



COVID-19 Impact on Charities

June 2020

Prepared for OSCR

The Scottish Charity Regulator: COVID-19 Impact on Charities Research

This summary report details the topline findings of the Scottish Charity Regulator's research into the impact of COVID-19.

The objectives of the research were to:

- understand the impact that COVID-19 had had on charities at the time of the research
- quantify what sources of support were being considered and used
- explore the most effective ways in which OSCR and other third sector organisations can support the sector throughout this time

Representatives of all charities on the Scottish Charity Register were invited to participate in the research, with the following few exclusions:

- Individuals who were the contact for multiple charities were invited to participate only once
- Charities for whom OSCR had no email address on record

The research was conducted between 5th and 15th May 2020, with 4,827 charities participating.

Summary of findings

Overall impact: By early May 2020, nearly every charity in Scotland had reported some form of negative impact from COVID-19 and the lockdown

- Cancelling or postponing planned work or events was the single most common impact of COVID-19 and the associated lockdown upon charities, with 78% affected in this way.
- Half (51%) had lost fundraising income
- Taking into account a range of impacts, nearly all (96%) of charities had had their staffing or administration process affected in some way. 92% had seen their ability to deliver services disrupted and 75% had already seen an impact on their finances.
- Only 2% of charities said they had seen no impact at all

Actions taken: Charities have been active in countering the impact of COVID-19 on their organisation, with 95% having taken some type of action

- The most common reaction from charities was to change the way in which they deliver services (84%). This included providing support remotely by phone or virtually (47%) rather than in person and ceasing operations (36%).
- 47% made changes to their staffing and administration set-up. 32% reduced the number of volunteers they used whilst 19% had furloughed staff. Two-thirds (66%) of those with 11 or more staff had furloughed staff.
- A quarter (25%) had taken action financially, which almost universally included applying for emergency funding of some kind (25%)

Impact on number of volunteers: Access to and engagement with volunteers has decreased for many charities

- A third (29%) of charities had seen a decrease in the number of volunteers with which they engaged. This hit charities with an income of over £25,000 (36%) the most

Financial impact: The financial impact of COVID-19 and the lockdown on Scottish charities was stark

- One fifth (20%) of Scottish charities foresaw a critical impact to their finances at some point within the next 12 months. 11% foresee this happening in the next 6 months
- This threat in the next 12 months was strongest for charities with an income of over £25,000 a year (27%) and those that have paid staff members (1-10 employees 29%, 11+ employees 31%)

Ability to operate: Similarly, the outlook on charities' ability to continue their work has been severely impacted

- One in five (20%) Scottish charities predicted that they would be unable to do the work they were set up to do at some point in the next 12 months. The majority of these (14% of charities) foresaw this happening in the next three months, however, 8% of charities felt that they would be affected in this way as far as 12 months down the line
- This affects charities of all sizes, ages and incomes to a similar extent

Sources of help and advice: Charities have been active in seeking and using third party support and advice

- The top 3 sources of help and information used by charities were Scottish Government Coronavirus in Scotland Information (45%), information from social media (31%), and OSCR's Covid-19 update and guidance for charities (25%).

Methods of support: Guidance, access to funding and the simplification of funding procedures were considered to be among the most beneficial methods of support

- Local authority funding (33%), other independent grant funding (33%), and simplified requirements for reporting on grant outcomes (32%) were considered the most helpful kind of funding support
- Information and advice on the financial support charities can claim (51%), more guidance on how charities should continue during the pandemic (46%) and flexibility in filing or reporting deadlines (45%) were thought to be the most helpful kind of non-funding support
- Universally, charities with an income over £100,000 P.A. were more likely to consider all sources of support (financial or otherwise) to be helpful than those with lower incomes

Recommended actions for OSCR: Charities were invited to say in their own words what support they would like from OSCR to overcome the challenges they face in regard to COVID-19

- To continue with the current support was the most common recommendation suggested by charities (17%). A further 17% said that they needed nothing from OSCR and 10% did not know what support they needed from OSCR
- Besides that, charities asked for more general support on funding (14%), more flexibility with deadlines/ payments from regulatory body (10%), and for OSCR to inform them on government guidelines (10%).

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