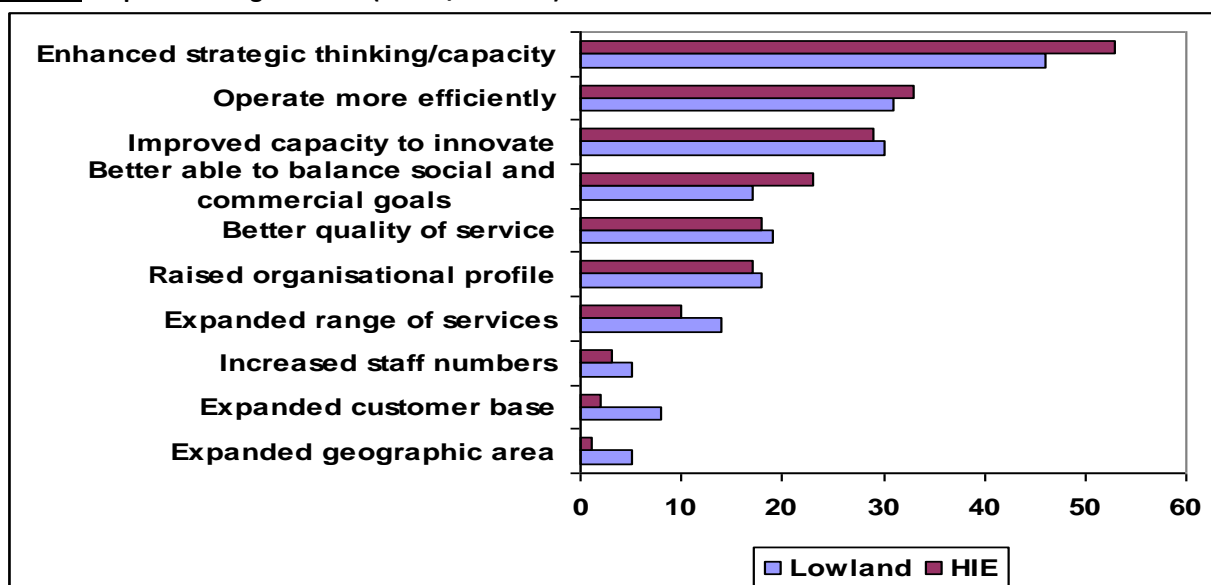
### Organisational Impact

The next stage is whether these personal changes flow on to influence the development of learners’ organisations in any way, getting behind the “healthier and stronger” ambition:

**Figure I: Impacts on Organisation (% H&I)**

Source: Survey of Academy Customers 2010

This profile – sequence and percentages – is again similar to the 2008 profile for the Academy overall. (The Academy may think it a tad disappointing not to advance the figures but the real message comes when we look at the impacts for people who have been on more than one Academy course. See our overall report for the Academy.) Notwithstanding those weaker scores on the organisational outputs in Figure E above, the respondents are now telling us a somewhat different story:

**Figure J: Impacts on Organisation (% H&I/Lowland)**

Source: Survey of Academy Customers 2010

We see H&I reporting a greater impact on strategic capacity, operational efficiency and balancing goals, slightly less on innovation. We think this a more reliable picture of how the effects of engagement are feeding into organisational change and development – in H&I as much as in Lowland Scotland. The variations between the areas are small but the overall consistency suggests messages for the Academy about how the effects of its learning typically flow through to make a difference for the organisation.

If we pull together the thrusts from Figures E,I and J, the Academy can point to an ability to influence the socially entrepreneurial aspects of an organisation:

- ✓ strategic thinking capacity;
- ✓ capacity for innovation;
- ✓ balancing social and commercial goals.....

.....alongside more conventional business improvements:

- ✓ operational efficiency gains;
- ✓ better quality of service;
- ✓ image improvements.....

.....all within a relatively short periods of time. Business growth will take longer but, judging by the more established Lowland scores on Figure J, they do tend to follow through. Over the next few years, therefore, we would expect organisations in which the Academy's H&I customers work to show expansions in services, a widening of customer bases and increases in employment.

## 5. MESSAGES FOR THE ACADEMY

In this final Section, we try to add some value to the assignment. Before trying out some learning for the Academy, we should set the *Developing Leaders* programme within the wider Academy profile in the H&I and in Scotland (the courses are listed in *Working Paper 2*).

### Everything in H&I

The Academy ran its first course in December 2004 and entered the H&I almost a year later in November 2005. Since then, it has been active regularly in the north of Scotland but H&I activity only really caught fire with the *Developing Leaders* programme. As can be seen from Table 11 below, *Developing Leaders* makes up the bulk:

**Table 11: Academy Courses in H&I 2004-10:**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11*	TOTALS
ESF Courses	-	-	-	-	7	40	5	52
Other Courses	-	1	4	4	7	15	4	35
<b>Total H&amp;I Courses</b>	-	<b>1</b>	<b>4</b>	<b>4</b>	<b>14</b>	<b>55</b>	<b>9</b>	<b>87</b>
ESF % H&I Total	-	-	-	-	50%	72%	55%	60%
Other % Total	-	100%	100%	100%	50%	28%	45%	40%

Source: Social Enterprise Academy/SCAL. NB \*to May 2010.

The Academy's other Edinburgh-managed H&I activities have included contracts for:

- Moray – outwith the ESF area but within the HIE area. HIE entered a separate contract to ensure activity across its territory;
- Determined to Succeed (DTS) – a partnership and contract established on a Scotland-wide basis and involving delivery within H&I;
- HISEZ – delivering 21 days over the three years on procurement and financial management;
- a range of independent purchases.

### Everything in Scotland

We've also considered the Academy's H&I experience against what has been going on in Lowland Scotland. Table 12 below extends the picture.....

**Table 12: Total Academy Courses in Scotland 2005-11:**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	TOTALS
ESF Courses	-	-	-	-	5	40	7	52
Other Courses	-	1	4	4	7	15	4	35
<b>Total H&amp;I Courses</b>	-	<b>1</b>	<b>4</b>	<b>4</b>	<b>14</b>	<b>55</b>	<b>9</b>	<b>87</b>
Lowland Courses	2	10	16	27	30	37	4	126
<b>Total Academy Courses</b>	<b>2</b>	<b>11</b>	<b>20</b>	<b>31</b>	<b>44</b>	<b>92</b>	<b>13</b>	<b>213</b>
ESF H&I % Scotland	-	-	-	-	16%	43%	38%	24%
Total H&I % Scotland	-	9%	20%	13%	32%	60%	69%	41%
Lowland % Scotland	100%	91%	80%	87%	52%	40%	31%	59%

Source: Social Enterprise Academy/SCAL

.....while Table 13 similarly tracks learner numbers:

**Table 13: Total Academy Learners in Scotland 2005-11:**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	TOTALS
ESF Learners	-	-	-	-	52	357	47	456
Other H&I Learners	-	7	46	46	82	176	39	396
<b>Total H&amp;I Learners</b>	<b>-</b>	<b>7</b>	<b>46</b>	<b>46</b>	<b>134</b>	<b>533</b>	<b>86</b>	<b>852</b>
Lowland Learners	19	79	140	295	405	580	68	1,586
<b>Total Academy Learners</b>	<b>19</b>	<b>86</b>	<b>186</b>	<b>341</b>	<b>539</b>	<b>1,113</b>	<b>154</b>	<b>2,438</b>
ESF H&I % Scotland	-	-	-	-	10%	32%	31%	19%
Total H&I % Scotland	-	8%	25%	13%	28%	48%	56%	35%
Lowland % Scotland	100%	92%	75%	87%	72%	52%	44%	65%

*Source: Social Enterprise Academy/SCAL*

The *Developing Leaders* programme isn't everything the Academy does in the H&I but the H&I is coming to account for a serious proportion of the Academy's activities:

- in 2008-09, H&I accounted for 32% of Academy learning days. By 2009-10 this had risen to 46%;
- in 2009-10, almost 500 H&I people consumed 1,687 days of Academy learning – equivalent to 1 minute and 26 seconds of Academy learning per capita for the area. The per capita figure for Lowland Scotland was 10 seconds.

### How Did They Do That?

The bid document looked reasonably challenging at the time; you don't sprint past targets like that by being anything other than on top of things as a partnership. After all, set a headline target of 300 learners, the Academy is looking at embracing nearer 600 by next year. We've looked over the data systems (financial as well as activity) and reporting processes, explored their modus operandi with the team in Inverness; we've spoken with funders and members of the steering group about how all that works. It all works extremely well. No-one can ignore the steep trajectory of activity in H&I compared with Lowland Scotland. *What made the difference?* There is no simple answer. What has been at work is a combination of factors:

- **price.** This is always the first explanation cited. We prefer "fully-funded" as there is no such thing as a free lunch; for participants, there are always costs – even if only time, which can be precious when extended by "rurality". When the ferry runs fortnightly, a "free" course may be less attractive than to someone sitting in the centre of a city. That said, money matters.

It's been said that the H&I are more used to getting a grant for development. In so far as this has validity, it will affect a shift to charging – the move from "*nice to have especially as it's free*" to "*I need that even if I have to pay for it*". This is a factor but we don't credit the notion that H&I people attend Academy courses only because they are free.

- **HIE support.** HIE have always understood the Academy mission and been ready to harness it. As important are the networks within and around HIE, opening contacts for the programme and adding HIE's weight; it's for the Academy to ensure that, with the connections made, the relationships can be sustained. We do think that the strength of the partnership – individuals and institutions – around the Strengthening Communities agenda in H&I is a significant factor.
- **market characteristics.** The folk of the H&I have long led the way in the development of community co-operatives, community business and social enterprise (and Scotland's first Community Interest Company); in today's communication age, rural areas continue to prove themselves as the places that throw up genuine community innovation. There is something about rural receptiveness to enterprise for community sustainability – and whatever it is needs to be bottled and taken south.

- **Academy management style.** The other factors need to be in place but they will not work without the right spur. The Academy's Inverness office has brought to bear a set of personal networks but there is more even than this. The office has gone about selling the programme in a very effective manner, harnessing local players to sell on its behalf. In addition, it seems to us that the Academy's Inverness team has carried forward three of the challenges we laid before the Academy in 2008:

- greater clarity in communicating its mission - the Academy's Inverness team and its key H&I partners and stakeholders are clearly focused on a shared mission, well-organised and on top of a programme delivery and management set-up in which the bureaucratic tail is not wagging the customer dog. Everyone has the same Big Picture in mind **and** are attentive to detail.
- work at winning repeat business – shifting from providing a course to developing relationships with learners. This meshes with the outstanding and broader question of harnessing Academy alumni as a community in their own right;
- building key relationships – political, with market opportunities in public, private and voluntary sectors, with partners and funders and with tutors. The way in which these elements have been managed must have been a flavour in the mix.

### Messages for the Academy

What would we like to say to the Academy as it gears up for the future, reflecting on experience so far with *Developing Leaders*? It is hard to offer much to an Academy and a partnership so clearly on top of things. This won't take long.

■ **What Next after *Developing Leaders*?** Work on the shape of a next phase is already advancing. There is not much that we can do other than endorse the emerging strands:

- taking a focus on young people, building on *Developing Leaders* and flowing from the DTS work (also an issue for the Academy corporately);
- a shift in emphasis towards the areas defined by HIE as “fragile”. We see *Developing Leaders* as a well-conceived approach to rurality and recognise how the Academy has continually sought to reach all parts of the territory in scope. It makes eminent sense to build “*leadership with social purpose*” where it is most needed. We have seen Academy calculations that of learners under *Developing Leaders*, 39% live in “fragile areas”, another 5% in “areas of employment deficit”. Assuming that the benefits from engagement with the Academy accrue as much to these residents as to any other area, these figures suggest the toughest task is do-able.

Two further possibilities have emerged from our wider stakeholder consultations and it might be worth considering them in the context of ongoing H&I activity:

- **vulnerable groups** – given the Academy's focus on “*leadership with social purpose*”, given the way the Academy delivers (the action-learning route) and given the typical effects on an individual, there may be value in addressing key policy groups such as one parents or prisoners preparing for a new life;
- **local and global** – two separate consultees put this to us. The emphasis of *Developing Leaders* has been on local accessibility and that remains central. However, might there be additional value in occasionally mixing participants – say at the 2020 residentials – from all over Scotland? Or from further afield – why should it not be a European or global focus?

None of the learners who have passed through *Developing Leaders* are more than 24 months from their initial engagement. This is a short timescale for major impacts to work through. Indeed, the Academy is still at an early stage in pursuing a balance of developmental values with commercial sustainability. Therefore, we think that one design-factor for a 2011-14 successor programme has to be how it might spur the subsequent stage on that journey beyond 2014. With this in mind, we finish off with some observations for the Academy generally on:

- some lessons it might take from the *Developing Leaders* experience;
- some areas in which a corporate Academy contribution might supplement future work in the H&I.

■ **Lessons from H&I.** The Academy has made a substantial commitment to making *Developing Leaders* work. We think there are three main things for learning:

✓ **effective use of networks.** In H&I, the Academy has adroitly carried out a kind of indirect sales initiative. This sounds easy enough – just find a local champion or advocate and get them to do the selling for you, flogging locally into a trusting network of which they are part. The hidden part is, of course, winning the confidence of that local agent – whose reputation is going to stand or fall on Academy delivery. Front-end inter-personal skills and empathy are at a premium along with patience, determination, flexibility, unflappability and an ability to hold one’s temper, dabs of guile and creativity and as a willingness to trust as well as be trusted. Plus top-quality back-up;

✓ **market knowledge.** Last time around, we encouraged the Academy to make use of its accumulating knowledge of its learners collectively (as a market) and individually (with a view to building relationships over time rather than looking to fill a course). In reviewing *Developing Leaders* we have sensed a team on top of its markets in these senses – relating to them, working with them, matching the ingredients of the Academy experience to their specific needs through an initial course **and beyond**;

✓ **how to do rural areas.** H&I are, today, very important to the Academy, accounting for more than half its courses and almost half its learners. By contrast, Scotland’s other rural swathe – Borders, Dumfries & Galloway and the fringes of Lanarkshire and Ayrshire – has barely been touched by the Academy. We don’t think the Academy can style itself a “Scotland-wide” enterprise (and we know it would like to style itself so) until it plugs this gap. It may be worth looking at the H&I experience in this light.

■ **Academy Added-value.** Then we see three issues which the Academy need to address and which each offer scope for supporting activities through Inverness on a next phase ESF programme:

- **partnership working.** Over the last 2-3 years, the Academy has successfully fixed or established some important relationships; this work has helped the Academy move to being seen as established, recognised and appreciated. We think the time is ripe to move into the field of **real** partnership working – in which two (or more) partners merge their interests and then take action that – singly or jointly – furthers the achievements of each/all. We have suggested, for example, that ACOSVO would be a fruitful partner. At present, an exchange takes place; each does its thing – the Academy provides meals that ACOSVO members like eating. The challenge is to go further and to visit the gamut of each other’s objectives and see how each might help the other with an acceptably balanced return.

In the same vein, (and we have already discussed this with the Academy team in Inverness), we suggest a key partner in HIE. True, there is a strong relationship with Strengthening Communities but how might the Academy and what it can do fit closer to HIE’s account management of key social (or other) enterprises? As discussion gets going around Scotland about the various enterprise support

contracts (relating to the private sector and not-for-profits), the Academy needs a firm and coherent position, operating as it does over much of the country.

We think another stand-out candidate as a partner would be DTAS (Development Trust Association Scotland – an organisation we have previously reviewed for The Scottish Government), just finishing a first leadership course provided by the Academy. DTAS are well-represented in the north and would be interested in fashioning further collaboration. We note that, on conclusion of the current leadership programme, the Academy will be filing the evaluation forms from individual learners; DTAS and its participants will be looking at the value for DTAS collectively and for its members as development trusts. A genuine partnership would be putting the evaluations together.

Finally, we may as well point out the obvious. The Academy has clearly benefited from the confidence of HIE – a confidence repaid and invested for the future by the Academy’s delivery in H&I. In Lowland Scotland, the Academy does not have comparable backing from the likes of Scottish Enterprise or Skills Development Scotland.

- **education sector.** Secondly, it will be important across Scotland that the Academy cares for following up its DTS work, supporting teachers, schools and children who have been fired up through engagement with the Academy.
- **the private sector.** As noted above, we are confident that *Developing Leaders* will tick its 100 SME box but it has come about somewhat “by the by”. The Academy has talked around the private sector issue before but no clear way forward has emerged. We think that the Academy needs to take action here and now. It needs to fashion a clear strategy and gear up to deliver implementation. [*We will return to this in our report on the Academy overall.*] While we think that there are social entrepreneurs everywhere, we suspect that taking it on in the private sector may call for knocking on different doors, enlisting different partners, pursuing different capacities within the Academy. The Academy needs to tackle this and support H&I activities thereafter.

*That’s all we have to say. It’s been a pleasure to review Developing Leaders.  
As we said earlier, this programme is “soundly-conceived, sensitively-managed, robustly-marketed and based on a strong working partnership”. It’s leading in every sense.*

## **September 2010**

<b><i>Annex One: Interviewees</i></b>
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We appreciate the time, candour and insights provided by all of these people:

Adrian Kitchen:	Oatridge College/Academy Board
Angie Foreman:	Dundee International Women's Centre/Academy Board
Ann McDonald:	Highlands & Islands Enterprise
Bert McGlone:	Social Enterprise Academy (Edinburgh)
Brian Wright:	FBD Consultancy (Scotland)/Academy Board
Calum Macaulay:	Albyn Housing/Academy Board
Chris Higgins:	Highlands & Islands Enterprise
Claire Fraser:	Social Enterprise Academy (Edinburgh)
Daniel Scott:	Social Enterprise Academy (Edinburgh)
David Bryan:	Social Enterprise Academy (Inverness)
Geoff Pope:	The Scottish Government, Third Sector Team
Graham Bell:	Kibble Group/Academy Board
Jackie Scutt:	Associate Tutor
Jay Lamb:	Social Enterprise Academy/Associate Tutor
Jayne Rowe:	Social Enterprise Academy (Edinburgh)
Kate McArdle:	Social Enterprise Academy (Inverness)
Kay McGregor:	Social Enterprise Academy (Edinburgh)
Lorna Dinning:	Social Enterprise Academy (Inverness)
Mary Lyden:	Scottish Government, Third Sector Team
Michael Low:	Social Enterprise Academy (Edinburgh)
Mike Robb:	Avendris/Academy Board
Neil McLean:	Social Enterprise Academy (Edinburgh)
Pat Armstrong:	ACOSVO
Sam Baumber:	Social Enterprise Academy (Edinburgh)
Sandra Ewen:	The Scottish Government, Lifelong Learning
Wendy Reid:	Development Trust Association Scotland