

Challenges and support for Scotland's Third Sector

Analysis from the Scottish Third Sector Tracker

Introduction

The Scottish Third Sector Tracker is a longitudinal panel survey gathering regular insights from Third Sector organisations (TSOs) in Scotland. The first wave of data collection was completed between June and August 2021 and forms the baseline for a further five waves of the study, to be conducted quarterly. The Tracker will provide evidence about TSOs' experience of the COVID-19 pandemic and its medium-term effects, offering a mix of quantitative data that can be monitored over time, and qualitative data that provides a deeper insight into the individual experiences of Scotland's diverse TSOs.

The first wave surveyed 585 TSOs from across Scotland, which represent a broad range of sectors and organisational types. This wave of the survey included two open-ended questions asking respondents about the challenges they were facing and the support they would like to see from bodies such as SCVO, Scottish Government, and funders over the next two years. This report presents analysis of those responses and provides insight into the medium-term challenges and needs of Scotland's third sector.

The report begins by outlining key aspects of the methodology and analysis. This is followed by summary offering an overview of the findings. The main body of the report first discusses in greater depth the challenges that TSOs report facing over the next two years, and then turns to their requests for support. In both cases, quotes from respondents are used to illustrate TSOs' experiences in their own words. Finally, the report closes with some concluding remarks about the implications of the findings.

Methodology

Thematic analysis was conducted on responses to two open-ended questions included in the Tracker:

- 1 For your organisation, what are likely to be the greatest challenges you will face over the next two years?**
- 2 Thinking about organisations that support voluntary organisations in Scotland, such as the Scottish Government, SCVO, funders and others...What are the most important types of support that these organisations can offer over the next two years?**

Themes and sub-themes were developed from the data, with no prior determination based on research literature or other sources.

It is important to note that while quantitative analysis has been performed on the data and is presented in this report, the data itself is qualitative and was collected in an undirected manner. As such, positive findings should be considered more reliable than negative ones – the fact that an organisation does not mention a particular form of challenge or support in their responses does not imply that it has no relevance for the particular TSO, only that the respondent did not mention it. For example, if 62% of organisations cite funding and finance as a challenge for their organisation, this does not mean that, when asked about funding and finance directly, 62% of TSOs felt that it was a challenge and 38% did not, only that 62% independently chose to mention funding and finance when asked broadly about their primary challenges. Furthermore, respondents usually refer to multiple themes in their responses. As a result, references to percentages of respondents citing different themes will not add up to 100%. Non-responses were excluded from the analysis: there were 581 responses to the question on challenges and 568 responses to the question on support.

Quotes are attributed in relation to organisational size (measured by turnover) and area of work/sector. To preserve anonymity, the location of TSOs are not given, however, care was taken to select quotes that represent a diversity of local authorities across Scotland.

Key findings

Challenges

When asked about their greatest challenges for the coming two years, funding and the pandemic were clearly at the fore for Scotland's TSOs. A clear majority of organisations (62%) were concerned about issues of funding and finance, ranging from meeting core costs, to rebuilding commercial income and public donations, to the makeup of the third sector funding landscape. Nearly half of organisations (48%) were facing service delivery challenges, the most common being struggles to (re)engage service users and meet growing demand. More than a third (37%) directly referenced challenges resulting from the COVID-19 pandemic and its associated restrictions and changes to working life. Nonetheless, the broader impacts of events since March 2020 were echoed through responses of all kinds: organisational finances were being impacted by limited opportunities for public giving and spending during lockdowns; services were under strain from the deteriorating physical, mental, and financial health of staff and service users; sector-wide burnout was impacting recruitment; and successive changes between digital and face-to-face modes of delivery presented ongoing challenges.

More than a quarter of TSOs (28%) reported facing challenges related to their staff and volunteers, predominantly centred on recruitment, retention and (re)engagement. 15% cited struggling with high levels of uncertainty about the future, which made strategic planning

Organisational size categories (annual turnover)

- Micro organisation: Under £25k
- Small organisation: £25k - £100k
- Medium-sized organisation: £100k - £500k
- Large organisation: £500k +

Area of work/sector

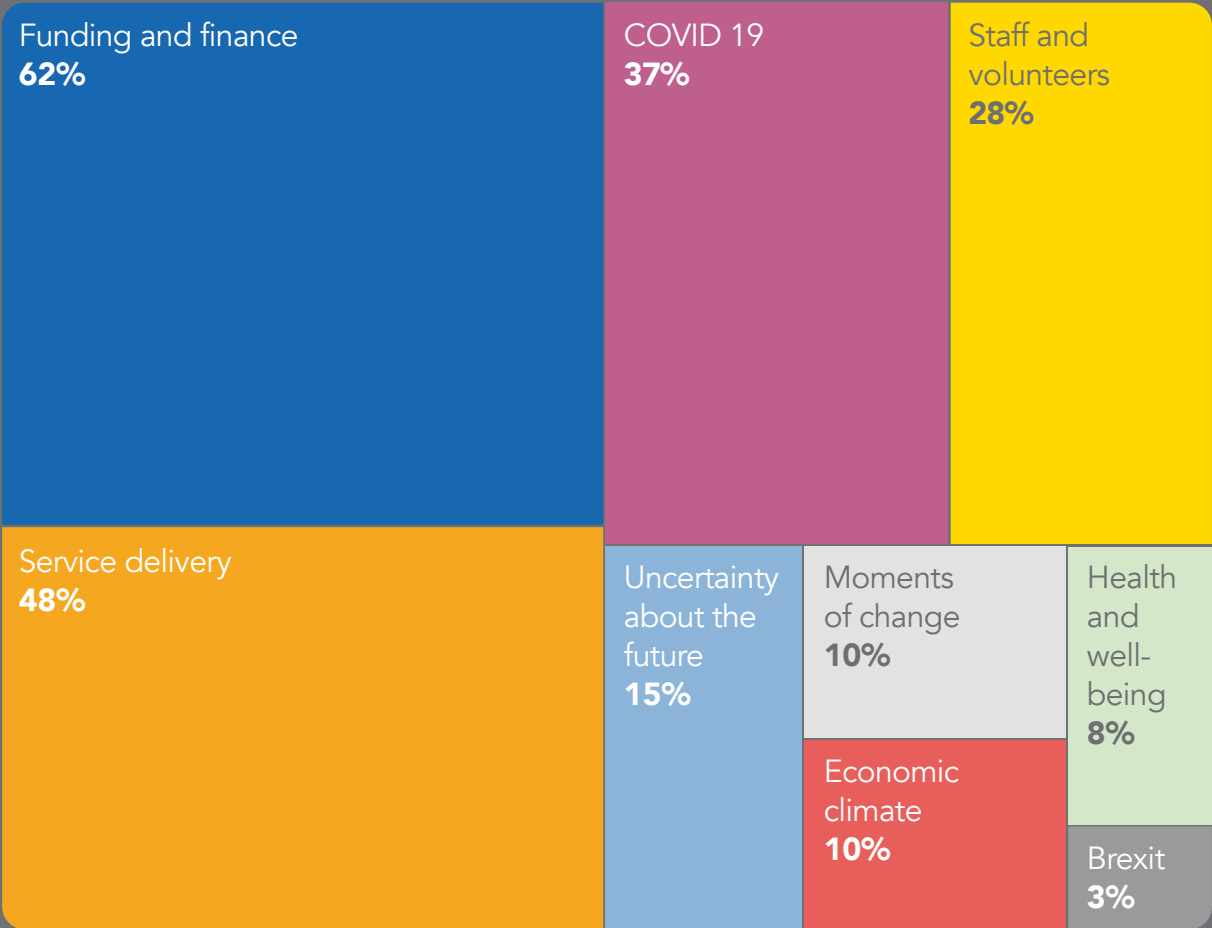
- Community, economic and/or social development (community development)
- Culture and sport
- Education and/or research
- Environment and/or animals
- Families, children and/or social care
- General charitable purpose, including charitable trusts and foundations, and grant-making foundations (general charitable purpose)
- Health
- Housing
- Law, advocacy and/or civic
- Religious activities
- Umbrella body
- Something else (Specify)

especially difficult. 10% of respondents were encountering moments of significant change for their organisations, such as scaling up, changing premises, regulatory change, restructuring, or service redesign. While many of these were positive developments, they nonetheless presented organisational challenges and risks.

Although smaller in their numbers, references to society-wide issues of poor economic climate (8%) and worsening population health (10%) were notable, demonstrating that the Third Sector – focused as it is on supporting the most vulnerable – often bears the brunt of rising social pressures. Respondents were particularly concerned about worsening personal finances within the general population and public spending cuts that would undermine support services and infrastructure. Strikingly, a relatively small number of organisations (only 3%) identified Brexit as a significant source of challenge for their organisations.

Figure 1 below outlines the different themes touched upon by organisations in their responses and the proportion of respondents that cited each theme as a challenge.

Figure 1. Organisational challenges: Themes and percentage of responses



Support

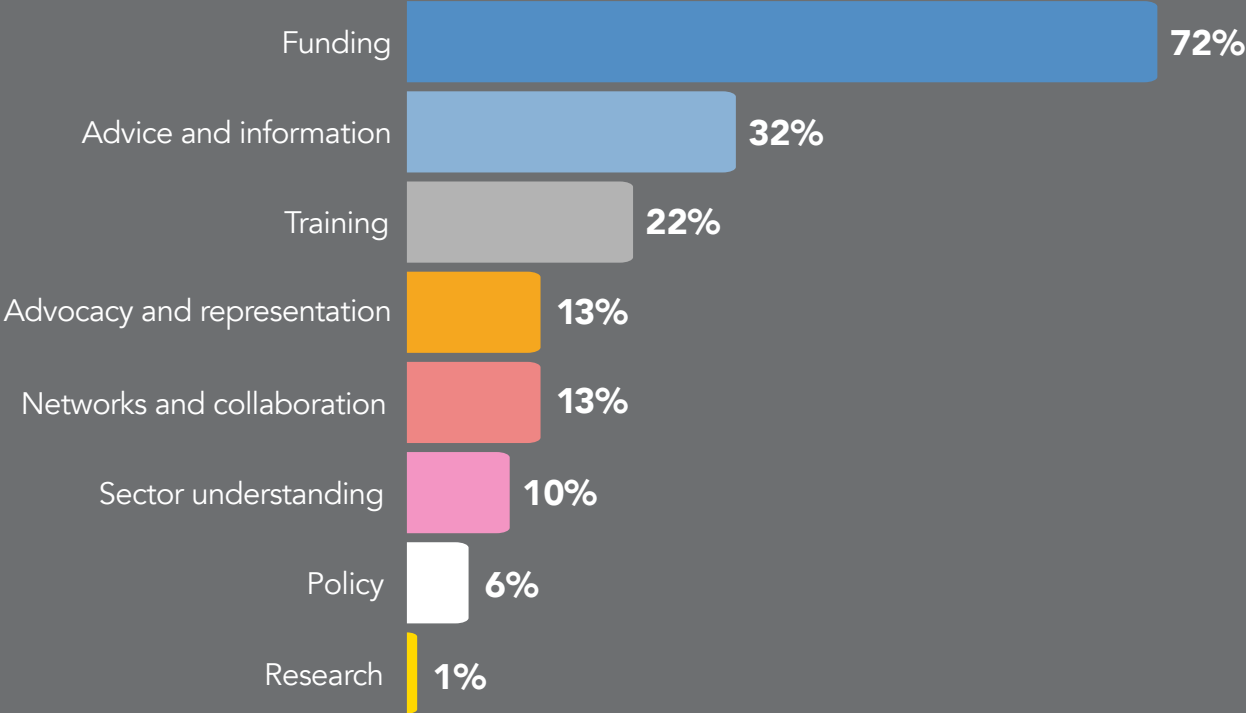
Correlating with the challenges outlined above, TSOs' most common request for support from organisations such as SCVO, Scottish Government, and funders was funding-related (73% of respondents). In its most light-touch form, this involved more comprehensive and systematic signposting of existing funds. Suggestions requiring more systemic change included longer funding periods (e.g. 3 years or more), more flexible funding conditions, simpler, faster application processes, and improved diversity of funding, including greater availability of unrestricted and core cost funding. For nearly a third of organisations (32%), advice and information were key forms of support. This included organisational advice such as HR and business development support, as well as more technical information about the details of current policy, regulation, and legislation. Related to the provision of information, 22% of organisations cited training as an important source of support, both for their employees and volunteers. The specific training needs expressed by respondents are explored in further detail in the main body of the report.

For a significant minority of TSOs (13%), advocacy and representation was a key form of support. This included providing a 'voice' for the sector, listening and being accountable to the views of TSOs, and helping to promote the work of the sector, both collectively and of individual organisations. For a further 13%, the facilitation of greater collaboration and networking was a priority, including developing the relationship between public and third sectors to become more equitable and reciprocal.

Smaller numbers of TSOs (10%) made requests for support organisations to better understand the sector and its work. This particularly related to having a sound understanding of the wide diversity of needs and contexts among different organisations, avoiding a one-size-fits-all approach to conceiving of and supporting the sector. Furthermore, there were requests for greater recognition of the impact of TSOs, whose work sometimes felt undervalued and under-acknowledged. Finally, 6% of organisations asked for policy change at the national level, including greater public investment, programmes to promote digital inclusion, and reform and regulation of sector pay and conditions, while 1% of respondents highlighted a need for greater research into the work and impact of the sector, including more robust and disaggregated equalities data.

Figure 2 below outlines the different themes touched upon by organisations in their responses and the proportion of respondents that proposed each form of support.

Figure 2. Forms of support: Themes and percentage of responses



Challenges

Funding and finance

62% of all respondents mentioned some aspect of funding and finance as being an important challenge for their organisation over the next two years. Overall, the likelihood of reporting funding and finance issues increased with organisational size (as measured by turnover), with the exception of very large TSOs (turnover of £10m+), among whom only 38% referenced this sort of challenge. By contrast, 71% of those with a turnover of £1m-£10m reported facing financial challenges.

Organisations working in the areas of families, children and/or social care, community, economic and/or social development and health were the most likely to report facing financial challenges (69%, 67% and 68% respectively). This may be reflective of the significantly increased burden placed on these sectors as a result of the pandemic, combined with the resource constraints that have been a feature of these sectors for some time.

Among organisations that mentioned financial challenges, nearly half cited meeting core costs as a central concern, with 7% suggesting that the financial viability of their organisation was a significant concern.



"We have an ongoing deficit because we don't have sufficient funding from the council to cover our staff costs and other ongoing running costs like premises"

Small organisation, Community Development



"Our two major funds are coming to an end so [...] we are looking at redundancies and things as a worst case scenario, we have funding applications pending but we don't know what will happen with them at the moment, so we are preparing for the worst."

Medium-sized organisation, Education and Research

For some of these organisations, stabilising and increasing commercial income was a pressing priority, often as a result of reduced trade during the pandemic.



"Re-generating community involvement. Other competitors have appeared, a cafe has opened down the road and they have operated during the pandemic, and that makes it harder to start up again."

Micro organisation, Families, Children and Social Care



"Getting the public to come back to our service. We rely on overseas visitors that bring money in."

Micro organisation, Education and Research

For others, public donations have been similarly hard hit by the inability to host fundraising events and raise awareness of their organisations' work due to lockdowns and other restrictions. As a result of these financial restraints, some organisations had had to draw on reserves for survival.



"Being able to fundraise again would be helpful as we are currently living on reserves. COVID restrictions have prevented fundraising activities. Getting back in touch with our cautious audience is important."

Small organisation, Families, Children and Social Care



"[A challenge will be] for our supporters building confidence again, so people can actually come and donate. People are unsure about whether charities are taking donations again after such a long time when charities couldn't take anything."

Micro organisation, Culture and Sport

There was also some concern that the broader economic impacts of the pandemic would limit the general public's ability or willingness to donate to charitable causes.



"Long term economic fallout from COVID-19 will prevent some people from donating or fundraising for charities such as ours e.g. employment figures are set to decrease as is the disposable income of public and financial security. Changed giving patterns of the public."

Large organisation, Families, Children and Social Care

Furthermore, many respondents cited challenges related to the third sector funding landscape. These included the short-term nature of much funding, a long-term

decline in funding availability, increased competition and oversubscription for existing funds, fragmentation and complexity of the funding offer, and onerous reporting requirements.



“Short term [funding] gives no security to volunteers or staff. [We] do not want to create project after project when there is an excellent core service.”

Micro organisation, Community Development



“[We need] financial security in terms of multi-annual – more than one year – grant support. We are currently being supported by the Scottish Government and other funding which is allocated year to year. If we had 3 years of funding we could plan much more effectively. That has a knock-on effect on other match funding.”

Medium-sized organisation, Families, Children and Social Care

Service delivery

48% of respondents reported facing challenges related to service delivery, the most common being (re)engagement of service users. For many organisations, the pandemic has resulted in disruption to relationships with service users in the form of discontinued memberships, altered lifestyle habits, and new fears about leaving the house and/or meeting face-to-face, especially among clinically vulnerable populations.



“[One challenge is] continuing to engage with young people because COVID has affected a lot of mental health and wellbeing in our local area and add that to levels of social isolation that young people are already affected by. It’s a case of us trying to reach out in the right way for our community.”

Micro organisation, Community Development



“Member engagement. People are out of the habit of meeting up because of the pause inflicted by lockdown and restrictions. Older members feel vulnerable about meeting up in this COVID climate.”

Micro organisation, Culture and Sport



“The challenge of getting clients back in the door because there is still a wariness coming out if they’ve got a cancer diagnosis”

Large organisation, Health

Many organisations were also concerned about meeting demand, which was often due to a recent or upcoming increase in demand for their services without an accompanying increase in resources.



“We are seeing increased demand – a significant decline in the health and well-being of our long standing communities we have been serving for over 30 years [...] Managing our capacity around the increased demand with an inability to radically expand our team size as well as our physical space.”

Medium-sized organisation, Health



“Increased demand for our services as more families are forced into poverty.”

Medium-sized organisation, Families, Children and Social Care



“As a drug and alcohol recovery organisation, [we are seeing] a significant increase in demand both in our physical and virtual services.”

Large organisation, Families, Children and Social Care

Similarly, some TSOs found themselves having to adapt to altered needs and expectations from staff and service users about the main functions of their organisation.



“[We need to] take stock and be aware lives have changed in 18 months – people’s needs have changed – and we need to be more proactive [...] maybe adapting services to something new...”

Medium-sized organisation, Families, Children and Social Care



“Working with the community to ensure future projects are needed. Prior to the pandemic we knew what they wanted. Looking to the future, has the pandemic changed views on what residents want?”

Large organisation, General Charitable Purpose

Organisations were also facing practical barriers to service delivery such as poor digital access, lack of suitable premises, and challenges produced by rural locations.



“Our digital difficulties, having very poor internet provision in the area. We are a digital back water. [...] We are trying to put the money into community but we are a dispersed community, little

settlements dotted here and there. There isn't a village hub."

Medium-sized organisation, General Charitable Purpose



"[We need] venue space that is appropriate [...] there is a lack of appropriate and affordable safe venues."

Micro organisation, Community Development

COVID-19

37% of all respondents cited factors directly related to the COVID-19 pandemic as being primary challenges over the coming two years. TSOs working in the areas of religious activities, education and research and culture and sport were more likely to report such challenges (64%, 49% and 45% respectively), reflecting the importance of face-to-face activities in these organisations' work and, perhaps, the low likelihood of their work being deemed essential and exempt from certain restrictions. Organisations with less than 20 members of staff (FTE) also appeared to be more impacted by continuing pandemic disruptions, with 41% reporting ongoing challenges compared to 32% of TSOs with 20 staff or more (FTE).

For nearly half of organisations citing COVID in their responses, the greatest challenge came from the process of 'returning to normality' and attempting to transition out of the emergency measures and altered lifestyle and working habits of the past 15-17 months. For those that were unable to adopt hybrid or digital service delivery, reopening after extended closure was also very challenging.

"Getting people back to work from working from home. Resuming face to face contact. Furlough coming to an end will create huge issues for clients."

Large organisation, Law, Advocacy and Civic

"The services – they have had 18 months of not coming back – so a gradual way of working to see how many people we will be able to get back in. Build up a routine like before."

Micro organisation, Religious Activities

"Balancing the changes that will come from not being all online anymore, balancing being in the office and events not all online and the same with delivery of our helpline, this is currently all based through answerphone and emails, so switching from that will be challenging."

Medium organisation, Law, Advocacy and Civic

For some organisations, the issue was not a return to normality, but the adoption of new, permanent changes to ways of working, mainly in the form of hybrid working for employees. This was framed as being a result of the need to be more resilient to disruption in the future, and accommodate new expectations from staff about lifestyles and work patterns.



"[One challenge is] people's attitude to working remotely. [They ask] 'why are they expecting us to come back into the office now, after working successfully remotely?'. We have a policy and ethos, and working in the office meeting clients meets that. That is uncertain at the moment"

Medium-sized organisation, General Charitable Purpose



"[We have to make] decisions on new ways of working and the balance of home and office-based working. This has implications also for our IT and telephony hardware and software to support hybrid working. We currently own office premises and may need to make a decision about whether to retain this."

Large organisation, Health

For many, the possibility of further serious outbreaks and resultant lockdowns was a particular issue, either because of the uncertainty it created when trying to plan for the organisation's future, or because lockdowns were particularly restrictive to core service delivery and/or income regeneration. It should be noted that since the collection of the data, further restrictions were introduced in Scotland from December 2021 to January 2022 in response to large numbers of cases of the Omicron variant.



"[It will be a challenge] if there will be any more lockdowns. Any more will be too much. Any hold up with volunteers coming to work in our shops. Anything that will stop them coming to our shop will be a problem."

Medium-sized organisation, Families, Children and Social Care



"Being able to do fundraising. It depends how COVID restrictions are and if any restrictions come our way again, it's going to impact on services. [...] We have re-introduced our face-to-face services which could come to an end if COVID has big effects locally."

Small organisation, Health

Some respondents described issues when integrating new hygiene measures, such as social distancing, into the day-to-day practices of the organisation.



“Restarting our services [is a challenge]. Unless social distancing changes, [we] need bigger distances for the men that attend, meaning we need larger sites or premises. It is hard to judge.”

Micro organisation, Community Development



“Managing services with COVID rules [is a challenge] – face mask wearing in theatre, performers having to stay 1m apart. [For] audiences – management of safe distance rules. Re-starting the activities programme on reduced capacity.”

Medium-sized organisation, Culture and Sport

Staff and volunteers

Challenges related to staff and volunteers were mentioned by 28% of respondents. Among these, there was a relationship between size of workforce and the rate at which organisations cited such challenges. For example, organisations with more than 100 volunteers were 20% more likely to report challenges of this kind than those with less than 100 volunteers, and TSOs with more than 50 staff (FTE) were 16% more likely to do so than those with less than 50 staff.

For the overwhelming majority of TSOs reporting challenges related to staff and volunteers, these centred on the recruitment, retention, and (re)engagement of paid staff and volunteers, including trustees.



“Going forward staffing could be an issue because through the pandemic a lot of staff including ours have been front line workers and the stresses to this have actually put a lot people off applying for positions within social care.”

Large organisation, Families, Children and Social Care



“Recruiting experienced professional people to act as trustees in the organisation on a voluntary basis [is a challenge]”

Micro organisation, Environment and Animals



“[One challenge is to] redevelop the volunteer base, many of whom were older and have left and we have to look to re-source younger volunteers.”

Small organisation, Families, Children and Social Care

For a smaller number of organisations citing people-related challenges, their priorities lay in training and developing diversity and inclusion in their workforce, whether paid or unpaid.



“Getting more people involved, training more people to provide the service, looking for Disabled people to train”

Small organisation, Law, Advocacy and Civic



“[One challenge is] rebuilding volunteering for people who have additional support needs.”

Large organisation, Umbrella Body

Uncertainty about the future

A significant minority of organisations (15%) reported that they were dealing with high levels of uncertainty about the future. The variable conditions and impacts of the COVID-19 pandemic, funding cliff edges, and broader economic uncertainty were all factors that made decision-making and strategic planning very difficult.



“Moving from survival into business development. The uncertainties around the ability for business and strategic business planning. Restarting relationships with funders when programmes had been redirected towards emergency or COVID funding [...] Planning to return to face-to-face delivery with uncertainty with future COVID restrictions.”

Large organisation, Environment and Animals



“[Our challenge is] building in sufficient flexibility to be able to respond to unknown demands, as we just don’t know what’s going to happen and change.”

Small organisation, Education and Research

Other themes

For 10% of respondents, current or upcoming moments of significant organisational change were a source of challenge. Such changes included scaling up, changing premises, regulatory change, restructuring, or service redesign. While many of these were positive developments, they nonetheless presented organisational challenges and risks.



"We're about to take possession of new premises [as the] old ones [are] not financially viable [...] because of this [we] are able to start looking at plans over the next 2-3 years involving the community more."

Medium-sized organisation, Community Development



"Feeling the need to expand the organisation, we are taking on an administrator and events coordinator. Investing in people will help our expansion, but then they are financial liabilities – keeping them secure in their jobs as well."

Small organisation, Community Development

For a further 10% of TSOs, a generally poor economic climate was cited as a significant challenge. For nearly half of these, cuts to public spending risked undermining their work, while others were facing issues as a result of increasing organisational costs (e.g. utilities) and the worsening personal finances of their service users.



"When things settle down there will be no money left and services will close. If council services close that has a knock on effect on small services like us."

Small organisation, Health



"The immediate concerns are when the universal credit drops again, the impact of inflation on food will increase cost over the next 2 years and have effects on clients as well."

Medium-sized organisation, Families, Children and Social Care



"There is going to be an increase in general costs such as petrol and raw materials and consumables and we might not have budgeted for that."

Small organisation, Community Development

Society-wide issues of declining health and well-being, particularly mental health, were a challenge mentioned by 8% of respondents. This was an issue which affected staff, volunteers, and service users alike and, as such, had the potential to place significant pressure on organisations.



"[One challenge is] a much bigger demand as we see the fallout of mental health due to COVID."

Micro organisation, Health



"We rely on volunteers, and we are in for tough times, this will negatively impact on mental health."

Micro organisation, Community Development



"Staff are running from adrenaline, but staff maybe burned out from COVID stress. I need to manage staff health and well-being for everyone."

Large organisation, Families, Children and Social Care

Finally, 3% of respondents cited Brexit as a source of challenge for their organisation. This was most commonly as a result of losses in EU funding, staff and service user shortages due to reduced immigration, and negative impacts on service users.



"Brexit is a challenge, we do not know how many people from abroad will be coming here [...] to use our institution."

Small organisation, Education and Research



"[One challenge is the] replacement of European funding."

Large organisation, Law, Advocacy and Civic



"One of our services is to support EU nationals to apply for the [settlement] scheme, [...] if you have little understanding of the system it is a massive challenge [...] they are vulnerable people."

Medium-sized organisation, Health



"Brexit is the biggest challenge, [we're] finding it difficult importing from Europe."

Micro organisation, Religious Activities

Support

Funding

73% of all respondents cited greater funding support as key for their organisation. Small and medium TSOs (as measured by turnover) were 15% more likely to suggest funding-related forms of support than micro and large organisations. Meanwhile, organisations working in community, economic and/or social development, health, and umbrella bodies requested funding support at higher than average rates.

80% of those TSOs that mentioned funding or finance as being a primary challenge, also made requests for funding-related support. In its most light-touch form, this involved more effective, accessible, and centralised sign-posting of existing funding opportunities. In particular, a one-stop, searchable database managed by SCVO was suggested as a helpful innovation. It should be noted that this is a service which is currently in place.



"I would like more guidance on the fundraising and to have a formal discussion with the SCVO about a unified website where companies such as ours can get help and information and apply for grants in one place."

Micro organisation, Heritage



"[We would like] guidance on the process of funding and applying for grants. To find out what is available, where to go for funding, and when the rounds for applications need to go in."

Small organisation, Families, Children and Social Care

There were also suggestions of more systematic alterations to the Third Sector funding landscape, the most common being longer, multi-year funding periods, greater flexibility in funding conditions and reporting to reflect the changeability of service delivery, greater diversity of funding types including core and unrestricted funding, and faster, simplified application processes.



"Rather than year to year, [looking at] 3 years funding to help as it's such a lottery and increases workload, we spend a massive amount of time looking for funding."

Micro organisation, Education and Research

"[We would like to see] financial support that is a definite, flexibility with the financial support and finally I think a move from short term funding streams to longer funding I think is critical."

Medium-sized organisation, Families, Children and Social Care

"[We need] flexible funding – unrestricted funding is the most valuable because it lets us fill the gaps caused by people who are rigid about what they pay for, and it also allows us to be responsive to need when we see it."

Small organisation, Families, Children and Social Care

"Funding organisations need to make their applications easier to understand and fill in. They are willing to participate in offering and giving grants, but they make it difficult to apply."

Micro organisation, Community Development

The speed, simplicity and wide availability of emergency funding during the pandemic was, for some, seen as providing an example of how to organise funding in the future.



"The flexibility they [funders] displayed during the pandemic, to see it continue as we try to recover and try to build back better."

Large organisation, Families, Children and Social Care



"The funding was welcome last year, and the application process was streamlined and now they want to go back to how it was before. If this has worked, why change and go back? Simplify the process, simple forms, one form for all. There was trust with the third sector last year, it was a welcome change and we don't want to lose that. Makes a difference to have the extra term funding, we can be more proactive and strengthens our organisation, thus the third sector."

Medium-sized organisation, Families, Children and Social Care

Advice and information

32% of respondents stated that they would like to receive support in the form of advice and information. The most commonly mentioned form was developmental advice and organisational troubleshooting, such as business development support, governance advice, and SCVO's recently-established HR service. One reason

why this form of support appeared so valuable was because it avoided additional spending on consultancy fees or outsourcing, reducing TSOs' overheads. It was also suggested that this kind of support is particularly beneficial when available in a personalised format, if needed.



"[We would like to see] lots of in kind support, like legal and financial advice, services we would have to pay for [...]. We struggle to pay for any advice and support from professionals, so any that can be provided free would be helpful."

Medium-sized organisation, Community Development



"Free advice and guidance such Human Resources advice from SCVO has been very helpful. This advice would normally be expensive."

Micro organisation, Law, Advocacy and Civic



"Guidance and advice [will be key], particularly around good governance and sustainability and sharing of best practice."

Medium-sized organisation, Culture and Sport



"We get a lot of support from [our] third sector interface, they know us and the personal assistance is still valuable and necessary. Space to express frustration and to blow off steam and for someone to see our frustration and understand and say 'have you tried this?'"

Medium-sized organisation, Community Development

Another form of advice and information that was frequently mentioned was descriptive, technical guidance about legislation, policy and regulation that affects different TSOs. In the words of one respondent, it was especially valuable for support organisations to "keep it simple" (Micro organisation, Culture and Sport) and ensure that information was delivered in a clear, accessible, and timely way.



"[We need to] know policies and procedures quickly so we can adapt. So sharing information quickly so we can adapt our services to meet the needs of the local community."

Large organisation, Housing



"Up-to-date clear guidance needs to be at the forefront for any organisation. Especially [important to] have an understanding of organisational remits e.g. not just one covers it all, an

understanding of different remits and take that into consideration.”

Large organisation, Families, Children and Social Care

At the time this wave of data was collected, Scotland’s pandemic restrictions were changing rapidly and unevenly across the country. As such, clear, consistent, and comprehensive communication of public health guidance - either directly from Scottish Government or interpreted by a sector-specific body such as SCVO or TSIs - was especially important to some respondents. This included tailoring guidance to the specificities of diverse Third Sector contexts, which include fundraising events, front-line health and community work, and outdoor interactions, among others.

“We could have done with clear guidance of how we get back to events. What do the Scottish Government restrictions mean in particular for the third sector? What are we allowed to do in relation to holding events safely?”

Large organisation, Education and Research

“What has been missing during pandemic is information on how to support volunteers and what restrictions affect our sector. What we can do or not do.”

Medium-sized organisation, Food Charity

“The most important support is being able to bring together relevant government and local authority information regarding the pandemic and the changes regarding guidance and regulations all in one place. It is hard to see what is relevant to us and what is not. The SCVO has done this successfully I would say but the local TSI could be better with this.”

Medium-sized organisation, Health

Training

22% of respondents mentioned that training would be an especially helpful form of support to receive. Small organisations were more likely to see training as a priority, with 27% requesting training support. By contrast, only 17% of micro and 19% of large TSOs mentioned this form of support as a priority for their organisation. Similarly, only 14% of respondents with less than five volunteers and 17% of those with more than 250 volunteers mentioned training as a priority, compared to 24% of those with a headcount of between 5 and 250 volunteers. Demand was particularly high from the law, advocacy and/or civic sector (35%), which may reflect the specialised training often needed for staff and volunteers in this field.

Many respondents were specific about which areas of development they would most like to see targeted, as summarised in Figure 3 below.

Figure 3. Bar chart showing the types of training requested by those that mentioned training as a key form of support.



Echoing the challenges raised in responses to the first open question, training in financial and funding activities were the most commonly requested, with organisations looking for training in identifying relevant funding streams, grant application writing, and financial management, among others. Similarly, the concerns raised about navigating uncertainty as a particular challenge are echoed in the higher levels of interest in training on governance and future planning. Training for volunteers, including trustees, was also commonly requested, especially given the often high resource costs of providing such training in-house. Overall, training was another area in which the provision of free, in-kind support was beneficial both to TSOs' development and their finances. Where respondents identified an organisation they would like to see providing such support, SCVO was the most commonly cited.



"[We would like] training on the managing of volunteers and financial training on funding applications. Training is costly and therefore help is appreciated."

Micro organisation, Culture and Sport



"[We need] operational support in terms of training [etc.]. Many of these things are very expensive to charities, and access to online or shared resources would be very helpful."

Large organisation, Families, Children and Social Care

Advocacy and representation

For 13% of respondents, advocacy and representation were an important way that external organisations could support them. Large organisations (in terms of turnover) were two and half times more likely to raise advocacy and representation as crucial forms of support than medium, small and micro TSOs. This may reflect larger organisations' interest in nation-wide campaigning and policy issues when compared to the more specific remits of many smaller organisations.

Overall, respondents mentioned that they would benefit from sector-wide representation, advocacy for the needs of the sector, and lobbying to bring about relevant policy and legislative change. Importantly, this function also included being accountable to TSOs, and incorporated a desire for "listening to the Third Sector" (Medium-sized organisation, Health). Where respondents were specific about which organisation could perform these functions, most mentioned SCVO.



"The voice of third sector organisations and their challenges need to be represented."

Large organisation, Families, Children and Social Care



"Advocacy and speaking out on our behalf. There are other issues to deal with other than just COVID and the economic recovery."

Micro organisation, Law, Advocacy and Civic



"Data like this is incredibly important. To put things in context. It puts down base lines to see where we are in the sector [and supports] advocacy for the role of the 3rd sector – the vital role and supporting of people"

Medium-sized organisation, Culture and Sport

TSOs also mentioned needing support with promoting their work as a sector, and as individual organisations, to the general public and potential volunteers.



"Recognition of the service we are doing. A huge marketing campaign is needed in this area."

Small organisation, Community Development



"Raising the profile of social enterprise [among the public] to shop for local produce."

Medium organisation, Culture and Sport



"An ability to attract volunteers [would be helpful], if they have got networks to do things like that."

Micro organisation, Community Development

Networks and collaboration

A further 13% of respondents to the Tracker pointed to the importance of networks and collaboration as a form of useful support. The importance of networks and collaboration appeared to increase significantly with organisational size, being mentioned by just 5% of TSOs with a turnover of less than £10,000 compared with 39% of those with a turnover of over £10m. Similarly, only 8% of organisations with fewer than five staff (FTE) requested networking support, while 33% of those with more than 20 staff did so. This is surprising given that small organisations might be assumed to face greater isolation and/or need for peer support. In addition, health was an area of work that seemed to place particular importance on developing collaboration, which may reflect the highly interdependent nature of health improvement and necessary interconnection with the NHS.

Overall, opportunities to network with other organisations and individuals in the sector were seen as a way to share experiences, expertise, and good practice and build cross-sector community.



"We have had fantastic non-financial support, like great peer support. Networking with other organisations to help us develop, [we] hope this continues."

Medium-sized organisation, Health



"[We need] opportunities to network and share learning about the emerging needs of our organisation."

Medium-sized organisation, Families, Children and Social Care

In particular, some organisations were keen to see a strengthening of the relationship between the public and third sectors, with respondents suggesting that

they would like to see the relationship become more equitable and reciprocal.



"We operate in the context of the third sector and I find the rhetoric which is used by the government in describing partnership working with the third sector to be tokenistic, particularly for the smaller charities and [...] those especially operating from the grassroots."

Micro organisation, Health



"[We'd like to see] greater communication and co-ordination between bodies - bring more intermediaries to the table for greater coordinated support."

Medium-sized organisation, Environment and Animals



"They [Scottish Government] could support us by allowing us to engage with them nationally in the development of local services, so that we can be active as plans evolve, with us having a collective voice with other charities within local government."

Large organisation, Families, Children and Social Care

Other themes

For 10% of organisations, better understanding of the sector among support organisations would be beneficial to their organisation. This included having a sound understanding of the wide diversity of needs and contexts among different organisations, avoiding a one-size-fits-all approach to conceiving of and supporting the sector. It was also suggested that support organisations needed to have greater awareness of the variety of community needs on the ground and demonstrate better recognition of the impact of TSOs, whose work sometimes felt undervalued and under-acknowledged.



"[We would like to see] acknowledgement of the contribution of third sector organisations to Scottish Government outcomes."

Large organisation, Health



"Better understanding of Black African and Caribbean communities. A better understanding of the Black community [...] not lumping them all in to one group."

Small organisation, Culture and Sport



"[We would like to see] a greater understanding of the complexity of how our organisation works, doing this survey has pointed out that there are many different types of organisations in the third sector."

Small organisation, Community Development

A further 6% of organisations mentioned that policy change at national level would help support their work. Suggestions included greater public investment, programmes to promote digital inclusion, and reform and regulation of sector pay and conditions.



"I would say digital inclusion, insuring that everyone has access to digital services and access to advice."

Medium-sized organisation, Community Development



"Ensure infrastructure is there so organisations can run themselves, including good community venues. I am always asking for grassroots investment and well-resourced local environments."

Large organisation, Culture and Sport



"[We need] better pay and conditions for voluntary sector staff"

Large organisation, Health

Finally, 1% of respondents highlighted a need for greater research into the work and impact of the sector, including more robust and disaggregated equalities data.



"Help us to demonstrate [the] value of [the] third sector in terms of data and metrics, capturing what we do at a regional level, as a sector. Really valuable in terms of community planning and as a sector wide basis."

Medium-sized organisation, Families, Children and Social Care



"[We would like] the Scottish Government to provide segregated data on the Polish and Eastern European communities."

Medium-sized organisation, Health

Conclusions

This analysis of the open responses to Wave 1 of the Tracker show a number of significant challenges facing the sector. Funding and finance remain the primary areas of attention, as some TSOs struggle to maintain healthy and stable bank balances in an environment of reduced personal spending and fragmented, short-

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term funding. While undoubtedly exacerbated by the effects of the pandemic, many of these financial concerns appear to stem from reported short-comings in the third sector funding environment, which predate March 2020. The widespread nature of this challenge was reflected in the predominance of funding among requests for support from SCVO, Scottish Government, funders, and others. Specifically, funding that is well-signposted, longer-term, flexible, and simple to access appeared to be a priority for the sector. Indeed, the approach to funding mobilised during the pandemic was praised by some respondents and suggested as a model for the future. Financial support was not limited to direct investment in TSOs, but also included strong public investment in the communities and environments in which organisations operate, helping to support preventative intervention. Training on financial and funding matters was also requested so that TSOs could develop their financial skills and resilience.

Service delivery challenges were at the forefront for many, especially as they tried to restart halted services, rebuild relationships with service users after more than a year's disruption, and contend with rising post-pandemic demand. Indeed, the COVID-19 pandemic intersected with almost all of the challenges raised by participants, as its social, economic, and health effects were felt across organisations and the public. The vital role of TSOs in supporting Scotland's most vulnerable has been underscored by the pandemic, but has also compounded its impacts on the sector. In order to face these delivery challenges, TSOs were looking to draw on free, high-quality advice, information, and training that could support organisational development and strategic planning while keeping overheads down. Many organisations were struggling to manage transitions in and out of digital delivery and online/hybrid working. Respondents suggested that this could be supported through further digital skills development for TSOs and national investments in digital inclusion for areas and communities that risk being left behind.

Finally, the opportunity to collaborate effectively within and beyond the sector and act collectively to further the aims of TSOs were highlighted as priorities. TSOs were keen to see the impact of their work recognised and publicised and treated as the basis for an equitable role in policy development and decision making. Respondents highlighted that membership organisations and representative bodies, such as SCVO, would play an important role in advocating for the needs of Scotland's third sector, recognising and respecting its powerful diversity and impact.

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