



The Rural Environmental Action Project (REAP) is part of the national charity CSV and works with community groups and agencies in Moray and Aberdeenshire in North East Scotland. The focus of REAP is not just environmental, being more about the wider concept of sustainability.

Over the last three years REAP has been working in partnership with Community Business Scotland Network to engage 20 voluntary and social economy organisations in carrying out social audits.

WHAT IS SOCIAL AUDITING?

Everyone understands the concept of financial auditing where an organisation records its financial transactions which are then verified by an independent auditor at the year end.

The same principle applies to social auditing, the big difference being that social accounts carry information on social, environmental and economic factors – the so called 'triple bottom line'.

and led REAP to consider other ways of measuring its impact.

REAP approached CBS Network about delivering a social audit 'cluster' where REAP would recruit local groups and CBS would provide training and mentoring support. This became a one year pilot, funded by the local enterprise company, Moray Badenoch and Strathspey Enterprises.

The cluster model has been highly effective in bringing specialist expertise into a rural area. REAP has benefited greatly from this arrangement which has allowed us to deliver our capacity building remit at the same time as building our own capacity.

HOW DOES SOCIAL AUDITING WORK?

- 1 The first stage is deciding as an organisation that you want to measure and improve your performance.
- 2 The next stage is to clarify your objectives and the activities you deliver to meet these objectives. It may sound a bit simplistic, but it is impossible to measure performance unless you have something to measure it against.

REAPING THE SOCIAL BENEFIT

Kevin McDermott, manager of REAP, describes how community groups in North East Scotland are embracing social auditing

WHY SOCIAL AUDITING?

REAP has a range of funders, including the ESF Objective 3 Programme, Community Fund and the Scottish Executive Rural Challenge Fund. Naturally, all of these funders expect REAP to account for how their money is spent.

Initially REAP did this through the traditional external evaluation model. This process was not particularly empowering, either in terms of the process or the outcomes



Equally important is the need to identify or restate the values which underpin your organisation. If REAP has learnt one thing from the social auditing process it is this - that the value base is central to the whole ethos.

Then, it is necessary to identify your stakeholders and plan how to consult them on your performance. Once this is agreed you can begin to look at the scope of your audit. Are you going to try and cover all aspects of your activities or only some parts? The answer to this question will impact on who you consult with.

- 3 As its name suggests social auditing is an audit, which by definition is about counting and measuring things. This means that you have to begin to identify the kind of information you need to collect and begin to gather that information - what is known as the 'social book-keeping' phase.
- 4 Once all of this information has been generated it is collated into the draft social accounts - from our experience the most time intensive part of the process
- 5 The final stage is to present these accounts to an independent audit panel. The role of the audit panel is not to comment on the work of the organisation, rather, it is to ensure that the information contained in the draft accounts is a fair reflection of the information collected by the project and fed in by stakeholders.

Once the members of the panel are happy with the document, and when suggested amendments have been addressed, they release an audit statement to authenticate the accounts. The organisation is then encouraged to publish the findings - normally in an accessible, abridged format.

therefore all fieldwork staff are required to have access to a vehicle for work purposes. Much of these duties take place in evenings and in locations where there is poor public transport, therefore the vast amount of locally supported work results in car miles being travelled. This may explain why 70% of all journeys were made by car and 30% by public transport.

Monitoring

Procedures for monitoring electricity usage, photocopy paper and mileage have been put in place and included in the social audit. These will become benchmark figures for the next audit. No targets for usage reduction have been put in place although it is the goal to aim for a general reduction in resource use.

FINANCIAL REPORTING

Economic performance - local spending

As a sustainability project, REAP has been keen to use local suppliers of goods and services as much as possible. In 2002

(local shops and suppliers) this money would be more likely to stay within the bucket and be redistributed locally. Even when money is going out of the area we still try to use it as positively as possible, eg it is more within the ethos of the project to pay our phone bills to the Phone Co-op rather than to a corporation.

The NEF training pack *Plugging the Leaks* sites the example of an enterprise in Cumbria with similarities to REAP. NEF estimated that the multiplier effect of the Cumbrian groups spending was slightly over 2:1.

Based on this approach the cumulative impact of REAP's overall spend in our operational area could be anywhere between £58,500 and £117,000.

This does not take into account the economic impact of staff salaries (all staff live within Moray) which is the single biggest project cost. Staff salaries (excluding on costs such as NI and pensions) account for an additional input to Moray of £76,000 in wages.

- social accounts for the year 2002

we collected information on our discretionary spending (ie, not including staffing and associated project management costs) to plot the size of the local spend.

It can be very difficult to measure the impact on such spending locally, although the New Economics Foundation (NEF) has done some research into the multiplier effect of money being spent in the local economy. NEF uses the analogy of the local economy as a bucket with holes in it. When money is poured in it can escape through the gaps, and an economically vibrant community is one in which there are fewer gaps (or a faster in-flow of money). NEF has come up with a formula to measure this movement of money within communities, with the worst example being where there is no recirculation locally – a multiplier of 0:1, no circulation for each pound invested.

So, for example, when REAP spends money with large national companies with headquarters and shareholders outside of the area, most of this money escapes out of the bucket and is lost to the local economy. However, if the same amount of money was spent in a smaller locally based concern

Why does this matter?

One of the reasons we believe strongly in the social audit process is that it helps to report on all aspects of our performance. None of the funding bodies who put cash into REAP do so from the point of view of supporting the local economy. However, by putting a local spending policy in place we are able to invest in the local area, in addition to delivering on the core areas which we are funded for.

This is an important issue, particularly for initiatives which are sometimes accused of being unsustainable without some form of grant income. The breadth of evidence which can be generated through a social audit can help to quantify all of these additional benefits and can be used to nail the myth of the 'subsidised sector'.

Social auditing can help to make the case that grant funding for projects and initiatives which meets social needs is an investment not a subsidy. This is an area which we have tried to explore with some out-of-school care providers during our last audit cluster.



SPEND	Keith	Moray	Grampian	Scotland	UK	Total
Office						
cashbook	£5,005	£30,665	£6,195	£15,332	£2,603	£59,800
Rental	-	£2,800	-	-	-	£2,800
Small grants	£1,500	£6,790	£5,775	-	-	£14,065
TOTAL	£6,505	£40,255	£11,970	£15,332	£2,603	£76,665
Percentage	8.5%	52.5 %	16%	20%	3%	100%

a social audit can help to quantify all of these additional benefits and can be used to nail the myth of the 'subsidised sector'.

social audit - out of school care

Three after school clubs participated in our last social audit cluster. There were slight differences in emphasis between the groups in relation to their social objectives, although what all had in common was a desire to be financially sustainable in the longer term.

GATHERING THE INFORMATION

A number of confidential, one-to-one semi-structured interviews were held with parents who use each of the three childcare providers. This has generated some interesting information

Emerging themes

- Out-of-school care does have a significant effect on individuals and families, as well as wider economic and social impacts.
- From the parental perspective, after school care often enabled both partners to work.
- The majority of parents said that they worked locally, and that they spent their extra income on the home, extra activities for their children, extended family and holidays. It was difficult to define an exact level of additional income generated but it seemed to range from 15-60% depending on circumstance.
- The clubs are also used by a high percentage of lone parents who saw the service as essential for them to enjoy any kind of "normal" standard of living.
- Social auditing is a multi-perspective process in that it looks at things from a range of stakeholder perspectives. There were some differences in the views of parents and children. Parents on the whole seemed to see health and safety as a key area. They also felt that one most positive aspects of after school care was the social interaction between the children, from different age groups and other adults. The children on the other hand were much more interested in the content and variety of the club's programme. Younger children found the clubs stimulating and fun but as children grew older they became more bored with the routine. This seemed to apply more to boys, particularly those who used the provision most often.

"With after school care in place I can work. The whole standard of living and well being of myself and my children depend on it. If I didn't have it my income would reduce by about 60%, I'd be on income support with all the labels and restrictions that brings even though I have a degree and post graduate qualifications."

- In general, the community and local authority groups saw childcare within the context of supporting parents and overcoming barriers which stop parents working or being able to access training or educational services.
- A major issue for all the clubs, particularly the community-based ones, is their frustration at being judged only in terms of financial sustainability. There seems to be a clear tension between the demands (often external) to achieve financial sustainability while still meeting wider social objectives.

MAKING THE CASE

The feedback from these interviews and other information generated through the audit process has shown that there are many additional benefits being generated through the services provided by these out-of-school care providers.

Parents identified a clear link between the provision of the service and an improvement in their financial position as well as other positive impacts in terms of their well being and quality of life.

These out-of-school care providers are demonstrating that they provide quality childcare. They are also demonstrating that they are meeting much wider social objectives such as helping people into work or training. Surely then, any measure of their viability has to take into account these wider social, economic and environmental impacts – the triple bottom line again.

"I could work without it, but it makes a big impact economically on the family. Extra money goes on general finances and the home ... means we worry less about money and most of the extra cash is spent locally."

WHAT DOES REAP DO?

REAP works with local communities and agencies to raise awareness of sustainable development and through this promotes action which seeks to encourage volunteers and agencies to meet locally identified needs.

There is a large capacity building focus in the project which has led to our involvement in initiatives such as

- Setting up a new Moray-wide grass roots anti-poverty network
- Providing training and support to set up a new community credit union
- Providing training and workshops on topics such as sustainability, the social economy, campaigning skills etc.
- Organising externally-facilitated workshops on participatory appraisal, Planning for Real, social auditing, eco-debt and environmental justice.
- Facilitating community consultations and community-led investigations using participatory techniques.

We also produce *The Green Diary*, a free monthly listings publication on environmental and sustainable development initiatives in the North East of Scotland.

We deliver environmental education workshops with school groups, principally around the themes of waste minimisation and active citizenship. At the other end of the age scale, we work in partnership with the Grampian 50+ Network and Crown Estates in Glenlivet on an annual week long residential volunteering programme

We also participate in a wide range of networking groups, and take the lead role in co-ordinating the Moray Sustainability Forum.

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