



Research Report

Coronavirus and its impact on the Scottish Third Sector — A review of the literature

September - December 2020



Introduction

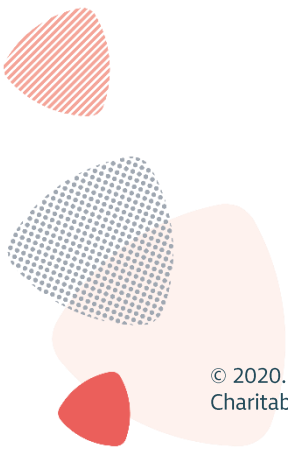
This paper, the third in the series, presents a summary of the existing literature on the impact coronavirus is having on voluntary sector organisations in Scotland. It includes research published primarily by Scottish voluntary sector organisations and infrastructure bodies between September and December 2020. The focus of this series is largely on the impact coronavirus is having on organisations, not the people and communities they serve. There is a wealth of literature on that topic, a selection of which can be found on SCVO's Evidence Library.

The aim of this series of reviews is to help the sector to identify themes, trends, and gaps in our understanding about the impact coronavirus is having on voluntary organisations in Scotland. The new themes that emerged from a review of quarter three's literature included staff's concerns about furlough ending and returning to the office, and their mental health and wellbeing. The following section of the paper sets out the key themes to emerge from quarter four's review.

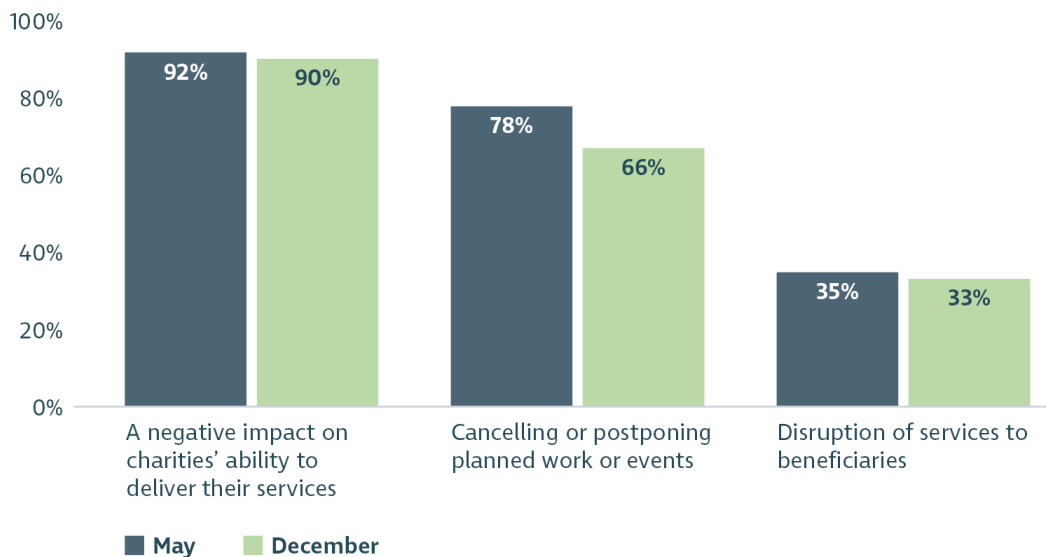
Key themes

Services

In December, OSCR published a report detailing the findings from a survey of over 2,500 charities. This survey builds on the data gathered by OSCR's first coronavirus survey in May, which had 4,827 responses. In the December report, OSCR found that 90% of charities reported coronavirus having a negative impact on their ability to deliver services, with a third (33%) reporting disruption of services to beneficiaries. These numbers are marginally down on the May survey findings, 92% and 35% respectively. Having said that, 77% of organisations have had to change the way they deliver their services, and crucially 70% reported increased negative outcomes for beneficiaries.



Covid-19 impact on charities' delivery of work and services



Inspiring Scotland found that one of the key issues facing organisations in the sector was the impact of new restrictions, and confusion around the implementation of those restrictions, on the delivery of services. Many organisations are also concerned about service delivery in the longer term. Having said that, the increased use of technology is viewed by many as a positive for service delivery. There is a recognition though, that for technology to be fully integrated into service delivery, additional skills will be required.

The Inspiring Scotland paper also noted that many organisations are reporting joint working between local authorities and the voluntary sector in service delivery. A report by the Glasgow Third Sector Interface Network reiterates this increase in partnership working. That report found that many existing partnerships flourished and new collaborations were established. The report is hopeful that voluntary sector organisations can work with councils as equal partners in the future.

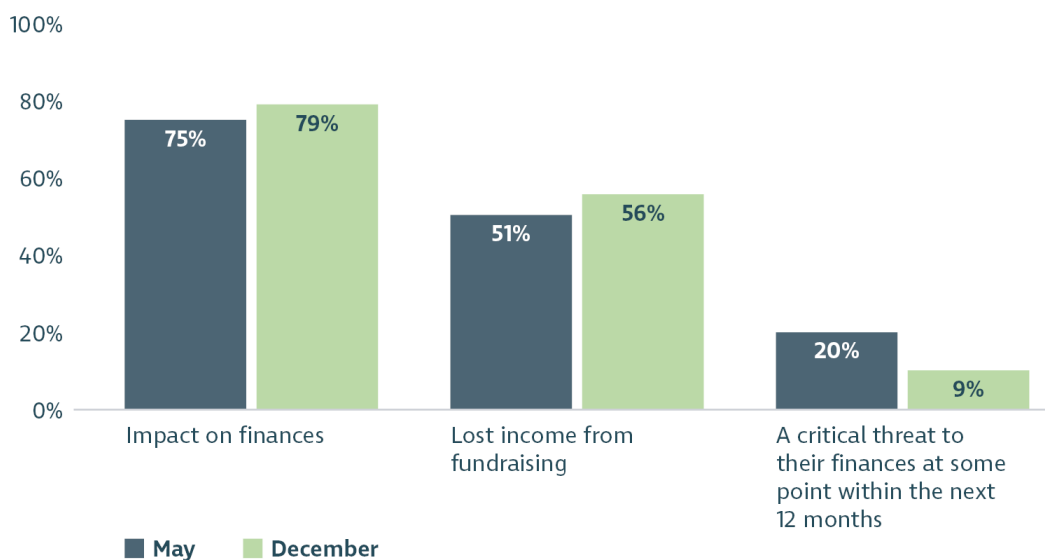
Finances

In terms of the financial impact on charities, 79% of respondents said that they had seen an impact. This is up four percentage points on the findings from the

May survey. The number reporting that they had lost income from fundraising had also increased since May, up five percentage points to 56%. Income from trading, donations and contracts all fell in 2020. Having said that, only nine percent of charities foresee a critical threat in the next 12 months, down from 20% in May.

Fifty-nine percent of respondents said they had made changes to the way they approached their finances, with 37% having to use their reserves and a quarter applying for additional funding.

Covid-19 impact on charities' finances



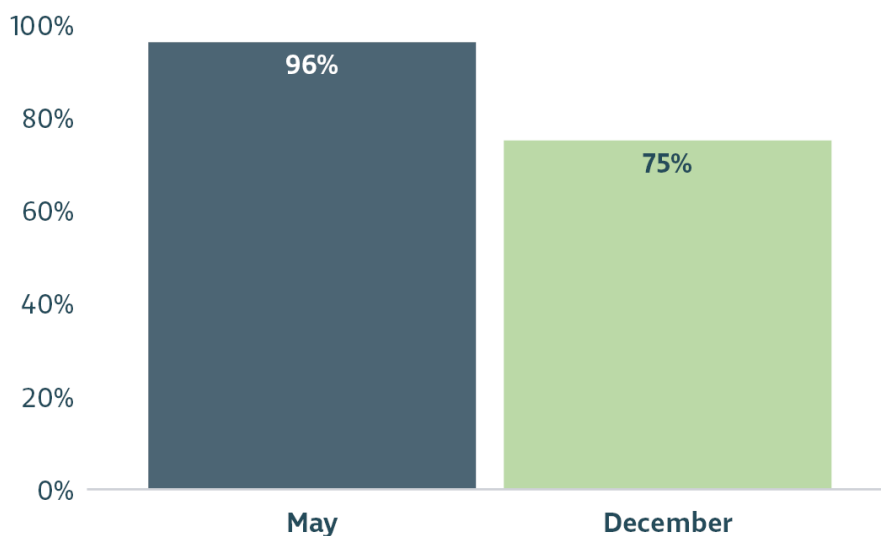
Inspiring Scotland found that many organisations were concerned about the impact of coronavirus on meeting funders targets, and funders response to failing to meet agreed objectives. The November issue reiterates charities fears about their funding for the coming year.

For small UK charities working in international development, organisations are facing an average of 33% lost income and over a third (37%) report having less than three months of unrestricted reserves.

People — workforce and volunteers

OSCR found that 75% of charities reported a negative impact on their staff and administration, down from 96% in May.

Covid-19 negative impact on staff and admin



Thirty-two percent of respondents reported reducing the number of volunteers they worked with and 37% of charity volunteers are unable to work. Thirteen percent of charities do not have the capacity to utilise their current volunteers and only three percent of charities have recruited, sourced, or trained more volunteers.

Fifteen percent of charities said they had furloughed staff in the period June to November 2020. This number increases to 59% for charities with more than 11 staff. Twenty-one percent of those charities with 11 or more staff had also started the process of making staff redundant. In October, Inspiring Scotland reported that for some social enterprises, the ending of job support schemes will also mean redundancies.

Despite all of this, 71% of charities surveyed by OSCR in December identified at least one positive benefit from their response to the pandemic. The most common was the improved use of digital technology by staff and volunteers, 47%. One other reported positive to emerge from the pandemic is a renewed

focus on the wellbeing of leaders and staff in the sector. It appears that organisations are focussing more on strategic planning and staff development, including mentoring and coaching; trustee training and requests for new trustees (Inspiring Scotland, October 2020). Having said that, the November edition of the report noted that the mental health of staff continues to be impacted, especially as we move into winter. The term ‘burnout’ was used by several organisations across the sector when speaking about staff’s wellbeing. The combination of increased demand for services, too many meetings and the toll of remote working are all contributing factors.

Limitations

This paper presents a high-level and broad-brush look at the impact that coronavirus is having on third sector organisations in Scotland. This approach is useful, but it lacks the granularity to identify how different organisations have been impacted by and are responding to the pandemic. To that end, SCVO have secured funding to carry out a longitudinal panel study of third sector organisations. This piece of research will track a representative sample of organisations as they respond to changes in the operating environment, such as coronavirus and Brexit.

Conclusions

The plethora of research, on the impact of coronavirus on third sector organisations, produced very quickly at the start of the pandemic seems to have slowed by September. The broad themes appear to have remained constant between quarter three and four —the challenges of maintaining and delivering services; the loss of income and precarious financial situation; a reduction in the number of volunteers; and the mental wellbeing of staff and volunteers.

References

Breaking Blue (2020) COVID-19 Impact on Charities (Wave Two)

Inspiring Scotland (2020) Inspiring Scotland Insights October 2020

Inspiring Scotland (2020) Inspiring Scotland Insights November 2020

Glasgow Third Sector Interface Network (2020) Beyond the Covid Crisis Lessons from Lockdown

Volunteer Scotland (2020) Impact of COVID-19 on charities' volunteers during lockdown

Small International Development Charities Network (2020) What is the financial impact of COVID-19 on small UK charities working in international development?

Contact

Steve Grozier
Researcher
Scottish Council for Voluntary Organisations,
Mansfield Traquair Centre,
15 Mansfield Place, Edinburgh EH3 6BB

steve.grozier@scvo.scot
scvo.org.uk

About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector.

There are over 45,000 voluntary sector organisations in Scotland involving around 138,000 paid staff and approximately 1.3 million volunteers, managing an annual income of over £6 billion.

We're passionate about what the voluntary sector can achieve. Along with our community of 2,000+ members, we believe that charities, social enterprises and voluntary groups make Scotland a better place.

We lobby government on policy issues, create jobs for young people and support organisations to embrace and promote digital skills. We also help with day-to-day stuff, like affordable office space, discounted training courses, funding opportunities and information and support to help people set up and run their organisations.

Further details about SCVO can be found at scvo.org.uk.