



Third Sector and Net Zero

Results and Analysis

Introduction

In November 2021, the eyes of the world will be on Glasgow as it hosts the 26th UN Climate Change Conference (COP26). The conference will bring together heads of state, climate experts, climate change campaigners and civil society to discuss and agree a road map that can tackle the climate emergency.

In October 2020 SENScot convened a Steering Group that is comprised of sector partners - SCVO, CEIS, Scottish Community Finance, Development Trust Association Scotland, Firstport; Scottish Community Alliance; Scottish Communities Finance and Social Enterprise Scotland.

This group realised that COP26 would bring unique prospects for social enterprises (SEs) and the wider third sector in Scotland. As a sector that strives for the triple bottom line of economic social and environmental outcomes, the event could act to showcase the sector's excellent work and the people and communities they engage with.

Earlier this year, the Steering group produced a **Social Enterprise Net Zero Strategy** which sets out the ambitions for the sector.

The years following the COP26 event will also offer opportunities for the sector to show real leadership on what is essentially a human rights issue, as it is now accepted that climate change will have the greatest effect upon the poorest communities in Scotland. This means decarbonising the sector over the next ten years.

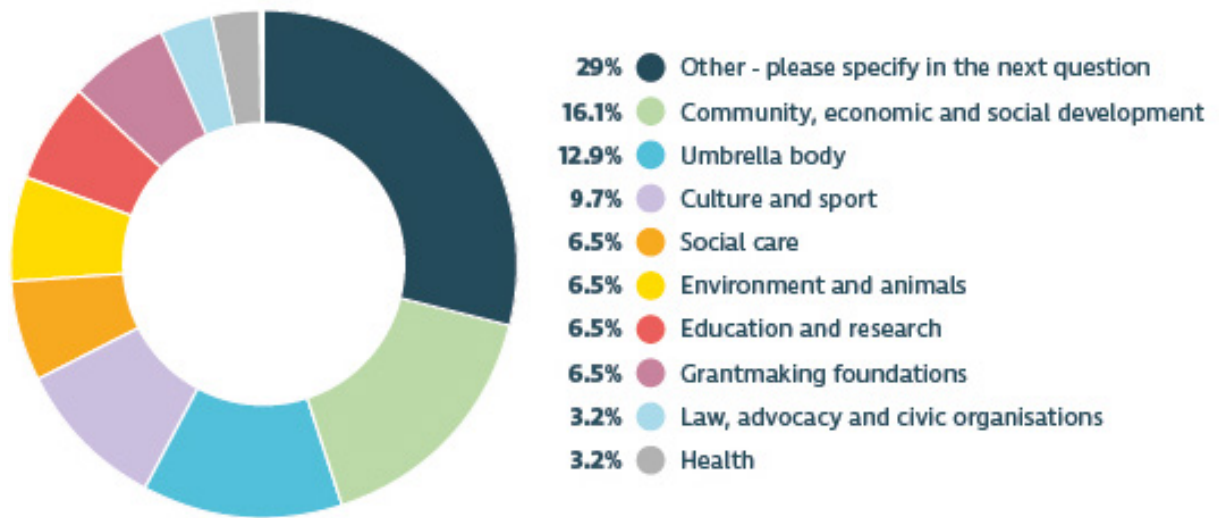
However, it's very quickly became apparent that there is little, if any, baseline data to demonstrate the sector's climate impact or the needs of the sector and the type of support measures they require to meet the Scottish target of net zero by 2045. In order to address this knowledge gap SENScot & SCVO undertook surveys of their memberships in addition to running FOCUS Group sessions to determine in greater depth the sector's view of the climate change agenda.

In total 549 third sector organisations responded to the surveys, representing a 13.55% response rate. All of the data outlined below reflects the collective answers of those who responded to the relevant questions posed in both surveys. Please note that the surveys did vary in some of the questions asked.

The collective results and analysis of the survey responses are set out below. A number of measures are outlined below that could be undertaken for each section. Within each of these sections there are quick wins that could be implemented relatively promptly and at low cost.

Who Responded

Respondents' primary area of work



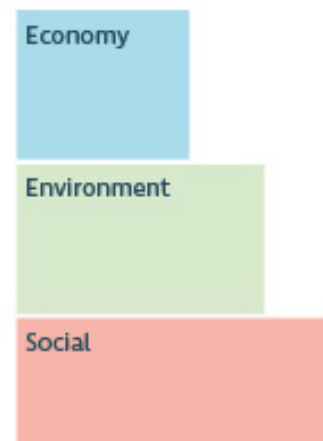
Respondents triple bottom line priorities ranked

66.5% of respondents put social outcomes as their first priority.

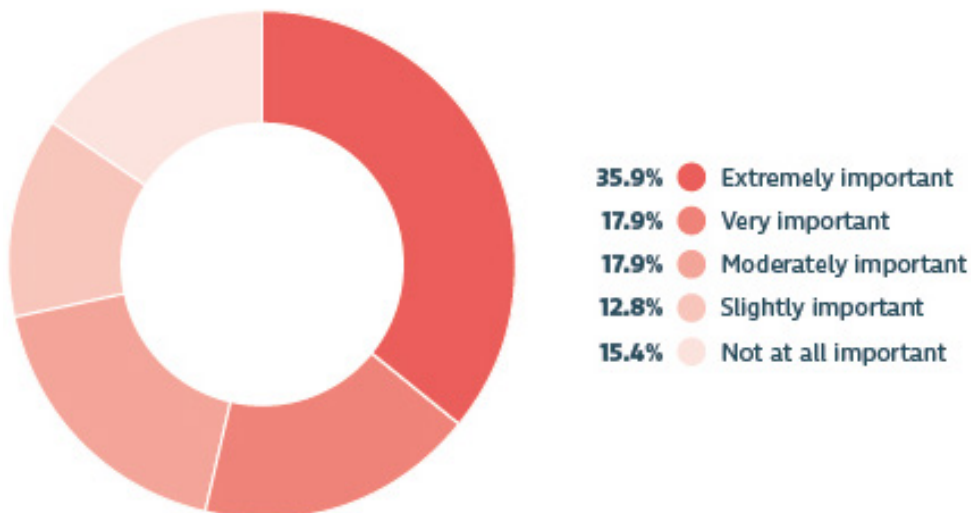
25% prioritise environmental outcomes.

12% prioritised economic outcomes as the most important.

Overall, 51% of respondents place Environmental outcomes as second priority



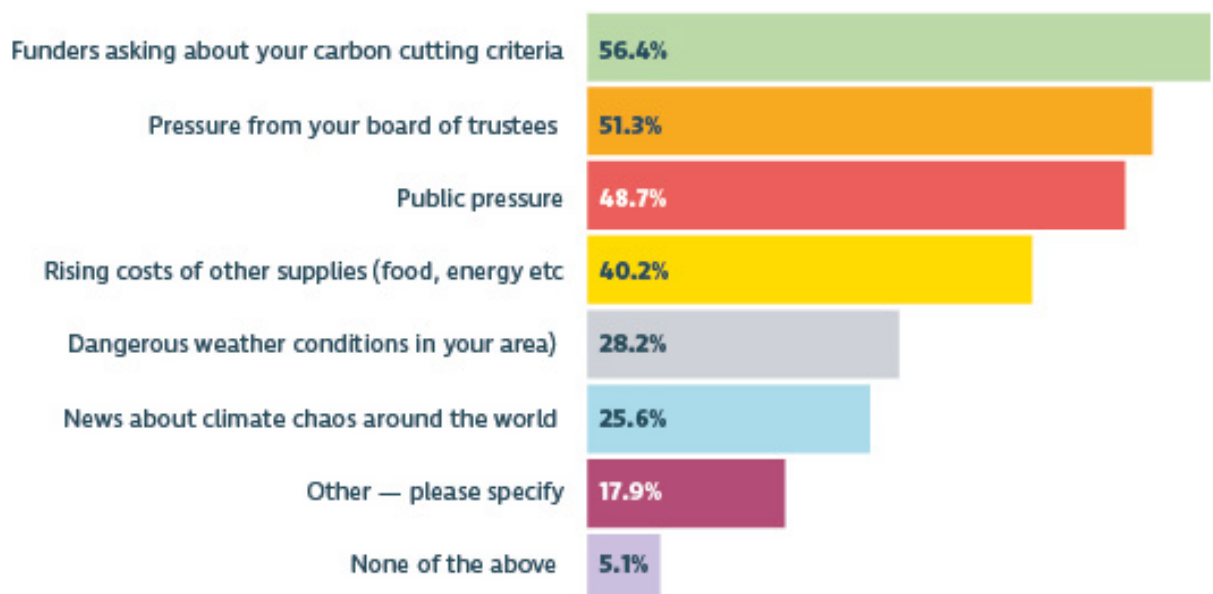
How respondents viewed the importance of the climate crisis



Analysis

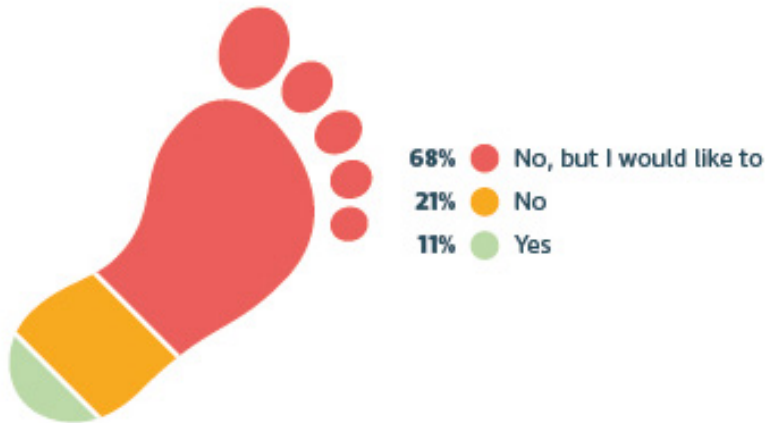
An analysis of 'Who Responded' reveals a number of interesting traits that are important in moving the sector towards net zero.

- Although, addressing social issues is the primary motive for most respondents, it is also clear that the environment is important to them. So, there is a good base to build on. To appeal to the 66.5% of those prioritising social concerns, it will be vital that all communications highlight that climate change is a social justice issue and to address one will increasingly be about addressing the other.
- Identifying peer mentors and peer advisors from those organisations already engaging, either directly as environmental organisations, or indirectly as social organisations that have started on their net zero journey, identifying peer mentors and peer advisors who can act as a vanguard to the sector and can assist in peer learning exchanges and offer case study opportunities will be crucial.
- For those 46% of respondents who do not consider the climate crisis to be either not at all or only slightly to moderately important, a different approach will be needed. Appealing to their economic sustainability might be the best approach, particular in relation to either saving money or making money as a result of undertaking environmental activities.
- Finally, in addition to introducing 'Push' factors such as economic efficiency, it will be necessary to highlight those 'Pull' factors such as requirements on organisations to meet funders climate metrics. Equally, there will increasingly be a need to demonstrate carbon impacts via a carbon tool as part of a contract with a public agency. As the graph below demonstrates, it is pressure from funders and other stakeholders plus the rising costs of supplies that were the top four drivers of change.



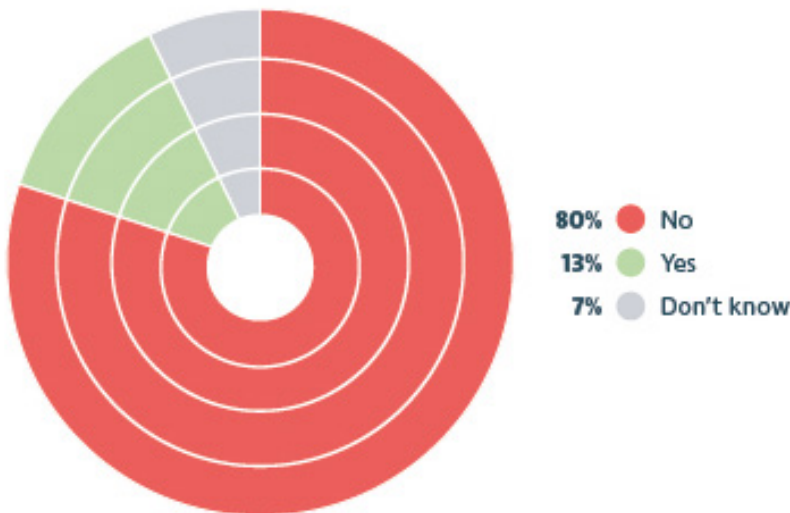
Carbon Measurement

Have you ever measured the carbon footprint of your organisation?



“Not sure how to measure carbon footprint – would be interested to know”

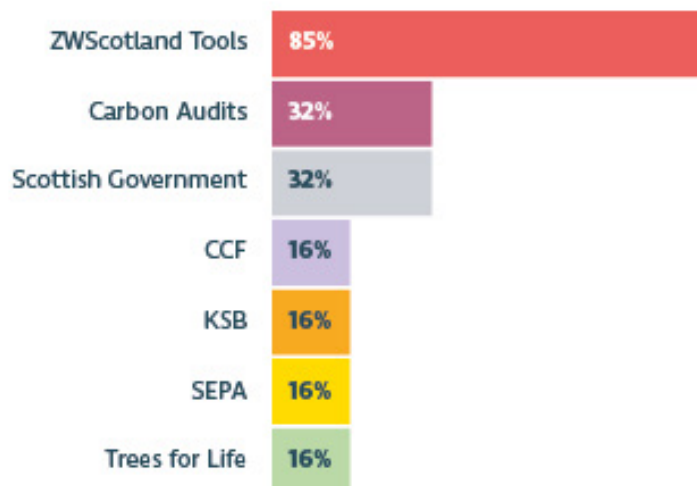
Has your organisation set a carbon neutral target?



“We feel this would be a huge time commitment but very keen to do so”

“From 2020-21 we reduced our carbon footprint after a ZWS energy audit ”

What carbon measurement tools have you used?



“Signed up to carbon analytics to baseline our data”

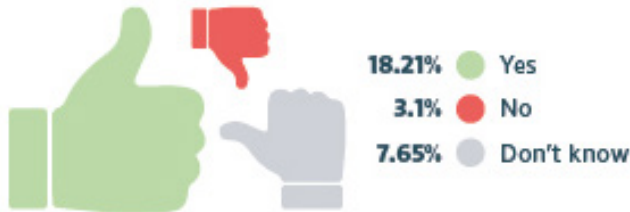
Analysis

Carbon footprinting is a necessary activity in order to evidence change and movement towards net zero. It is therefore essential that the sector has access to carbon measuring tool(s) that are appropriate and proportionate.

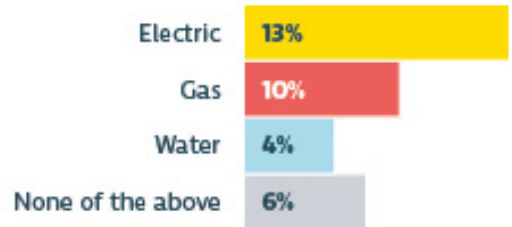
- Although 23% of respondents answered this question, the majority are not undertaking any carbon footprinting or have not set any carbon reduction targets but clearly most would like to.
- It is clear that organisations find undertaking carbon footprinting time consuming and difficult.
- The answers indicate that available carbon measurement tools are difficult to use.
- Research identifying the most appropriate and adaptable tool(s) for the sector will be required in order to ensure that the most suitable ones are promoted.
- The vanguard group, mentioned above, could perhaps inform this selection using their own experience.
- It will be essential to support organisations to engage with carbon footprinting. Allowing organisations to begin their net zero journey at the starting place that is right for them will be critical. Developing a multi-stepped support structure and approach that allows organisations to start at their own level but builds over time would probably be most suitable given the diverse nature of the sector.
- Engaging with funders to ensure they accept sector specific tool(s) in their application process will be crucial. The alternative will be each of them imposing their own metrics, resulting in applicants having to use a variety of tools for each funder.
- As it is highly likely that councils will also make carbon measurement an aspect of procurement, it will be crucial that again they have confidence in the sector specific tool(s) and accept them as part of the contractual relationship with the sector.
- Consideration should be given to developing a potential accreditation route to evidence the various stages in the carbon measurement journey of organisations.

Utilities Usage

Are any of your current utilities supplied from renewable sources?



What utility usage do you actively monitor?



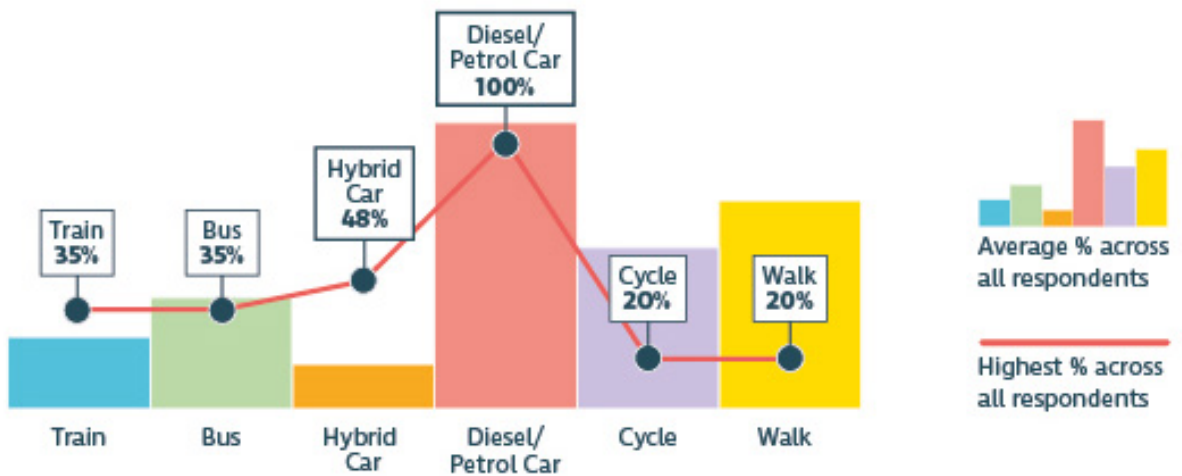
Analysis

Energy use contributes about 25% of all climate emissions and changing utility suppliers is probably the easiest step that organisations can make in their move towards net zero. Responses to the utility question highlight a few interesting points that will shape how the sector's estate moves its energy usage to net zero.

- Many organisations who responded rent their spaces from landlords and therefore have no control over who supplies the utilities. Clearly this situation will impact upon their ability to monitor their usage or change their suppliers.
- Consequently, this is a challenging area for the sector's estate and will need to be tackled in an innovate manner. One way might be to assist organisations to work with their landlords to shift to renewables, by highlighting the carbon benefits and potentially the cost of doing so if it is lower than the status quo or at least cost neutral.
- Alternatively, options encouraging and showing members how to offset their energy usage might be a more suitable choice for some organisations.
- Post Covid behaviour is likely see more people working from home. This will impact upon organisational carbon emissions. A relatively easy support measure would be to produce a template to allow them to capture pre and post Covid utility costs. This is likely to indicate a show a drop in usage with corresponding reduction in usage and is therefore a quick win.
- Organisations with their own buildings and land should be supported to install their own renewable sources of energy not just for net zero purposes, but also for financial sustainability.
- For those organisations that own their buildings but cannot install renewables it must be made easier for them to switch to renewable suppliers. Engaging with small renewable suppliers e.g., Peoples Energy, to provide a sector rate and deal could be one option.

Personnel Transport Use

What percentage of personnel usually travel to work using each method?






Analysis

At 38%, this question was answered by many organisations. 21% of all emissions comes from transport. The chart above shows that sector personnel use the complete range of modes of travel available, including hybrid cars: scooters: electric vehicles: motorbikes and carpools. There is however a very clear division between the rural organisations and the urban ones in terms of choice of transport.

- Accessing public transport is clearly much more difficult in rural areas, with many organisations stating that the availability and frequency of public transport limits their options.
- Many respondents have Active Travel and Cycle to Work Policies in place. Based on those, templates could be provided online to any organisation wanting to develop these policies.
- Covid clearly has changed people's need to travel to work, so it is likely from responses that will continue post Covid. This would completely change carbon emissions from travel if pre and post COVID transport could be evidenced. A relatively easy support measure would be a template to allow them to capture this change. This is likely to indicate a drop in usage with corresponding reduction in usage and is therefore a quick win.
- Provision of support to assist organisations to promote and access the range of financial grants available to them e.g. E-Bike grants of up to £25k: £50k grants for Electric Vehicle Charging Points or the Bike to Work Tax Saving Scheme, would be beneficial.
- An option might be to partner with KSB or the Cycling Friendly Employer Award or the Walk to Work Award and perhaps sponsor a Third Sector environmental award.



Circular Economy Responses

What types of materials & goods are you recycling: reducing: reusing?
(eg food, paper etc)

Reduce 	Reuse 	Recycle 
Refilling consumer products/encouraging bring your own containers	Bike spare parts from donated bikes	Onsite composting, compost and wormery
No single use plastic in catering/events	Cardboard boxes for deliveries	Wood recycled into bird boxes
Provide staff with reusable coffee cups	Accept donations of second-hand items to resell	Children's craft activities using various office materials including toilet roll holders

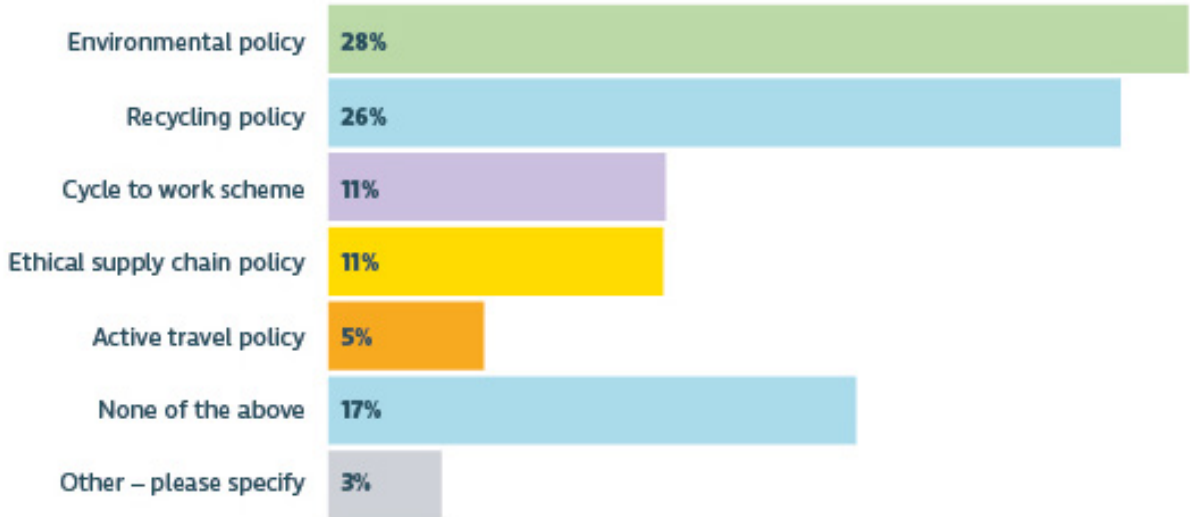
Analysis

The circular economy questions were answered by the most respondents and showed that organisations had a good understanding of this issue. Obviously those organisations with environmental objectives and/or directly affected by regulations such as the food recycling regulations are clearly ahead of the remainder in terms of knowledge and actions.

-  The reduce: reuse: recycle message has been around for a long time and of those respondents who answered this question, **65% stated** they are doing some of the activities highlighted above.
-  This area is potentially a **simple and easy starting point** for organisations who are not engaged with the net zero agenda, primarily because it is not expensive to implement and there is a greater general awareness of recycling/reuse messages.
-  Behaviour change in relation to reducing waste in the first place however is very difficult, but **cost savings** from avoiding consumption should be a good motivator for organisations to make the move.
-  Some consideration should be given to establishing **a sector swapping platform** that allows organisations to swap materials that they don't need with those orgs that would use them.
-  Bringing the **Green Office Guide** to the attention of the sector and supporting organisations to implement it would be an easy win.

Current policies in place

Does your organisation have any policies or procedures in place that relate to carbon reduction?



“Provided by landlord so no access to information on energy”

“We have dedicated recycling bins and create our own compost using garden and kitchen food waste”

“Gas use has gone up in pandemic due to people keeping windows open. Electricity too as people leave lights on rather than touch switches”

“We’d love to have electric vehicles, but it’s too expensive”

“Believe we have a responsibility to do more to tackle Climate Change. Unfortunately, other priorities over the past year takes precedent. Would like to see the organisation focus more on this going forward. Outside pressure to change may help to sharpen focus.”

“Recently established an Environmental Management Plan, & put in place measures to monitor and reduce resource use / waste”

“Large rural area. Limited public transport alternatives”

Conclusion

There is little doubt that some fantastic climate change work is being undertaken by organisations with an environment remit. Equally, there are also charities who recognise the link between their socio-economic objectives and the climate crisis and are doing what they can to move towards a net zero organisation. Nevertheless, the relatively anemic response to the surveys and the 80% of respondents that have not set any carbon reduction targets indicate a real disconnect between the wider sector and the climate change agenda. However, these surveys are only a snapshot in time.

Clearly Covid is the most pressing issue for the sector and it is likely that the focus on this has impacted upon the response rate and answers.

On the one hand it is concerning that just under 50% of respondents think the climate crisis is either not important or only slightly to moderately important. On the other hand, 68% of respondents who do not currently undertake carbon footprinting would like to do so.

Overall, the picture is very mixed and shows a sector that requires support in their journey towards net zero. Ensuring the correct type, scale and focus of that support will be crucial. At present, there is lots of support already available either for free or at a cost, so it is not about duplication of effort. However, the sheer complexity of the available support can bamboozle people and make it impossible to know where to start or how to start.

Many of the available tools and service providers adopt a uniform approach that tends to meet the needs of larger organisations. Consequently, in relation to the third sector, they can be disproportionate in approach: can assume in depth understanding of the climate crisis: can expect organisations to have inhouse expertise and to have significant financial and human resources to undertake the necessary data analysis and implement the necessary actions. As such it will be essential to engage with these providers to ensure that what they offer is tailored to the needs of the sector.

There are many climate adaptations that are outwith the control of charities e.g., the availability and frequency of public transport for rural organisations: the fact that many organisations rent their premises from a third party and as such have little or no influence over their energy suppliers.

In these instances, offsetting must be an option. A key role of a new strategic body would be to link up with an existing offsetting company to produce compensating options that work for these charities e.g., a third sector organisation is matched with another one that could offer offsetting opportunities via its day to day environmental operations.

For those organisations that directly own buildings and land, significant financial support will be needed in order to guarantee the sector's estate is carbon neutral. Equally to turn the whole sector's transport fleet electric will also require financial support. It would be the role of the new climate emergency strategic body to liaise with grant and financial providers to put in place the programmes needed to ensure that this happened.

To provide funders and contractors with confidence in the carbon reduction measures that the sector undertakes, an accreditation system will be necessary to validate the various stages that organisations will progress through on their net zero journey. Some charities might be starting at a stage 3 level whilst others may be beginning at stage 1. In all cases, these need to be measured and recognised as legitimate steps. Again, this would be a function of the new strategic body who would perhaps liaise with SEQM or similar to introduce this system.

Supporting the wider third sector to move towards net zero is essential, but it is one that could be undertaken relatively easily and quickly. This support has to be a service that partners with existing providers and services of carbon metrics and expertise. It needs to ensure that policy templates and case studies are available online to act as a useful 'aide memoire' and source of inspiration to organisations. It needs to outline a credible route map offering a variety of routes towards net zero, which would allow charities different starting points but the same destination. Finally, it needs to ensure that the sector has access to environmental courses and training e.g., by partnering with Zero Waste Scotland or similar to host them. Finally it must find the necessary financial support so that the burden of net zero adaption isn't borne by those organisations least able to afford it.

These are some of the critical necessary measures needed to increase the knowledge base, expertise and engagement of the Scottish third sector in the climate emergency agenda that they and their communities and clients will be facing over the next 25 years.