



# Let's be social: how can circular economy interventions improve lives?

At Zero Waste Scotland we are working to create a society where resources are valued and nothing is wasted. But we know that in doing this, we also create social benefits such as improved self-esteem, employment opportunities and greater local community cohesion. These social benefits are incredibly valuable and we cannot report the true impact of all that we do without including them. Here we consider the social benefits of our work, how we can demonstrate them and what we should do next to ensure that the circular economy improves society as a whole.

Zero Waste Scotland's programmes reinforce and contribute to the full range of Scotland's National Performance Framework<sup>1</sup>. We measure our direct contribution to the three national outcomes that are most relevant to our programmes:

- We value, enjoy, protect and enhance our environment
- We have a globally competitive, entrepreneurial, inclusive and sustainable economy
- We have thriving and innovative businesses, with quality jobs and fair work for everyone

To demonstrate the value of our programmes, we monitor and quantify the impact of our activities on tonnes of waste diverted from landfill, resource use avoided (including materials, water and energy), carbon equivalents avoided (CO<sub>2</sub>eq), jobs created or safeguarded, and economic savings or revenue generated.

However, we believe that these quantified metrics alone understate the full impact of our support, and that our programmes of engagement and intervention also result in wider, social impacts. Our activities also contribute to the following national outcomes:

- We are healthy and active
- We live in communities that are inclusive, empowered, resilient and safe
- We are well educated, skilled and able to contribute to society

While we currently gather some of this detail in a qualitative manner, we have yet to formalise a process for demonstrating the full extent of our social impact.

## Examples of our social impacts

Our mission is to influence and enable change - gathering evidence, informing policy and motivating practical behaviour change in individuals and organisations. We also make direct interventions to effect change, through finance, business support, technical advice, training and competence development or communications support. In some cases, the social benefits of these interventions are obvious, such as engaging community groups and supporting social enterprises with re-use. More widely however, evidence shows that all of our programmes have some degree of positive social impact.

- Through Revolve Certification, a re-use social enterprise can become more efficient and resilient as a business. They are then better able to deliver their social objectives, for example creating home-starter packs for disadvantaged families.
- Our Workforce Development work has made the waste management industry safer and has upskilled staff.
- Zero Waste Towns projects engage a whole community, bringing residents and local businesses together and increasing a sense of community and shared objectives.
- Our Low Carbon Heat programme supports the installation of district heating systems which can provide affordable and reliable heating to households that previously suffered from fuel poverty.
- Advice, support and access to finance helps small businesses to become more resource efficient. We have seen some supported businesses being able to open in the winter months and provide year-round employment.
- Our Musical Instrument Amnesty Pass it on Week campaign encouraged people to donate their musical instruments so others could use them. Children that may not otherwise have been able to access instruments were able to start learning to play.



1. <http://nationalperformance.gov.scot/>

## Measuring the benefits

Social benefits are frequently counted, quantified, and costed in economic and policy analysis where they are fundamental to approaches like cost-benefit analysis. Organisations wishing to talk about social value have used similar approaches to quantify the value of the 'goods' that they create and a range of techniques exist to do this. However, the true value of social benefits is often subjective, or impossible to put a monetary value on – your mental health, for example. Behind any number signifying a financial value there are real lives, real environmental benefits, and real communities.

In 2017, we conducted a study to explore the range of social benefits that two Revolve certified third sector re-use organisations delivered in 2014, and the extent to which our support enabled this. One of these organisations was Fresh Start, who work to reduce homelessness by providing goods, support and employment to people that have been placed in a new home and were either previously homeless or threatened with homelessness. We provided them with advice and financial support to improve their warehouse, electricals testing infrastructure and marketing strategy.

We consulted with stakeholders to identify and evidence social benefits and understand the value of the work undertaken – a selection of examples is provided in the table below. We then assigned a value to each of these benefits, estimating that the social benefits generated by Fresh Start in 2014 range from £271,000 to £2,465,000. These figures likely underestimate the overall value, as it was not possible to quantify or monetise some benefits. Also, despite providing ongoing support to Fresh Start, Zero Waste Scotland's overall financial

contribution is small in comparison to other income streams for the organisation so we do not attribute a monetary value to the social benefits generated by our support.

As evidenced by this study, there are a number of difficulties in identifying Zero Waste Scotland's total social impact.

- A considerable amount of time was required to assess just one support recipient because:
  - There are an extensive range of types of benefit.
  - Benefits are felt by a wide range of stakeholders.
  - The benefits can be quite diffuse and spread across the community.
  - Some of the benefits are indirect and are felt by people who have never heard of us.
- The final monetised total has a wide range of values, demonstrating how sensitive and subjective the method is.
- The final value neglects some impacts that are non-quantifiable or do not have a reasonable financial proxy.
- The final value cannot be attributed to Zero Waste Scotland's support alone and our support cannot be assessed in isolation, due to the mix of funding provided to the business.

These benefits are incidental to our support - they are not our core objectives or what we set out to achieve. So how can we justify the time required to assess and quantify the full potential of our social impact? We believe that the benefits are so important and bring so much value to the programme that we should try to capture and report them. Full quantification may not be appropriate, so we must find another way to demonstrate these impacts.

Stakeholder	Social Benefit Identified
<b>Recipients of goods</b>	Improvement in well-being, social inclusion, stability of tenancy; Economic savings from receiving essential goods free of charge
<b>Recipients of classes</b>	Skills development; Improvement in well-being and social inclusion; Savings due to budgeting advice
<b>Volunteers and people on placements</b>	Skills development; Improvement in well-being, health and social inclusion
<b>Staff (with/without special needs or disadvantages)</b>	Increased awareness of people with special needs or disabilities in the workplace; Improvement in personal well-being, health and social inclusion; Regular income
<b>Family of staff/volunteers</b>	Improvement in general well-being
<b>Donors - individuals, schools, businesses, churches</b>	Improvement in personal well-being, social inclusion and corporate social standing
<b>Housing Associations</b>	Improvement in asset maintenance, stability of tenancies and service provision
<b>Third sector</b>	Efficient service provision and related savings
<b>Public Sector</b>	Public financial savings



Engaging school children on Bute, as part of the Zero Waste Town project.

## A new approach

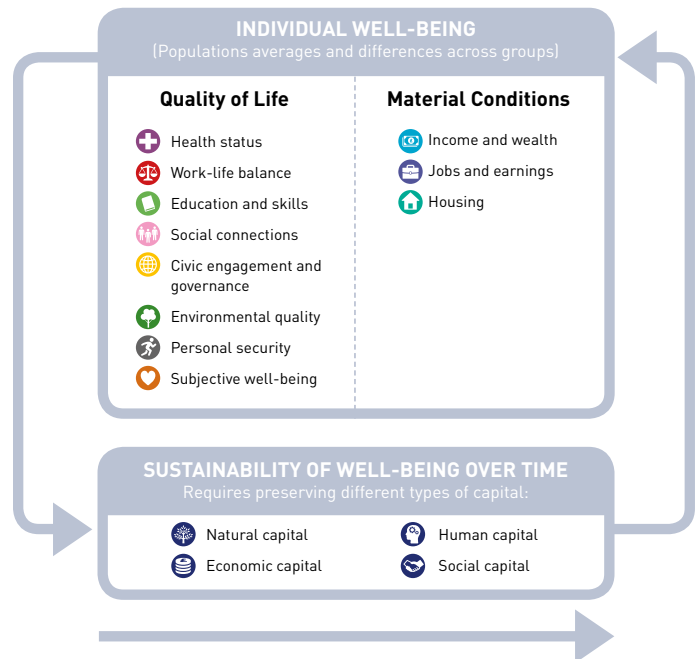
We need to decide what is an appropriate amount of investment in monitoring compared to the support and the expected value of the impacts. We have considered surveying some of the Revolve certified stores to allow quantification of other metrics such as number of staff with disadvantages to gaining employment or training opportunities delivered. However, we don't believe that a lot of the organisations we work with monitor all of these metrics and have the data easily to hand. Even if all this data were provided, we think it would still underestimate the total value of the impact.

We do not intend to monetise benefits due to the contested nature of some of these valuations but we must look to develop an evidence-based understanding of these social outcomes. Zero Waste Scotland plan to do this through the production of in-depth case studies, stories and examples as evidence of our contribution to Scotland's National Performance framework. We can then focus on a selection of metrics that are of most importance to us and our funders.

But it's not just about measuring social impact after the fact – there's even more to consider as part of a balanced economy. Our goal is to transform the economy by focussing on circularity of materials. But if the whole economy is to be truly sustainable, we need to ensure that all our investments contribute to a social foundation, without exceeding our environmental ceiling<sup>2</sup> as described in Kate Raworth's Doughnut Economics Model.

Oxfam has applied this "doughnut" model to Scotland, to determine how the country is performing against the wide variety of indicators that contribute to a balanced economy<sup>3</sup>. The findings highlight that we have exceeded our environmental ceiling in some categories, whilst at the same time underperforming on some social foundations, including energy poverty and access to local natural environments.

New Zealand is looking to create a "wellbeing economy", basing their national policy framework on the OECD framework for measuring wellbeing and progress. They will be one of the first countries to make wellbeing a core part of their national budget. Outcomes are split into different categories - market (material conditions) and non-market (quality of life) and linked to four different types of capital (natural, economic, human and social), as shown in the diagram below<sup>4</sup>. We look forward to seeing how this framework will translate into national policies and budgets and begin to have a demonstrable impact.



Evidence indicates that Zero Waste Scotland's investments shouldn't be based exclusively on carbon and cost-saving factors. There is a strong case that it should include a balance of all elements of a sustainable economy, from employment, to mental health and social cohesion and our contribution to all of Scotland's National Performance Indicators.

Moving to a circular economy **can** improve the quality of people's lives - how we demonstrate our part in this is more difficult and we will continue to explore new ways to do this. It is time to put wellbeing at the forefront of what we do, including during planning and at the point of investment. Given this, it's time to stop viewing social benefits as additional or incidental. They should be an integral part of our decision making, to ensure that we are proactively using circular economy interventions to improve lives. Zero Waste Scotland will continue to evolve our approach to put this important aspect of the circular economy at the centre of what we do.

2. Doughnut Economics, K Raworth, 2017. 3. The Scottish Doughnut: A safe and just operating space for Scotland, M Sayers, K Trebeck, F Stuart, 2014.

4. <http://www.oecd.org/statistics/measuring-well-being-and-progress.htm>