

# Raising Our Gaze

A learning report from a project  
between Foundation Scotland and  
the Wellbeing Economy Alliance  
(WEAll) Scotland

September 2022



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**“We see a difference between charitable giving, often supporting the status quo, and strategic giving, aiming to find solutions to change socio-economic situations for the better and for the long term.”**

Foundation Scotland Strategy 2020-2030

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**“Could the model of a wellbeing economy provide Foundation Scotland with a north star to rally around – robust but flexible enough to hold, something to challenge and inspire the diverse range of fund distribution and grantmaking work you do? It may be an opportunity to operationalise an increased interest in investing more deliberately in transformative activity. Activity that helps people and places to thrive.”**

**Dr Katherine Trebeck**, author, co-founder and former Advocacy & Influence Lead of the Wellbeing Economy Alliance, in an early conversation with Foundation Scotland.

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## Foreword

Foundation Scotland is a community foundation providing a route for multiple donors to channel funding to the third sector. Founded in 1996 and serving the whole of Scotland, we currently manage more than 400 donor funds and distribute around £20 million each year in grants and loans to community-based projects across the country.

In the past, our measures of success related to growth in donations and disbursement of funds, while impact tended to focus on tangible and immediate benefits for funded organisations. More recently we have been looking at how to channel more funding towards activity that goes beyond short-term fixes and supports enduring transformative change.

This aspiration closely matches that of the [Wellbeing Economy Alliance \(WEAll\)](#), a collaboration of changemakers that is building global momentum for economic transformation to benefit both people and planet. Working in partnership with WEAll Scotland, we started to explore what operating with more of an 'upstream mindset' might mean for Foundation Scotland, our donors, and the communities we support and how we could go about this.

Raising Our Gaze is a snapshot of our journey so far, capturing the way we set out to sharpen our focus as an organisation, harnessing the passion and ideas of our people to shape change. Four pillars of the Wellbeing Economy – **Purpose, People Powered, Prevention and Pre-distribution** – became relevant and applicable to this project, so we use them as the framework in this report. We show how each pillar relates to the project, what we did in that area and what we learned.

This report was co-developed between our team and WEAll Scotland, and draws on project material, survey feedback and interviews with members of the Foundation Scotland team. Thanks go to the staff, trustees, WEAll colleagues and other stakeholders who came together to tackle this important work, not least because it was undertaken during the unpredictability of the coronavirus pandemic.

As noted in our strategy:

**“We see a difference between charitable giving, often supporting the status quo, and strategic giving, aiming to find solutions to change socio-economic situations for the better and for the long-term.”**

This statement from our 10-year strategy is simple enough. But behind it sits mindsets and world views which then inform the ways in which things are done. Shifting the mindsets out of which systems arise is the hardest but most transformational area of system change. We're grateful to WEAll for guiding us towards the starting line.



**Rachel Searle**, Head of Communities & Impact

# Overview

Throughout this report we're using the four pillars of the Wellbeing Economy – **Purpose, People Powered, Prevention and Pre-distribution** as a framework. We show how each pillar relates to this project, what we did in that area and what we learned.

## 1. Purpose

The purpose of a wellbeing economy is to create social justice on a healthy planet. The purpose of the project was to build a shared understanding of the wellbeing economy across the organisation around which we could strengthen our identity and impact.

Foundation Scotland's vision is of confident, thriving, resilient communities, and we wanted to explore how wellbeing economy ideas could enhance our work. This project had three core objectives:

- ▲ to learn about the wellbeing economy
- ▲ to translate this learning into our own operations
- ▲ to contribute to further action within the wider donor and funder communities.

After reflecting on where Foundation Scotland was influencing and can influence system change, our theory of change, 'How We Make a Difference' was developed. It explains how Foundation Scotland seeks to embed wellbeing into everything we do.

## 2. People-powered

Wellbeing economies are people-powered, and this project was too. The work was shaped by staff and trustees. Looking to the future, we will continue to work with donors and communities to develop our approach.

Staff reflected favourably on how the project's inclusive design built confidence, engagement and inspiration. The collaborative approach between WEAll and Foundation Scotland fostered trust, engagement and an iterative process. Staff also fed back on challenges, which we continue to reflect on and problem-solve. Throughout the project, different moments and challenges prompted us to reflect critically on how to facilitate deeper participation.

## 3. Prevention

A wellbeing economy demonstrates the role of prevention so that problems which undermine social justice on a healthy planet are not created in the first place. This idea propelled us to explore how to better embed prevention into the funding we distribute. As a result, we developed an Upstream Mindset Toolkit to help us apply preventative thinking in our work, compiled a series of illustrative case studies, designed a new fund with an explicit upstream focus and reviewed the impact metrics we currently use. These were felt to be adequate, although others may emerge as our work in this area develops and we collaborate with and learn from others.

## 4. Pre-distribution

A wellbeing economy creates and distributes wealth more equally in the first place. Through this project, we began to reflect on how the idea of pre-distribution is relevant to our work and the levers Foundation Scotland has to influence where pre-distribution principles could be applied.

Importantly, we recognised the growing community wealth building movement in the context of pre-distribution and aim to support more of it. We also recognised that our donors (including companies, individuals or other trusts and foundations) could help change the economy so that it works better for everyone.

# Pillar 1: Purpose

## Defining purpose

There has never been a more critical time to pursue a wellbeing economy: the climate emergency, Covid pandemic, and more recently the cost of living crisis, have exacerbated and exposed the extent of social inequalities and injustices.

The purpose of a wellbeing economy is to create social justice on a healthy planet. This is the end goal, with economic growth considered as a means to this end rather than an end in itself. Wellbeing economics, therefore, asks us to pay attention to the direction and composition of growth – to question where our current economy is failing to take us towards social justice on a healthy planet, and what we need to do to change this.

Looking at Foundation Scotland's work through a wellbeing economy lens enabled us to consider how we could better align our work with wellbeing economy ambitions. The organisation was already on a journey of critical self-reflection, from a historic focus on arguably its own GDP equivalent of 'donations, distribution and more donations' to one of deeper, transformative impact.

The charitable funding we administer, sourced from a wide range of philanthropic and corporate donors, reaches over 3000 groups each year. However, grants are usually aligned with the objectives of a specific fund, and the Foundation had historically struggled to identify a unifying theory of change to underpin the work.

Our collaboration with WEAll Scotland addressed this by exploring the wellbeing economy as a fundamental concept around which we could bring coherence to our funding activity, donor relations and wider influencing work. Through learning more about the wellbeing economy and the system change this requires, Foundation Scotland began to realise that there are a raft of opportunities within its own fund distribution systems that could be changed or influenced. We set to work applying that learning.

**"It has been great to see Foundation Scotland align with something that is values-driven. It is helpful to nail our colours to our mast. It has been an opportunity to have a sharper focus."**

**Suzy Mercer**, Community Funds Manager

## What we did

An outline business case for a project exploring the wellbeing economy and how it might apply to Foundation Scotland was approved by the Board in September 2021. Foundation Scotland made links with WEAll's co-founder and internationally-acclaimed wellbeing economy expert, Dr Katherine Trebeck, who worked with us to develop the project.

The project's purpose was to build a shared understanding of the wellbeing economy across the organisation around which we could strengthen our identity and impact. It was critical to apply our learning to the practical work of raising and distributing funding, which we knew would require us to look at many aspects of the organisation, including culture, communications and decision making.

### Key goals from the Project Plan:

- ▲ Develop a statement describing how we make a difference (our theory of change)
- ▲ Embed the wellbeing economy principles into the design of funds and assessment of applications
- ▲ Review measures of community wellbeing
- ▲ Explore how to increase awareness of prevention among funders and communities
- ▲ Produce resources for use internally and potentially externally, including illustrative case studies.

We worked with WEAll on an initial delivery plan built on the original internal business case for the project that Foundation Scotland developed for the Board. The process of developing both documents helped build trustee interest and commitment.

The project kicked-off with multiple staff learning events which focused on system change and the theory of the wellbeing economy (a whole staff session). This was followed by more specific, in-depth training on inequality and prevention (see 'Prevention'). The theory of change document 'How we make a difference', describes how we support and encourage donors and communities to look beyond immediate need to underlying causes. It was developed in parallel to these learning sessions, and was the culmination of a short, intense process of collaboration between staff, trustees, WEAll colleagues and an external writer.

**"The wellbeing economy is not an add-on: it must be core business. We are looking at all our materials to ensure they have that focus, and there is quite a bit to do on that. It has been interesting, but now it's about keeping everyone engaged as our thinking continues to develop."**

**Sam Bramwell**, Community Funds Manager

## What we learned

### The power of the two 'SCs' – 'Survival and Coping' and 'System Change'

In an early training session with the WEAll team, we were challenged to think about how much the funding we distribute is helping to hold up or maintain a problem or seeking to change some of the things that hold the problem in place, such as attitudes, policies, relationships, opportunities. In other words, we were compelled to think of the wider systemic purpose of the funding we provide and how much that was really aligned with our vision and purpose. WEAll Scotland's two 'SCs' metaphor helped us collectively shift our gaze.



### **As predicted, it was an iterative process: doing 'system change' is messy!**

Although there was a project plan with outputs, milestones, outcomes and measures of success, there needed to be flexibility about how project activity was delivered. The core team worked iteratively and in response to the appetite, interest and ideas emerging from colleagues as learning developed and people connected with wellbeing economy ideas and thinking.

This more emergent approach gave the work energy and pace. Communication with colleagues was also essential to keep everyone updated and linked with relevant developments without being overwhelming.

### **Learning about and doing system change simultaneously helped reinforce the project's ambition and approach.**

After the introductory learning sessions, it became apparent that wellbeing economy theories were best understood when applied to practical situations. Once staff began applying our emerging upstream mindset to framing a case study, for example, or articulating a project purpose, it became clear where we needed to build further understanding. The concept of 'mini projects' (see 'Prevention') was a helpful, practical way to build engagement and test outputs that began to operationalise our growing understanding of the wellbeing economy – but we often needed to return to the theory part way through.

### **System change work is a slow burn.**

Although the project itself was short, embedding the vision of a wellbeing economy into our work continues to be a slow, deliberative and ongoing process. It requires courage, some risk-taking, and an empathic and informed process of engagement with colleagues, donors and communities to make this a meaningful process for everyone.

At times there are divergent views, which is not unexpected given the diversity of our staff and trustees. That became apparent during the drafting of our theory of change which seeks to appeal across the wide range of groups and individuals Foundation Scotland works with and supports.

### **The importance of walking the talk.**

Staff reflections challenged us to embody wellbeing economy principles as we pursue them externally. One colleague asked: *"How can Foundation Scotland walk the talk? For example, is our procurement system geared towards supporting a wellbeing economy? And our staff wellbeing/welfare policy and practice? There is no point burning ourselves out trying to create a wellbeing economy."*

We realised we could not drive systemic change externally without developing our own thinking. The development of our theory of change was a journey for Foundation Scotland, challenging us to recognise how our own mental models needed changing in order to embrace more of a systems perspective.

These mindset shifts towards a systems change approach are powerfully captured in an Omidyar Group's video<sup>1</sup> which WEAll shared in the initial learning sessions and which will continue to be a touchstone for us on our continuing purpose filled journey.

<sup>1</sup> <https://vimeo.com/212281432>

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**Seek health, not mission accomplished.  
See patterns, not just problems.  
Unlock change, don't impose it.  
Plan to adapt, not to stay the course.**

**The Omidyar Group**



## Pillar 2: People Powered

### Defining people power

Participation is central to the wellbeing economy – especially the participation of those whose voices are less heard or who are marginalised by the inequalities entrenched in the current economic system.

In a wellbeing economy, people have a sense of connection and belonging in their communities and local economies. Participation is directly connected to poverty and inequality: without resources or opportunities (money, time, information etc.) to participate in socially defined ‘normal’ activities, people don’t, or can’t, get involved.

This project was structured to ensure meaningful participation in several ways.

We recognised the challenges of meaningfully involving communities and donors in this internally-focused early stage of our work and chose not to – although we did take initial soundings from a small number of donors.

“The wellbeing economy is the right direction of travel for Foundation Scotland – or else we just continue to deal with the short-term issues and not actually solve deprivation. It’s an evolving field, and an exciting one to be working in as it feels profound. ”

**Mercedes Green**, Funds Adviser, Philanthropy Team

### What we did

The WEAll-Foundation Scotland relationship was established as a partnership, embodying the principle of co-creation. We also encouraged a spirit of internal collaboration, ensuring that staff were engaged, inspired and involved in co-creating the project.

- ▲ A **Project Steering Group** made up of trustees, staff and WEAll project leads met every six weeks. This aided communication between staff and trustees and allowed for agility, flexibility and transparency, fostering mutual trust. This steering group reported to the Foundation Scotland’s Risk and Impact Committee, which in turn reported to the Board.
- ▲ The project kicked off in November 2021 with a series of widely attended online staff sessions to explore the meaning of the wellbeing economy. Smaller learning workshops were then set up to allow colleagues to engage in more depth.
- ▲ The already established cross-organisational **Impact Working Group** reviewed the theory of change, impact metrics, and key resources.
- ▲ **Two organisation-wide surveys** were designed and used to provide feedback on the ongoing journey both during and after the formal completion of this stage.
- ▲ **Opportunities to extend the project’s reach were harnessed thanks to the staff.** The project provided the backdrop to the annual staff conference in May 2022, which focused on community wealth building and was particularly relevant to the pre-distribution principle (see ‘Pre-distribution’).

▲ **SCVO's annual third sector Gathering** in June 2022 gave the team impetus to clarify some key ideas and share our experience of the project with others in the sector.

▲ **Foundation Scotland is now turning its attention to involving more donors and communities on this journey of learning and change.** About 20% of the funds we distribute are currently community-led and already involving more than 400 people who live in the places benefiting from that funding. We plan to extend that approach to other national and thematic funds we manage, in order to increase the percentage of funding programmes where decision-making involves more people with personal experience of the issues that a funding programme is tackling.

**"It's started a cultural shift in thinking and will take time to cascade into everything, but it's been a great process to really stop and think what we want our role to be and how we can influence more long term thinking and become advocates for long term change"**

**Laura Berrisford**, Fund Adviser, Philanthropy Team

## What we learned

### **The inclusive, collaborative process bred confidence, motivation and inspiration.**

End-of-project surveys and conversations revealed that our inclusive and collaborative approach created confidence among staff. They now feel they can understand, articulate and begin to operationalise wellbeing economy principles in their roles. Ideas shared by staff also showed widespread desire for meaningful change; there is support for grantees to learn about wellbeing economy ideas and better recognition to improve representation of people with lived experience on panels.

### **Buy-in from the organisation's lead staff and trustees and clear governance around the project was worth its weight in gold.**

From the start, there was Board-level commitment to an emergent, adaptive process, which would be responsive to the ideas of those participating. This created confidence among the project team to pursue ambitious change, as the organisation's leaders gave moral and practical support and acted as ambassadors.

### **Next time we would slow down the learning and help staff to balance competing workloads.**

Early learning sessions highlighted varying levels of awareness and understanding of the wellbeing economy. For some, the sessions covered content too quickly, content was intangible or disconnected to specific roles. The challenge was compounded by workload pressure: workshops were two hours long and sometimes took place in busy periods.

In response to feedback, smaller learning workshops were held to dig into specific subject areas instead of proceeding with further large group meetings as had been planned. Many of these participants went on to join mini-project teams to look at specific opportunities to operationalise the thinking. In the future, we would aim to directly connect training sessions to specific job roles and projects to ensure learning is more tangible from the start.

Now that we have reached the end of this phase, some staff have a clear appetite to discuss the bigger socio-economic issues that drive our work. The Impact Working Group will consider how to build this into ongoing knowledge development work.

### **Collaboration fostered new knowledge and learning and was hugely valued by staff.**

Project activities brought staff together as learners. Survey data demonstrated that this was valued and that there is appetite for more peer learning and collaboration. In particular, the smaller group meetings proved a highly constructive space for reflection and progress, where more consideration was given to the underlying reasons for social problems that communities want to address.

Inspired by Frank Geels' Multi-level Perspective and Donella Meadows' 'leverage points'<sup>1</sup>, key levers were identified to help drive system change:

- ▲ distribution of money for agreed purpose;
- ▲ opportunity to influence donors to focus on prevention;
- ▲ more than 400 panel members who live in communities and are the decision-makers about the place-based funds we steward;
- ▲ knowledge of funding and grantmaking and strong links with communities and the Third Sector; collaboration with others working in the field.

Although the collaboration process made the work slow at times, it enabled valuable ideas and opinions to be shared and solutions to be shaped.

### **Our partnership with WEAll worked well.**

The learning sessions and project activities were co-produced between WEAll and Foundation Scotland. The WEAll team skilfully coached, challenged and guided us to take the reins of progressing the work throughout. Our collaboration generated levels of trust, creativity and energy that is resulting in some helpful unanticipated practical outputs, for example improving how we describe the purpose of a grant, along with some helpful unanticipated outcomes, such as improved cross-team working.

**“It would be really great if we could concentrate on this one thing for a sustained period of time. It’s been really interesting doing something that’s not about process – it’s a shift, a set of ideas, mixing it up a bit and we need to protect time to embed that. It was important to take the concepts on board and digest them.”**

**Suzy Mercer**, Community Funds Manager

<sup>1</sup> Frank Geels' Multi Level Perspective and Donella Meadows Leverage Points

## Pillar 3: Prevention

### Defining prevention

**Prevention in the wellbeing economy is about 'getting the economy right the first time round' – creating a system built and incentivised to avoid undesired social or environmental problems.**

Given the reality of the current economy, it's about trying to break some of the cycles of poverty and inequality our current economy perpetuates, or creating alternatives. Doing so reduces the need for costly state services and politically contentious redistribution. Building an economy which prevents issues from arising requires long-term thinking, planning and budgeting, and a shift to upstream investment and early action to tackle underlying root causes. It is notoriously difficult to measure, strengthening scepticism and resistance towards it. However donors are increasingly aware of the growing body of evidence<sup>2</sup> that investing in prevention makes economic sense and benefits us all.

**Prevention emerged as a core idea for this project when creating our theory of change.**

An early staff survey revealed that 80% of the 25 staff who responded believed prevention should inform the organisation's work. For Foundation Scotland, prevention is about going to the root causes of some of the challenges communities face instead of treating the symptoms with short-term 'sticking plasters' which traditional grantmaking tends to focus on. We understand prevention as a spectrum – upstream (before harm occurs), mid-stream (mitigating harm that has happened) and downstream (actions to cope). However, it is clear that while crises persist, upstream work cannot replace downstream work but must sit alongside it.

"Prevention is about going to the root causes of some of the challenges communities face, as opposed to constantly treating the symptoms. However, this work is not about saying 'no' to efforts to address an immediate need. It is envisaged as sitting alongside them as they remain necessary, hopefully in time, helping to reduce the number and extent of crises."

**Foundation Scotland's Upstream Mindset Toolkit**

### What we did

**Following two further learning sessions on inequalities and prevention, we developed a series of mini projects to begin to operationalise wellbeing economy thinking across different aspects of Foundation Scotland.**

This involved articulating our approach to prevention before developing some tools to make it practical for us to apply this approach in our day-to-day work – including fund design. Mini-projects were self-selected by staff and included:

#### ▲ Upstream Mindset Toolkit

We struggled to identify resources on what prevention means in practice for funders and how a prevention lens can be applied to funds/programmes.

<sup>2</sup> Some examples include [The Christie Commission](#) report on the future delivery of public services, by the Scottish Government (2011); [The cost-effectiveness of public health interventions](#) by Owen et al (2012); [The Case for Investing in Public Health](#) by the World Health Organisation (2014); [The economic case for investing in the prevention of mental health conditions in the UK](#) by McDaid and Park (2022); [The Economics of Climate Change: The Stern Review](#) by Stern (2006).

We decided to develop our own ‘tools for prevention’ which we are now testing and hope to share more widely later in the year.

### ▲ **Case studies**

Some funds and projects were selected for in-depth case studies, where staff evaluated how existing activities already embodied an upstream perspective and reflected on how the fund or project might push further upstream.

### ▲ **Framework for a new ‘upstream’ fund**

A framework for a new thematic fund was developed with explicit upstream ambitions. This required working through the challenges of operationalising upstream intentions and trying to convey this approach in a language that was both open and precise without being overly prescriptive. The fund is modelled on much of the learning from the project in terms of both focus (tackling inequalities by looking upstream) and process (collaborative, staff-led, cross-organisational). It is a new way of working for Foundation Scotland, with staff nominating organisations to be considered.

### ▲ **Metrics**

The Impact Working Group reviewed the current measures funded organisations are invited to engage with, and began to identify how the framework of measures could be strengthened to better reflect a spectrum of prevention.

“We need to see the development of community action plans based on the wellbeing economy, and thinking more upstream will take education. Right now, a lot of applications are for plugging gaps in government funding, with foodbanks very prevalent. That is downstream, but badly needed, and given the cost-of-living crisis, there are sure to be more requests like that.”

**Mercedes Green Funds Adviser, Philanthropy team**

## **What we learned**

### **Thinking in systems helps appreciate complexity and avoid value judgements**

We recognised the inherent danger of an exclusive focus on midstream or upstream activity, given the immediate needs many third sector groups are continually responding to. The current cost of living crisis exemplifies this. We realise that many organisations and activities address issues along the prevention spectrum. Further, much downstream work has positive ripple effects upstream, for example in foodbanks, which mean children can concentrate at school as they are not hungry. This must be valued for the positive cycles they begin to create. Over time, our desire solidified to expand into upstream work while not undermining the ability of organisations to address immediate needs.

### **Zooming out by regularly asking ‘why?’ and ‘what could be better?’**

We increasingly understood that our perspective needed to grow and that we needed to be able to zoom out from the detail more often to see the bigger picture. We began to appreciate how regularly asking ‘why?’ and ‘what could be better?’ can help us move away from the mindset of meeting immediate needs to considering causes. In turn, this helped us better understand the systems and contexts that impact on people’s lives, including levels of control, choices made, and challenges faced.

**We still have many questions to pursue – and are keen to do so**

The project raised many questions about how to operationalise our learning. We are considering to what extent grants need to be larger and longer, providing the time and space for groups and organisations to explore more preventative approaches. We're looking at ways to develop our approach to assessment, evaluation and attribution to better represent work that is more midstream or upstream. We're asking how might we encourage more collaboration and risk taking both by ourselves and those we fund through trying things out and sharing learning. And we're considering how far upstream Foundation Scotland is willing and able to go in support of changing systems that constrain or limit our vision and mission. Recognising that some of the most effective and long-lasting changes sit in the policy space, we are also thinking about what support communities might need to enable them to influence and shape the policies that impact them.

How we approach measuring impact will be a key component of the new upstream fund. We will invite the funded groups to co-design an approach to measuring and capturing change that is meaningful and helpful, which we hope will inform a more thorough approach to sharing progress and learning.

**The work has revealed capacity gaps**

Modelling the upstream mindset in Foundation Scotland's day-to-day work requires time, skills and practice. Our staff team have risen to the opportunity of learning new concepts and ideas. Many staff are keen to extend their skills and knowledge and apply it into their day-to-day work. But more expertise will be required to assist us with some of the analytical work on the economics of wellbeing - especially as we plan to contribute to practice and policy development nationally and provide substantive evidence on the impact of upstream approaches to current and potential donors.



## Pillar 4: Pre-distribution

### Defining pre-distribution

**The objective of the wellbeing economy is to reshape the market so that it distributes wealth more broadly in the first place.**

Ultimately that means a more equal share of capital ownership and a fairer allocation of income-generating assets such as goods and services, education and land ownership. Building this future is a political choice. Governments can foster it by promoting employee ownership, community owned businesses, salary ratios and maximum wages. Organisations can also take actions such as designing inclusive business models that democratise ownership to shift from shareholder to stakeholder interests.

**Foundation Scotland already supports long-term, wealth-creating solutions which help communities and people prosper.**

These include targeted funding to social enterprises providing services to support community needs and aspirations, to those providing local employment for people living furthest from the labour market, and to those running dedicated employment and training funds in remote and rural areas. However, previously we had not recognised this work within the movement for systemic economic transformation in pursuit of a world where re-distribution is less needed.

“Foundation Scotland is proud to distribute money to community organisations delivering services to improve lives and strengthen communities. In order to do so, we work with a wide variety of donors. Our project with WEAll Scotland is helping to shape conversations with our donors to better reflect the spectrum of prevention and explore their appetite for supporting more upstream projects.”

**Rachel Searle**, Head of Communities & Impact

### What we did

**Supported by WEAll, Foundation Scotland realised that pre-distributive work may present fewer trade-offs than might be initially imagined: a great deal of taxpayer money goes to meet ‘failure demand’.**

Failure demand is spending in response to negative impacts of the current economic system, for example, supporting foodbanks because people on low incomes cannot afford to eat. The Joseph Rowntree Foundation estimates that poverty costs the UK £78 billion every year and that about £1 in every £5 spent on public services goes towards repairing the damage that poverty inflicts on people’s lives. It is increasingly acknowledged that GDP alone doesn’t correlate with happiness and wellbeing, and there’s increasing alignment with wellbeing economy principles across public, private and third sector agencies and institutions. In the Scottish Parliament work is underway to develop a Community Wealth Building Bill which aims to take a people-centred approach to local economic development, redirecting wealth, control and benefits to communities.

## In Scotland, the wellbeing economy movement is growing and Foundation Scotland is recognising how it can contribute to this.

- ▲ **Developing the conversation with donors.** One mini-project team set out to plan a roundtable event for donors to explore their interest in the wellbeing economy and discussing Foundation Scotland's emerging thinking. WEAll connected us with practitioners and funders already engaged in supporting system change work and happy to share their experience at the roundtable. However, take-up by donors was low – and our thinking was still developing – so we postponed the event. Since then, our ideas have consolidated significantly, and we now have practical resources to share at the rescheduled event.
- ▲ **Building our understanding of community wealth building.** The project provided a backdrop against which to begin looking at how our work relates to community wealth building, a practical response to pre-distribution, which redirects wealth back into the local economy, and places control and benefits in the hands of local people.
- ▲ **Our annual conference in May 2022** was themed around building community wealth and wellbeing. It provided an opportunity for staff and trustees to consider how we might use our networks, resources, and knowledge to contribute to community wealth building in Scotland, including the work underway to develop a Community Wealth Building Bill.

“We need to think about how we can advocate for the wellbeing economy and influence policy more widely. For instance, it would be helpful if the community planning process could adopt wellbeing economy thinking, and we have to ensure that we take match funders with us or we are just adding to the complexities.”

**Sam Bramwell**, Community Funds Adviser

## What we learned

### The importance of donors as changemakers

Foundation Scotland's new upstream mindset provides an opportunity to engage donors and philanthropists differently. Working with them, we can explore how to shift traditional philanthropic giving models and help donors be part of creating real economic change for the future. Working in this way will require an empathic and informed approach to understand donors appetite for upstream activity whilst also better evidencing the spectrum of preventative activity that communities are already tackling – or want to tackle.

### Framing the case for working more upstream

We need to build better evidence to help persuade donors to also raise their gaze. While case studies are a good opportunity to describe impact, we have not tended to integrate much analysis into case studies, nor have we given much priority to researching related socio-economic issues. In order to effectively engage donors, we will need to collate and gather more evidence blended with relevant research to better demonstrate the multiple societal benefits of the wellbeing economy.

## Conclusion

For Foundation Scotland, in partnership with WEAll, this project has been fundamental in positioning our work within a wider social, economic and environmental justice agenda and how we can use the funding we manage to drive more transformative change rather than only addressing short-term symptoms.

First, we learned the importance of raising our gaze - of stepping back and repeatedly asking why a certain situation exists, and how we could be more intentional about supporting solutions to underlying causes. This has driven us to build, iterate and test a suite of tools and projects to formalise this thinking into our processes and strategy.

Second, we learned how crucial our relationships with communities and donors are to driving change. This motivates us to find new language and evidence to encourage and welcome them to contribute their expertise as we further develop what wellbeing economy thinking means for Foundation Scotland and those we serve and work alongside.

**“I was aware of the wellbeing economy years ago, although we used different words. Language changes over time and there is a danger this is just another expression of that. Making wellbeing economy work meaningful is important, and we need to be clear what it is about. Foundation Scotland ought to develop a vision of what success will look like, built on the theory of change.”**

**Bea Jefferson**, Community Funds Adviser

We are keenly aware of – and are determined to avoid – the risk flagged by the WEAll team that this project might become a ‘stretch and return’, after which Foundation Scotland slips back into former ways of thinking and working rather than leaning into the change and challenges that a more upstream mindset encourages.

To ensure the stretch continues we are working on a range of initiatives including:

- ▲ Piloting a new fund targeting upstream activity that is tackling inequality
- ▲ Considering to what extent grants need to be larger and longer, providing time and space for groups and organisations to explore more preventative approaches (but not turning the tap off support to downstream activity)
- ▲ Developing our approach to assessment and evaluation to better acknowledge work that is more midstream or upstream
- ▲ Communicating effectively with groups and organisations and encouraging them to raise their gaze and think more preventatively, if they’re not already, so they are not limited to seek grant funding only for short term, quick fix remedial work.
- ▲ Encouraging more collaboration and risk taking (by ourselves, donors, as well as those we fund) through trying things out and sharing learning.

- ▲ Recognising that some of the most effective and long-lasting changes sit in the policy space: considering how we contribute to that and what support communities need to influence and shape the policies that impact them.

As well as incorporating wellbeing economy principles into our operations, at Foundation Scotland we have been shaping our key success criteria on the journey towards becoming a wellbeing economy funder. These include the extent to which we:

- ▲ Continue to learn and engage with wellbeing economy ideas and practice.
- ▲ Build interest in and commitment to the upstream approach with more donors.
- ▲ Distribute funding that is more focused on preventative midstream and upstream activity.
- ▲ Collaborate with others to progress wellbeing economy outcomes.
- ▲ Develop measurement approaches that are relevant to a more upstream emphasis.
- ▲ Compile and share stories of funding that contribute to transformative activity that in turn help people and places to thrive.

**We look forward to sharing more, further on in our journey.**