

## Housing, Regeneration and Planning

### An Evaluation of the Scottish Government's Participation in the Saltire Foundation Fellowship Programme

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The Saltire Foundation Fellowship Programme is an entrepreneurial leadership programme designed to create a global and entrepreneurial mind-set in Scotland's future business leaders. In 2012, the Scottish Government provided funding for two Saltire Fellows to participate in the programme, culminating in a work placement with two Scottish organisations in the sustainable housing sector. This research evaluates the experiences of the sponsored Fellows, the outcomes for both the Fellows and the organisations involved, and looks at wider impacts for the Scottish Government and sustainable housing sector.

### Main Findings

- Both the Fellows sponsored by the Scottish Government and the organisations with which the Fellows undertook placements were very positive overall about their experience of the Saltire Foundation Fellowship Programme.
- The organisations felt that it had been extremely beneficial to have people external to their company and sector to work on the project placements. Fellows had offered a fresh perspective and been able to challenge organisational practice.
- The 12 weeks' duration of the placement was, however, felt by Fellows and organisations to be a tight timescale in which to deliver the ambitious aims of the project placement briefs. Extending the period and reducing the scope of the projects were suggested to mitigate this in future.
- The Fellows produced a number of outputs for the organisations, including developing a marketing strategy, initiating a feasibility study for the use of Scottish Timber in construction and producing an appraisal of consumer attitudes to micro-renewables. The organisations felt that the Fellows had provided a valuable, dedicated resource for developing these areas.
- At an organisational level there is some evidence that the work of the Fellows has already had an impact that may lead to organisational change. A new R&D post has been created in one of the organisations, while the other has created two new sales positions and initiated a branding exercise.
- Further impact may be maximised by working more closely with participating companies to select the Fellows, encouraging companies to put their own staff forward for participation in the Fellowship Programme and potentially jointly sponsoring future Fellows.
- Fellows reported that the overall experience has changed their mind-set to one which is global in outlook and is constantly seeking opportunities for business. Fellows also reported that the experience had helped to build confidence in their existing abilities and skills.
- Scottish Government projects taken forward by the wider cohort of Fellows were viewed as good experiences for both the Scottish Government and the Fellows involved. Future projects may benefit from having tighter briefs and mechanisms in place for taking forward ideas that are of interest to the Scottish Government policy interest.

# Overview of the Saltire Foundation Fellowship Programme

The Saltire Foundation is an independent charitable organisation whose aim is to create Scottish business leaders of the future through the development of business and entrepreneurial skills.

The Saltire Foundation Fellowship Programme is targeted at individuals with business experience, offering classroom and experiential learning over an eight-month period. This includes 15 weeks at Babson College in Boston, United States; a one-week learning programme led by Babson in China; and a 12-week placement with a company in Scotland working on a specific project.

Participants on the programme can be nominated and funded by companies they currently work for. Participants can also apply to the programme independently, meaning they give up existing work commitments to participate. There is no guarantee of employment for these participants at the conclusion of the programme.

## The Scottish Government's Involvement in the Saltire Foundation Fellowship Programme

There is a large and growing market for sustainable housing products. In 2012, The Housing Sustainability and Innovative Finance Division (HSIFD) of the Scottish Government tested a new and innovative way of helping support companies in this sector to realise their growth potential by providing sponsorship for two applicants to participate in the Saltire Foundation Fellowship Programme at a total cost of £70,000. Both applicants applied independently and received 100% funding from the Scottish Government which covered the core costs of the programme. In return, the 12-week placements that the Fellows participated in as part of the programme were with Scottish companies in the sustainable housing sector, working on projects that aimed to support the growth of these companies.

As well as sponsoring two Fellows, the Scottish Government also suggested a number of stand-alone projects – 'Challenges' – to the broader cohort of participants in the Saltire Foundation Fellowship Programme. The Challenges presented a range of business scenarios of interest to the

Scottish Government and asked Fellows how they would approach these. The Challenges were an optional component of the overall Saltire Foundation Fellowship programme and four out of five set by the Scottish Government were taken on by Fellows as working projects.

## Research Objectives

This evaluation looked at the processes involved in and the impact participation has had for those involved. The four key areas of the research are the:

- impact of the programme on the two Scottish Government sponsored Fellows;
- impact of the programme on the two hosting companies involved;
- wider effects of the programme on the sustainable housing sector; and
- added value to the Scottish Government of being involved in the programme via the Challenges.

The evaluation includes Fellows' reported experience of their time at Babson College in Boston but does not look to evaluate the learning programme or teaching offered by Babson College.

## Methodology

The evaluation employed a qualitative methodology. Telephone and face-to-face interviews were undertaken to capture the views of the:

- Scottish Government sponsored Fellows;
- lead contacts at the organisations Fellows undertook their 12-week placement with;
- non-Scottish Government sponsored Fellows involved in the Challenge projects set by the Scottish Government; and
- Scottish Government staff involved in the Challenge projects.

Fellows and organisation lead contacts were interviewed on two occasions: initially at the beginning and latterly in the final week of the Fellows' 12-week placement. Placements took place between January and April 2013. Scottish Government staff and Fellows involved in the Challenge projects were interviewed on one occasion, towards the end of the Challenges. In total, 10 individuals involved in the programme were interviewed.

## Fellows' Motivations for Applying and Interest in Scottish Government Sponsored Projects

Both Fellows were at transitional points in their careers when they applied to the Saltire Foundation. One sought a completely new challenge, while the other sought training opportunities to progress from a job they were unhappy in.

One of the Fellows was explicit in their desire to secure employment via participation in the Programme:

*"I need a job at the end of this. I'm not in a financial situation where in the short term I can go away and set up a business."* (Sponsored Fellow)

The other looked to be able to implement learning from the Programme:

*"[I hope to achieve] two things: 1. put into practice what I've learned and realise the gap between the theory and the reality, and 2: produce something worthwhile for the organisation. If they're happy with it, that will be the mark of success for me."* (Sponsored Fellow)

Both Fellows were asked whether they held an interest in the sustainable housing sector prior to joining the programme. Both indicated that they were unfamiliar with the sector but viewed it as one which had good growth potential. One of the Fellows added that they felt the sector was doing something worthwhile and had the potential to provide a career lasting interest.

*"I'm aware of the huge environmental issues that the world is facing so that really inspired me, that I could be involved in something that was doing something worthwhile."* (Sponsored Fellow)

Both Fellows referenced the funding offered by the Scottish Government as being an important factor in their interest in these particular projects. One of the Fellows commented:

*"I'm not 100% sure I would have been able to complete the programme if I hadn't of got 100% funding."* (Sponsored Fellow)

## Fellows' and Organisations' Views of the Recruitment and Matching Process

Organisations from the sustainable housing sector were invited to submit project proposals which would be used as the basis for the Fellows' 12-week placement project. Five organisations submitted bids and two – Campbell Construction Group (CCG) and Springfield Properties – were selected by the Scottish Government as providing the projects which offered the best potential for impact on company growth, provided good learning opportunities for the Fellows and aligned with the Scottish Government's sustainable homes agenda.

Both Fellows met with the organisations prior to attending Babson College and identified a preference with regard to the project they would like to work on. Overall, the Fellows felt that this process worked well despite it being slightly hurried. The Fellows said that they felt it was of benefit to have completed this stage of the process prior to going to Boston as some of the other non-Scottish Government sponsored Fellows had to liaise with potential placement organisations while in Boston which placed added time pressures to what was an already intensive period of study.

Both Fellows' preferred choice of organisation was available; however, the Fellows felt that this would be unlikely to be replicated again and suggested that in future, it would be advantageous to have a larger pool of potential organisations from which to match Fellows to.

*"It was just a strange situation that what if the companies lose out, if one company likes two people, somebody could lose out. Thankfully, it worked but whether that would work again...the chances would be quite slim so it would be better to have more choice, even if it's just one more company."* (Sponsored Fellow)

One of the organisations also picked up on this point, suggesting that it may have been a more complicated process had the Fellows and organisations not been happy with respective choices made.

## Fellows' and Organisations' Views of the Placement Period

Overall, both the Fellows and organisations felt that the placements were very positive. The Fellows felt that the projects were of good quality and enjoyable to work on and the organisations felt they were a good experience and provided valuable outputs.

For both organisations, a key theme that emerged from the research was that it had proved extremely beneficial to have people external to the organisation and sector to work on these projects as they offered a fresh perspective:

*"It's refreshing actually to have somebody coming in that hasn't worked in the industry. So they ask questions that the rest of us might not ask."* (Placement Organisation)

A counterpoint to this made by both the Fellows and organisations was due to their limited knowledge of the sector, a sizeable proportion of the initial 12-week placement period was spent getting up to speed.

This is part of a wider key theme to emerge from the research with regard to the 12-week placement period. Both the organisations noted that the timescales relative to the outcomes hoped to be achieved were short, with one of the organisations suggesting that the placement merited another four to six weeks.

*"It [the placement] has been really good. My only one thing is that it's been a little optimistically too short. It could have done with being longer just to afford a little more time to get in to the nitty gritty of things."* (Placement Organisation)

The Fellows noted that the 12-week placement period was limited, with one commenting that it was difficult to give 100% to the placement project when juggling competing demands such as trying to source employment beyond the placement period, and being involved in the wider Scottish Government Challenges.

*"There's been a real conflict in my case between doing a project and giving it my all and spending the time necessary to obtain another job. I failed to take into account the fact that I would need to go and phone people, meet people, do work that would take me on to future employment. I haven't enjoyed that conflict."* (Sponsored Fellow)

## Outputs and Impacts Achieved by the Fellows

A number of outputs were delivered by the Fellows for the organisations during the 12-week placement period. These included:

- Bringing clarity to the organisation by framing what they do and taking these messages externally;
- Reviewing marketing material and developing a marketing strategy;
- Establishing a working group to look to develop a Scottish timber feasibility study;
- Producing a map of the current funding landscape for the organisation to navigate; and
- Appraisal of consumer attitudes regarding micro-renewables.

The organisations acknowledged that while they recognised the need for the types of work the Fellows were involved in, they currently lacked the skills or capacity internally to take this work forward. The Fellows therefore provided valuable, dedicated resource to develop these areas for the organisations.

*"When a company is a certain size and you're doing things quite leanly, there are certain things that stay on the back burner."* (Placement Organisation)

One of the organisations has indicated that as a result of the work that the Fellow did, a new R & D Officer position has been created to focus on the types of work that the Fellow was able to undertake during the placement.

The other organisation indicated that the Fellow raised awareness of particular issues and has created two new sales positions and initiated a branding exercise as a result. In addition, the organisation is considering putting its own staff through the Saltire Foundation Fellowship Programme given the insight they have had into the Programme.

At a sector-wide level, evidence of impact of the Fellows work is limited and may merit follow-up research at a later stage. However, some specific benefits were mentioned by the placement organisations, such as greater engagement between the organisations and the wider sector; and, relative to the Scottish Timber feasibility study, this potentially could have a significant impact should the study show that it is a viable product for the sector.

## Outcomes from the Placements and Overall Views of the Saltire Fellowship Programme

Both Fellows completed their placements with the organisations in April 2013. Both of the organisations expressed a great level of satisfaction with the work that the Fellows had produced.

*"[The Fellow] has been able to get some real brilliant insights into where some of our shortcomings are, shall we say. From that point of view, they've asked a lot of probing questions that have allowed us to question some of the things that we're doing."* (Placement Organisation)

*"It was hard to be specific about the project at the start and so it was adapted a bit when the Fellow came when we could see what was more practical for them to achieve in the time. They certainly have been very diligent in covering all of the bases they have been asked to cover."* (Placement Organisation)

For the Fellows, the overall experience was also very positive across all stages of the Programme. Fellows talked about the impact the experience has had in changing their mind set to one which is constantly looking for business opportunities and one which is now global in outlook.

*"We were doing case studies on American companies but also American and British companies breaking into other markets throughout the world. That gives you little snapshots of those markets, those cultures, the opportunities...and you're constantly just being bombarded with things that make you start to think about opportunities for products, or services, or new business models, finance models, marketing, sales...it's really really broadened my outlook on the world completely beyond anything I could think."* (Sponsored Fellow)

Fellows reported that the experience had renewed confidence in existing abilities, experience and skills and helped to identify enjoyable areas of work.

*"I think I'm far more comfortable and confident than perhaps I was before as to what I knew. A lot of what I learned at Babson was confirmation or tweaking to what I had already had exposure to. I suspect on the day to day I had perhaps lost track of that so that in itself was very valuable."* (Sponsored Fellow)

The networking opportunities generated by the Programme were also referenced by the Fellows as a very significant benefit from the experience.

*"Another massive part is the network – the fellows, present and past, the global Scot network, professors at Babson and all the Babson faculty – it's just such an open door policy."* (Sponsored Fellow)

One of the Fellows commented that it had been an amazing experience for them that would continue beyond the end the Programme.

Both Fellows indicated that they are pursuing employment prospects out with the placement organisations and the sustainable housing sector. One of the Fellows was offered a position with one of the placement organisations but it was declined because of a mismatch in salary expectations. However, they are taking forward the development of a sustainable housing product, sourced while at Babson College, which they hope to bring to market in the UK.

For the organisations, their experience of the Saltire Fellowship Programme was very positive across all stages of the process.

One commented that developing closer links to the Scottish Government through this process had proved useful. The other commented that their experience of the Programme had opened their eyes to the calibre of Saltire Foundation Fellows and how this cohort of people could present future recruitment options.

## Development Points for Scottish Government if Sponsoring Saltire Fellows again in the Future

A number of development points for the Programme were identified and these are presented in this section of the report.

The first main point is around interaction with the Scottish Government. The Fellows commented that it would have been useful to have had some briefing with key Scottish Government staff relative to the policy areas they were working in prior to commencing their placements. The Fellows felt this would help to identify key staff and resources early as opposed to trying to source this information while on site at the placement organisation. One of the Fellows also mentioned that it would have been useful to have more contact with the Scottish Government during the placement.

The second main point concerns perceived tension between the ambition of the placement projects and the timescales for completing them. One of the Fellows noted that it was difficult to completely focus on the placement project due to the pressures of trying to secure employment beyond the duration of the overall Programme, and work on the

broader Challenge projects set by the Scottish Government. This was compounded by the need for Fellows to get up to speed with the sector and organisation which, while noted as a benefit with regards to freshness of approach, nonetheless impacted upon the overall timetable for the placement. One of the organisations suggested that it may be prudent in future for the Saltire Foundation to “sense-check” project briefs and advise placement organisations if they are realistically achievable given the timescale.

The third main point concerns how the Scottish Government can maximise the potential for the Fellows to stay in the sector they have been working in as part of the Programme. The Fellows commented that there may need to be dialogue between the Scottish Government, Saltire Foundation and the placement organisations that come forward in future regarding the career stage level Fellows will be coming into the Programme from. This may help to manage the expectations of the organisations regarding the types and level of position being sought by Fellows on completion of the Programme.

The fourth main point is around the importance of participating organisations being fully bought into the objectives of the placement project. One of the Fellows commented that this had not been fully in place at the outset of his placement. They had also encountered some resistance in the organisation to learning from a person from outside of the construction sector. Suggestions to overcome this, and maximise the impact of the placement included: spending more time signing up the companies; giving companies a greater role in selecting their Fellows; encouraging companies to put their own staff through the Fellowship Programme and potentially joint funding future Fellowships.

One of the organisations suggested that the Scottish Government needs to communicate to the wider sector what it is doing through the Saltire Foundation. If other organisations in the sector are aware of the Fellows, it could develop recruitment opportunities if, as was the case this year, the two Fellows do not find employment with their placement organisations.

Lastly, one of the placement organisations suggested that the Scottish Government should use the organisations to promote the experience to prompt more organisations to come forward and suggest projects.

## Review of the Scottish Government Challenge Projects

In addition to sponsoring two Fellows, the Saltire Foundation invited the Scottish Government to submit project ideas – Challenges – that the wider cohort of all Fellows participating in the Saltire Foundation Fellowship Programme could work on. Five projects were submitted and four were taken on by the Fellows. The broad topic of the Challenges were:

- What might new forms of public/private collaboration look like to deliver creative/innovative approaches;
- Create an idea, test the market and test investor appetite for a business that can utilise Government funding for housing insulation;
- Design a social investment opportunity that delivers a return on investment and results to Government; and
- Create a for profit business focussed on improving energy efficiency in new and existing housing.

Both of the Scottish Government sponsored Fellows were involved in these Challenges along with non-sponsored Fellows. The Challenges were undertaken during the same period Fellows were in placement with respective organisations. The Fellows predominantly worked in small groups on the Challenges, with one being taken forward by an individual Fellow. Each Challenge was allocated to a Scottish Government lead staff member within the Housing Sustainability and Innovative Funding Division and they became the key contact for the Fellows.

Overall, Scottish Government lead staff felt that the Fellows were enthusiastic, keen and energetic. As with the placement organisations, lead staff welcomed the opportunity to gain new perspectives on these policy issues from individuals outwith the Scottish Government and sector.

The Fellows working on the Challenges thought that they went well and that they felt supported and included by Scottish Government staff.

Both the Fellows and the Scottish Government lead staff were asked if they felt the Challenge approach was useful in looking at social policy issues. Scottish Government staff felt it was too early to say and that the solutions proposed by the Fellows needed to be tested. One lead staff member suggested that in order for the approach to be useful, the brief for the Challenges needs to be more discreet due to the difficulties of trying to understand a large policy area in a relatively short period of time.

*"It's a difficult thing to get to grips with the social policy of an area which you have no knowledge of. If the task is specific enough I think it can add value. Getting people to look at things from a different perspective is always useful."* (Challenge Lead Scottish Government Staff Member)

One Fellow suggested that it would be useful for Scottish Government staff to go through the Saltire Foundation Fellowship Programme as this would help build confidence and develop a global view. In addition, one of the Fellows suggested that Scottish Government staff should be involved in the day to day of the Challenges as this would enable greater transfer of skills and knowledge that had been learned during Fellows' time at Babson College.

Both groups commented that it should be the Fellows who take work from the Challenges forward but that there needs to be a mechanism and funding for progressing ideas beyond the 12-week Challenge period.

*"What I'd like to do is secure a backer. When the Challenge comes to an end, I'd like to know, if I could get the tentacles of this idea into the people that will be able to support it in local government, if I could have the people at the presentation at the end, or maybe this is networked out, promoted to the right people within Government who might say they'll give me £10,000 to go and develop this website further so that it's up and running."* (Challenge Fellow)

At the time of writing, one of the Challenge projects has led to the development of a social enterprise – You Only Live Once (You-OLO) – that supports young people to become entrepreneurs. The website [you-olo.com](http://you-olo.com) will promote entrepreneurship as a career choice for 16 to 24 year olds, providing a mentor matching facility, a crowd funding opportunity and retail space for budding entrepreneurs.

With regard to developing the Challenges in future, a number of suggestions were made by Scottish Government lead staff and the Fellows.

Both Scottish Government lead staff and Fellows felt that it would be better to have more tailored Challenge briefs that would lead to more manageable outputs being delivered in the time allocated to the Challenges. Fellows suggested that each Challenge would benefit from having a 'map' of phases so that there was a clear end point to them.

Fellows also suggested that it would be beneficial to start the Challenge process sooner and also have Scottish Government lead staff available at the launch of the Challenges to field questions and have an initial discussion regarding the Fellows' proposed approach as opposed to trying to do this as part of the Challenge timetable.

*"It would be good if we could try and get the people who posed the Challenges along during that week [on return from Boston] to have a chat with them. We could talk through our high level ideas before we even put anything on paper."* (Challenge Fellow)

## **Wider Evidence of Scottish Government Impact on the Saltire Foundation Fellows**

Anecdotal evidence from the Saltire Foundation highlights further benefits that have been derived from Scottish Government involvement in the Programme. While these have not been picked up by the evaluation, it is felt that these outcomes would not have happened without the support of the Scottish Government to the programme.

As a result of the Scottish Government Challenge projects that were set, three Fellows have since gone on to set up a business which provides temporary housing for the elderly and those undertaking palliative care sited beside a family's home. The Saltire Foundation believes that this venture would not have been triggered without the exposure to the sustainable housing sector that the Scottish Government Challenge projects provided.

The Saltire Foundation sought to recruit organisations within the sustainable housing sector to submit potential projects for the Scottish Government sponsored Fellows to work on during their placement. Oregon Timber Frames, a UK timber frame manufacturer, attended a Saltire Foundation event which led to them submitting a project for consideration. This project has since been taken forward by two Fellows from the Programme and would not have arisen were it not for the focus on sustainable housing driven by the Scottish Government's involvement.

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