

CAPTURING OUR IMPACT

Empowering Ambitious Communities

2010/2011 to 2013/2014 and 2014/2015





CAPTURING OUR IMPACT

BACKGROUND

Front cover image: Morvern Community Development Company

Highlands and Islands Enterprise (HIE) is an ambitious organisation with a unique remit. As the Scottish Government's economic and community development agency for the north and west of Scotland, HIE's purpose is to generate sustainable economic growth across the Highlands and Islands.

HIE is committed to raising awareness and directly supporting the important social and economic role that social enterprise and community development delivers.

Social enterprises trade just like any other business, but at their heart they have a social purpose, trading for social, community and environmental benefits and reinvesting their profits to deliver their social purpose.

HIE account manages social enterprises, as well as private commercial businesses, and for both we measure their economic growth; the extent to which a social enterprise trades successfully is a measure of its health as a business, and its ability to operate independently and sustainably.

However, social enterprises and community-led organisations are established to pursue an extraordinarily wide range of social purposes, with the choice of a business approach being made, usually by those with entrepreneurial instincts, to maximise independence, flexibility and sustainability, these include:

- local regeneration
- health and social care
- culture and heritage
- local services and amenities
- poverty mitigation
- renewable energy and recycling
- social inclusion
- sport and recreation

Whilst measuring the growth in turnover can serve as a crude proxy for success in pursuit of the social purpose, it cannot demonstrate the nature of the social purpose; to capture this activity HIE created a social impact measurement model.



52,033_{MWh}

RENEWABLE ENERGY PRODUCED



Kilfinan Community Forest Company

The social economy of the Highlands and Islands is strong and growing. It is diverse and dynamic and brings value to our region in strengthening our communities, tackling inequalities and providing essential local services, particularly in remote and rural areas.

Across our region, empowered communities and social entrepreneurs supported by HIE, take action to improve the overall wellbeing of their communities. Social and community enterprises contribute strongly to the achievement of the Government's purpose by enabling community resilience, mitigating poverty and maximising the impact they generate from community owned assets. As significant employers, they create jobs, generate turnover in their local economies and often have a clear focus on their local supply chain for organisational goods and services, strengthening further the local economy. In addition to measurable social impacts, powerful economic impacts are enabled through the sector.

We highly value the intrinsic importance of the social and community enterprise sector, and have worked to enable ways so that, together with sector stakeholders, we can better

demonstrate the array of significant outcomes and the far reaching impacts realised by the sector.

Growing the sector is a priority for our agency. We invest through direct support, tailored products and services, account management and capital investment. We also provide support so that leadership, innovation and the business dimensions of the sector can be strengthened, in turn supporting increased capacity, development and organisational growth.

This paper sets out a summary of our social impact measurement for the periods 2010-2014 and 2014-2015, and the return on investment attributable to HIE. Far more is achieved by the sector than captured here of course, and we highlight the range and reach of our communities and social enterprises in a series of case studies in the final pages.

Through social impact measurement we track our impact over time, accurately inform the national policy environment and plan careful investment decisions to ensure we can continue to powerfully support the ambitious and innovative social enterprises and communities across our region.

172
TEMPORARY JOBS
SUPPORTED (FTES)

368 
TRAINEES

68
NEW INCOME
GENERATING ASSETS

219
NEW/IMPROVED
SERVICES/AMENITIES

845
TONNES DIVERTED
FROM LANDFILL

 **1,244**
NEW VOLUNTEERS

Measurement of social impact is not easy and it is widely accepted by both academics and politicians that no single universal system is likely to emerge. Identifying a single metric which captures the social impact of a multiplicity of social purposes is challenging, however, HIE introduced a range of Social Impact Measures (SIM), reflecting impacts which were previously observed but not reported, which are now used as a matter of routine practice by HIE.

These SIM indicators, the achievement reported to date and how this complements both HIE's anticipated Outcomes and the Scottish Government's National Outcomes, are illustrated in the table below.

SOCIAL IMPACT MEASUREMENT REVIEW:

01 April 2010 to 31 March 2014 and 01 April 2014 to 31 March 2015

SIM OUTPUT	SIM OUTPUT DEFINITION	2010-2014 EXPECTED IMPACT	2014-2015 EXPECTED IMPACT	HIE OUTCOME*	NATIONAL OUTCOME*
Number of Beneficiaries	Person who benefits from service provided by social enterprise, e.g. community transport, community shop, etc.	80,036	97,602	4, 5	7, 8, 10, 11, 12, 13, 14, 15
Number of Learners	Person with opportunity to acquire new information and/or skills to reach their full potential	18,396	3,957	4, 5	2, 3, 4, 7, 8, 10, 11, 13
Number of New Volunteers	People providing unpaid support to social enterprise activity.	800	444	4, 5	3, 4, 7, 8, 10, 11, 13
Number of Participants	Event attendees, e.g. cultural / training / activity, including tourists	47,385	35,480	4, 5	11, 12
Number of Trainees	Person with opportunity to achieve certificated training	202	166	3, 4, 5	2, 3, 4, 7, 8, 10, 11
Number of Supported Employment Opportunities	Person in receipt of income or payment via a supported employment programme (DWP or other)	6	14	3, 4, 5	2, 7, 8, 10, 11, 13, 16
Temporary Jobs Supported (FTEs)	e.g. fixed term development posts.	112	60	3, 4, 5	2, 4, 7
Number of New Income Generating Assets	New community-owned assets generating income	50	18	1, 2, 3, 5	1, 2, 7, 10, 11, 12, 14, 15
Number of New/Improved Services /Amenities	New or significantly improved service/amenities	160	59	5, 6	1, 2, 7, 10, 11, 12, 13, 14, 15, 16
Renewable Energy Produced (MWh)	Megawatts, tonnes of biomass fuel	50,283	1,750	1, 2, 5, 7	2, 6, 10, 11, 12, 14
Tonnes Diverted from Landfill	Recycled material diverted from landfill	845	0	5, 7	6, 10, 11, 12, 14
Forecast Increase in Turnover in the Social Economy	All income which is the result of selling a product or service, but excluding grants, unless they are awarded under a legally binding service level agreement or contract.	£8,260,650	£6,843,389	1, 2, 3, 5	1, 2, 7, 10, 11, 13, 14



Community-owned Isle of Scalpay

***KEY: HIE OUTCOMES (BUILDING OUR FUTURE: OPERATING PLAN 2014-2017)**

Forecast increase in turnover (including exports)	1
Forecast increase in turnover in the social economy	2
Forecast jobs created and retained	3
Increased social participation	4
Increased community benefit	5
Enhanced connectivity	6
Reduced CO2 emissions	7

£15,104,039
 FORECAST INCREASE IN TURNOVER
 IN THE SOCIAL ECONOMY

***KEY: SCOTTISH GOVERNMENT NATIONAL OUTCOMES**

We live in a Scotland that is the most attractive place for doing business in Europe.	1
We realise our full economic potential with more and better employment opportunities for our people.	2
We are better educated, more skilled and more successful, renowned for our research and innovation.	3
Our young people are successful learners, confident individuals, effective contributors and responsible citizens.	4
Our children have the best start in life and are ready to succeed.	5
We live longer, healthier lives.	6
We have tackled the significant inequalities in Scottish society.	7
We have improved the life chances of children, young people and families at risk.	8
We live our lives safe from crime, disorder and danger.	9
We live in well-designed, sustainable places where we are able to access the amenities and services we need.	10
We have strong, resilient and supportive communities where people take responsibilities for their own actions and how they affect others.	11
We value and enjoy our built and natural environment and protect it and enhance it for future generations.	12
We take pride in a strong, fair and inclusive national identity.	13
We reduce the local and global environmental impact of our consumption and production.	14
Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it.	15
Our public services are high quality, continually improving, efficient and responsive to local people's needs.	16

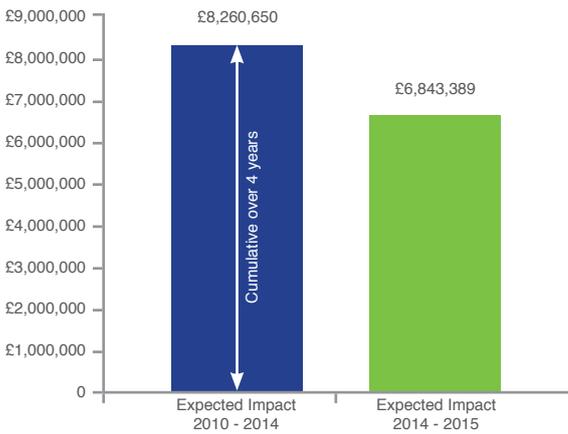
2014/2015 ACHIEVEMENTS

Throughout 2014/2015, we have continued to record the social impact from our investments, embedding this approach within the fabric of our organisation. We have done this in tandem with a heightened focus on our social and community enterprise portfolio, and closer work with sector partners. Our significant achievements, as recorded against HIE's in-year measures and wider SIM demonstrate ongoing strengthening of the social economy, through prioritised investment, across our region.

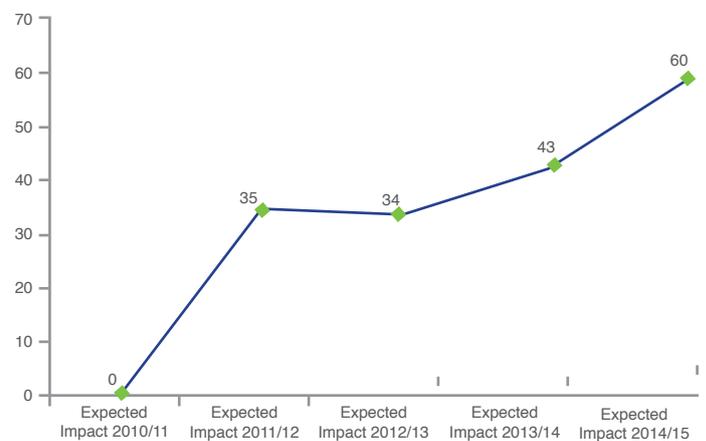
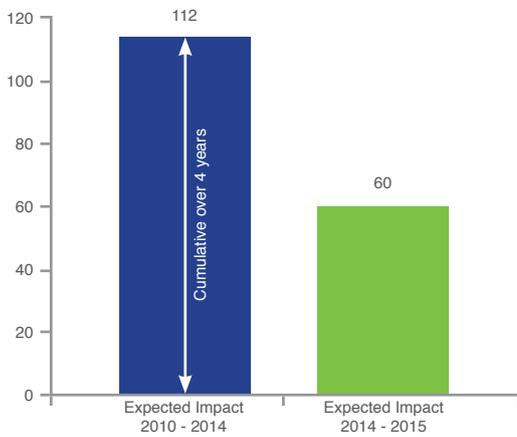
Our comparative performance during 2014/2015 is impressive; it represents the cumulative efforts of HIE staff and our ambitious and enterprising communities to design and deliver successful outcomes. As examples, over the period 2010-2014, we enabled 800 new volunteers as a result of HIE investment; in 2014/2015 alone, this figure is 444. Similarly, with the number of trainees; 202 in 2010-2014 and 166 in 2014/2015.

The charts below provide evidence of the far reaching social impact of our investments. Of particular significance is the trajectory for the increase in turnover being generated in the social economy, demonstrating that the social and community enterprise sector across the Highlands and Islands is both growing and flourishing. Our region's social economy is maturing and delivering both valuable social and strong economic benefits.

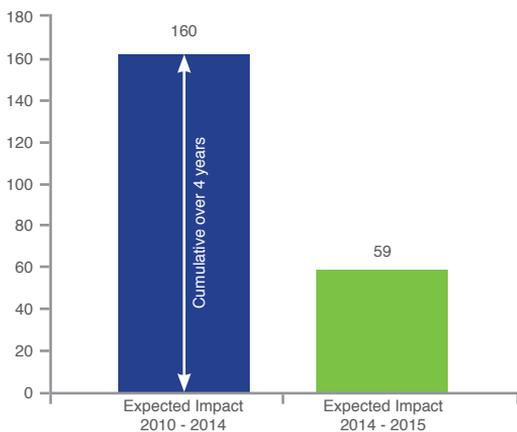
FORECAST INCREASE IN TURNOVER IN THE SOCIAL ECONOMY



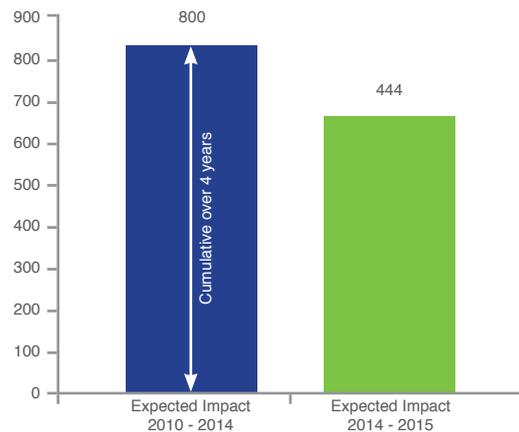
TEMPORARY JOBS SUPPORTED (FTEs)



NUMBER OF NEW/IMPROVED SERVICES/AMENITIES



NUMBER OF NEW VOLUNTEERS



CASE STUDIES



HIGHLAND STONWARE

Highland Stoneware (Scotland) Limited (HS) is a privately-owned commercial business based in the Lochinver area. HS manufactures a range of stoneware pottery items which are individually hand-decorated, and work both as artistic collectables and as hard-wearing practical tableware. HS operates two workshops/showrooms in Lochinver and Ullapool, and **employs a total of 23 staff, and pays £400,000 p.a. in wages directly into the local economy.**

HS's most obvious social impact is the provision of 23 well-paid jobs in a fragile area, where every job is valuable. However, HS goes much further than most commercial businesses would perhaps consider. HS gets the best from its staff; but this translates into a series of policies and accommodations that virtually define flexible working and the practical application of corporate social responsibility.

HIE supported a management development programme, part of which includes two members of staff learning how to manage the business and gradually take over the basic management functions, in order that when the founder decides to step back, HS can still operate on a sustainable footing. HS also intends to work with Co-operative Development Scotland **to explore the possibility of a staff co-operative taking over the whole business for the permanent benefit of the community.**



KNOCKANDO WOOLMILL COMPANY LIMITED

Knockando Woolmill Company Limited (KW) is the trading arm of Knockando Woolmill Trust, which in 2013 completed a £3.5m restoration

project of the woolmill, which has been producing textiles since 1784. HIE contributed towards the costs of a new production facility which is now trading internationally, the profits from which will support the ongoing sustainability of the mill infrastructure. **The facility also provides a café, a 5-star visitor centre and shop** which, as well as being a hugely valuable tourist attraction, has created an important community hub which provides meeting and training space and is actively supported by volunteers and local residents.

In 2013, HIE contributed towards working capital to facilitate the purchase of competitively priced yarn so that material stocks are sufficient to respond quickly to new and large orders.

Wholesale, retail and online sales are currently above targets set for 2014/2015 with income having increased by 20% since 2013/2014. Volunteers have increased from 7 to 20 and visitors have increased from 8,000 to 16,000 in the same period.

As well as developing trading relationships with small local producers, KW has also created local employment opportunities within a rural community.



OBAN PHOENIX CINEMA

Oban Phoenix Cinema Limited (OPC) was established in 2010 to enable the community purchase of the old Highland Theatre Building in Oban and the re-establishment of a cinema for the community of Oban, Lorne and the Isles. The cinema re-opened in August 2012 and offers a wide range of cinema and live event programming responsive to audience demand, which is currently screened in one **148-seat theatre and another smaller theatre which seats 30.**

HIE supported OPC to purchase the building and fit it out. Approximately one year after re-opening, HIE also supported OPC to upgrade to **3D-enabled digital projection** in order to capitalise on opportunities presented by new

technologies, reduce its carbon footprint and to enhance and develop the programming offered.

In addition to the staff team, OPC has a strong Board and a well-supported volunteer programme.

In its first full year of operation, OPC welcomed almost 70,000 visitors through its doors.



MAREEL ARTS CENTRE

Mareel was established by Shetland Arts Development Agency (SADA) to provide a multifunctional creative industries centre for Shetland that delivers a broad programme of arts and cultural activities.

Mareel opened in 2012, and has showcased an array of film, music and cultural events, including **the most Northerly Film Festival in the UK** and major live acts such as Ricky Ross from Deacon Blue and comedian, Ross Noble. A key purpose of Mareel is to provide education, training and learning activities; working in partnership with UHI and other partners to deliver a range of creative industries focused courses and workshops which appeal to, and benefit, the whole community.

HIE has delivered significant investment and support to Mareel, ensuring focus on key outcomes has been maintained and helped secure the long-term future of the centre.

Mareel has delivered:

- **58 FTEs or 150 posts, average wage of £25,160 - a significant number of young people**
- **210,000 hours of individual student teaching time**
- **7.5 visits per head of population**
- **the best attended cinema in the UK for its population**
- **over 17,800 attendances at events.**



ORKNEY MICRO RENEWABLES CIC

Eday-based Orkney Micro-Renewables CIC (OMR) was established in 2011. OMR acts as a broker between developers, who pay for the wind turbine and its installation and who also benefit from Feed-in-Tariffs (FITs), and land owners, who host turbines and benefit from reduced fuel costs, as their energy usage is free when the turbine is generating.

OMR experienced rapid growth in its early years of operation, as Orkney residents sought to capitalise on the availability of FITs, resulting in reduced fuel poverty and carbon output.

OMR supports the long-term social, economic and environmental sustainability of Orkney's North Isles by:

- **reducing fuel poverty through making wind turbines free at the point of delivery and reducing customers' fuel bills.**
- **reducing householders' carbon output through a renewable form of energy.**
- **providing sustainable employment to OMR employees and indirectly by using local suppliers where possible.**



NEW START HIGHLAND

In 2000, a small charity was established to supply "home starter packs". From this modest beginning New Start Highland (NSH) has grown into a substantial company: in 2013/2014 it had **a turnover of around £2 million** and its services span much of the Highlands.

NSH is a large, fast growing and dynamic social enterprise, serving communities in the Highlands by providing support and assistance to the most vulnerable in society, including those who are moving from homelessness, long-term unemployed or otherwise experiencing social exclusion. NSH's aim is to support people to realise their potential as they work towards a sustainable future for themselves, their families and their communities. Their range of services covers a wide spectrum including housing support, starter-home packs, recycling, furniture refurbishment and reuse, painting and

decorating, landscaping, storage and removals, retail outlets and bike servicing and repairs.

In 2013/14 NSH:

- **assisted more than 2,660 individuals and families settle into new homes by providing furniture and support.**
- **furnished 2,503 households through its furniture re-use scheme.**
- **delivered starter packs to 673 households.**
- **re-used over 44,500 items, equating to 650 tonnes diverted from landfill.**
- **supported 239 families towards sustainable accommodation.**
- **Employment Training Service team trained 378 people to employable standards, delivered over 770 certificates and qualifications and assisted 110 people into employment.**



MORVERN COMMUNITY DEVELOPMENT COMPANY

Morvern Community Development Company (MCDC) was established in 1999 to take ownership of, and upgrade the community's fuel pumps, preserving this vital community asset. In 2010, MCDC were invited to join HIE's Community Account Management programme, an element of which included funding to employ a dedicated development officer (LDO). This was timely, as MCDC was participating in an EU programme delivering sailing infrastructure, and the LDO's first task was to oversee delivery of **a 20-berth pontoon project, followed within two years by complementary on-shore facilities.**

The resultant marina business now employs four people (1.5 FTE) with an annual turnover of £45,000.

The marina hosts over 1,500 boat nights per year, bringing between 2,000-6,000 visitors into the community, bringing benefit to other local businesses; the village shop has extended its stock range to meet demand and employs more staff all year round, food outlets report significant additional turnover, and opportunities for local entrepreneurs to supply goods and services are being created. On top of this, the marina business is able to pass surpluses back to its parent charity to be reinvested in other community projects – **in 2013 this amounted to £21,000.**



WEST HARRIS CROFTING TRUST

West Harris Crofting Trust (WHCT) acquired West Harris Estate in 2008, when the community was facing considerable challenges; 40% of properties were holiday lets, no available social or private rented housing, no dedicated community facility and no business units. The resident population was dwindling and demographically unbalanced and the local school subsequently closed.

WHCT's ambitions are directly related to these issues:

- **130 people living in area by 2015 - 170 by 2020.**
- **a reduction in the economically inactive from 42% to 37%.**
- **an increase in the 18-64 age group from 46% to 50%.**

WHCT is undertaking a major development which will provide a community hub for socialising and events, will include business units and offices to stimulate economic activity and a wind turbine to generate energy and provide income. WHCT has

- **created 6 serviced sites for affordable housing (being developed by the local housing association).**
- **created 2 private housing sites (one family home already under construction).**
- **created a pontoon facility with onshore units.**
- **acquired the vacant school; already rented by RSPB, and will provide tourist facilities including café and campervan hook-ups.**
- **hydro energy projects underway.**

These initiatives are already reaping social, economic and environmental benefits and WHCT expects to exceed its initial targets.

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Visit www.hie.co.uk for more information about HIE's vision, priorities and activities.