

The Scottish Third Sector Tracker – Spring 2022

Introduction

The Scottish Third Sector Tracker is a longitudinal panel survey gathering regular insights from Third Sector organisations (TSOs) in Scotland. The third wave of data collection was completed between March and April 2022 and is the third of the six waves of the study, conducted quarterly. The Tracker provides 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 third wave surveyed 457 TSOs from across Scotland, which represent a broad range of sectors and organisational types. This wave of the survey included three open-ended questions asking respondents about:

- the main challenges that rising costs are presenting their organisation
- the benefits of operating using hybrid¹ methods of administration and delivery
- the challenges of operating using hybrid methods of administration and delivery

This report presents analysis of those responses and provides insight into the medium-term challenges of rising costs and the challenges and benefits of hybrid systems. The report begins by outlining key aspects of the methodology and analysis. This is followed by an overview of the findings. The main body of the report first discusses in greater depth the challenges that TSOs report facing due to rising costs and then turns to the questions on the challenges and benefits of hybrid ways of working. In both

¹ By hybrid approach we mean both the day-to-day running of the company and the delivery of services and activities using a blend of online/remote and in-person methods.

cases, quotes from respondents are used to illustrate TSOs' experiences in their own words. Finally, the report closes with some concluding remarks.

Methodology

Thematic analysis was conducted on responses to the three open-ended questions included in the Tracker. 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 benefit in their responses does not imply that it has no relevance for the TSO, only that the respondent did not mention it. 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 143 responses to the question on challenges of rising costs and 302 responses on the challenges and benefits of operating using hybrid methods.

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

Key Findings

Rising costs

- Sixty-two percent (62%) of respondents mentioned some aspect of funding or finances as being the main challenge rising costs are presenting their organisation.
- Organisations working in the field of culture and sport (37%) were more likely to report facing financial challenges due to rising costs.
- Among organisations that mentioned funding and finances, half cited core costs as their main concern, with around 12% mentioning challenges securing additional/new funding and around the same number the financial viability of the organisation.
- Thirty percent (30%) of respondents mentioned some aspect of service delivery as the main challenge rising costs are presenting their organisation. Overall, small (25%) and medium-sized (30%) organisations were more likely to report service delivery as a challenge due to rising costs than large organisations.
- Organisations working in the fields of Families, Children and/or Social Care (25%); Health (20%) and Community, Economic and/or Social Development (20%) were more likely to mention an aspect of staff and volunteers as a challenge posed by rising costs.
- Among respondents that mentioned staff and volunteers, 16% cite challenges with recruitment, retention and paying staff wages. This includes finding appropriate/qualified people; retention of staff; hesitancy of volunteers and providing staff with an inflationary uplift in their pay.

The benefits of operating using hybrid methods of administration and delivery

- The most frequently mentioned benefit of operating using hybrid¹ methods was the positive impacts on service users (25%), including their engagement, experience, and outcomes. For 16% of respondents, inclusion and reach were

the most widely recognised benefit for service users.

- For 18% of respondents, hybrid working has had a positive impact on their organisation's resource levels, predominantly by reducing outputs. As a result of adaptations, resource costs (including non-financial costs) have decreased, for example, time savings, lower travel, and premises costs.
- For 17% of respondents, hybrid methods had a positive impact on the staff and volunteers of the organisation. The most frequently cited benefit was on staff working conditions and satisfaction. Respondents noted that staff and volunteers are more satisfied with their working conditions, this is from a combination of greater flexibility, more equal work/life balance, saving on travel time and costs.
- For 13% of respondents, hybrid ways of working have had a positive impact on the internal processes of the organisation. The most frequently cited benefit was on the efficiency, productivity, and flexibility that hybrid has enabled.

The challenges of operating using hybrid methods of administration and delivery

- The most frequently mentioned challenge of operating using hybrid methods was the negative impacts on staff and volunteers (29%), including culture and community building (14%), supporting, and managing staff remotely (7%) and the health and well-being of staff, also seven percent.
- For 14% of respondents, operating using hybrid methods had made connection, socialisation and community between staff and volunteers more difficult or damaged. This includes forming a sense of belonging for new staff and volunteers.
- For a quarter of respondents, hybrid methods of delivery and operating are having a negative impact on service users, including their experience, engagement, and outcomes. For most respondents, this was because of digital exclusion ('digital divide') rendering services less or inaccessible to some people.
- In addition to digital exclusion, some respondents thought that hybrid methods of delivery were leading to poorer service user experiences and outcomes.

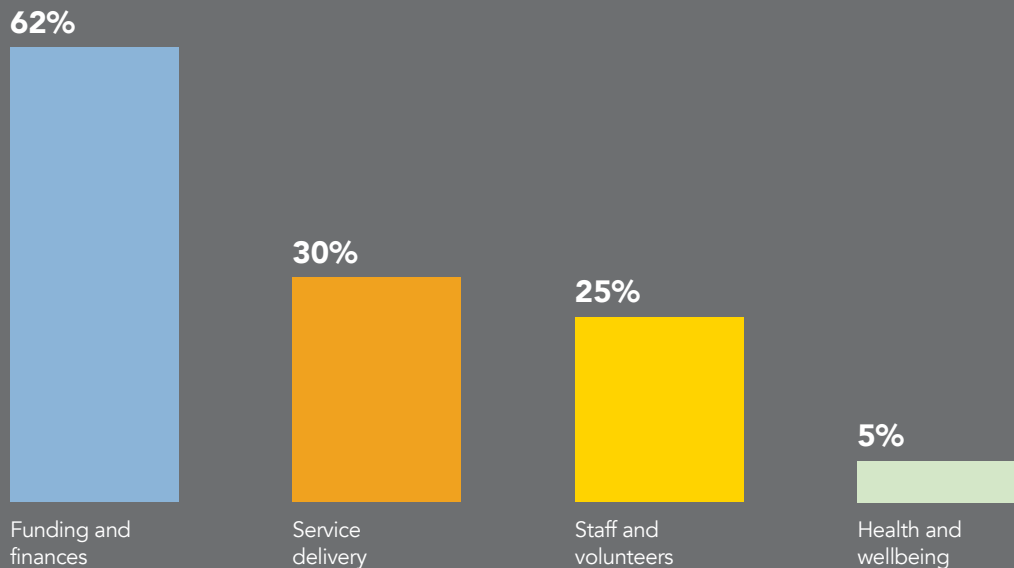
This includes services being less enjoyable, and more difficult to build or maintain relationships between staff, volunteers, and service users.

- For one in five respondents, infrastructure (predominantly IT infrastructure) was mentioned as a challenge of delivering and operating hybrid services, activities, and ways of working. This includes mentions of poor connectivity in communities (particularly rural communities), but also the strain placed on digital infrastructures, or demanded challenging levels of investment
- For just over one in ten respondents, the implementation of hybrid ways of working was posing challenges for the internal processes of the organisation. This included new demanding time and effort requirements (typically around planning and organising and content creation/adaption) and a feeling that communication between internal staff and/or volunteers had suffered, sometimes leading to inefficiencies.
- Similarly, around one in ten respondents cited hybrid methods of working were having a negative impact on the resource levels of the organisation by increasing outputs. This predominantly relates to an increase in resource costs (including non-financial, and alluded to above), new IT equipment, training, venue hire, recruitment and so on.

The challenges of rising costs

When fieldwork for wave 3 of the tracker began in March 2022, inflation was already at 7%. By the time fieldwork concluded the following month, it had jumped a further 2%, to a 40 year high of 9%. From the quantitative data, collected by the tracker each quarter, we know that 86% of organisations reported an increase in costs since December 2021. Of those organisations reporting an increase in costs, 42% felt this affected their ability to deliver their core services or activities. As illustrated in figure one, the qualitative data suggests that Funding and finances is the main challenge that rising costs are presenting organisations. This is followed by almost one third of organisations who reported that Service delivery as their main challenge; one quarter said Staff and volunteers and five percent the Health and wellbeing of staff, volunteers, or service users.

Figure 1: The main challenges that rising costs are presenting organisations



Funding and finances

Sixty-two percent (62%) of respondents mentioned some aspect of funding or finances as being the main challenge rising costs are presenting their organisation. Overall, there was no significant difference between the size (measured by turnover) of the organisation and the likelihood of reporting funding or financial challenges due to rising costs. It was 34% for small organisations and 33% for large organisations.

Organisations working in the field of culture and sport (37%) were more likely to report facing financial challenges due to rising costs. This is likely because of the additional costs required to heat and light buildings.



"...running sport and leisure venues means that rising energy costs are a concern. Usage and income have not returned to pre-COVID levels and income will not cover the rising rates."

Large organisation, Culture and Sport

Among organisations that mentioned funding and finances, half cited core costs as their main concern, with around 12% mentioning challenges securing additional/new funding and around the same number the financial viability of the organisation.

ee "Rising costs are not matched by increases in contract funding leading to loss making across the board and subsequent pressure on reserves or sustainability."

Large organisation, Law, Advocacy and/or Civic organisations

ee "There is a need to secure additional funding to meet the rising costs of volunteer expenses as we see an increased demand for transport to healthcare appointments."

Medium-sized organisation, Families, Children, or Social Care

ee "Keeping solvent without increasing charges to service recipients is proving to be a challenge."

Micro organisation, Community, Economic and/or Social Development

As some respondents' mention, rising costs are having a direct impact on the financial viability of their organisation. Around 8% of organisations citing funding and financial challenges mention having to use their reserves to continue to operate.

ee "Rising costs and no increase in funding has resulted in us having to dip in to reserves to cover basic operating costs."

Small organisation, Law, Advocacy and/or Civic organisations

ee "They [rising costs] mean that our reserves are falling and our ability to replace them has become limited."

Medium-sized organisation, Families, Children, or Social Care

A smaller number of respondents (5%), report being unable to generate the same income, or income not going as far due to rising costs.

ee "...fundraising has become harder due to people not having money to purchase raffle tickets or give donations."

Small organisation, Families, Children, or Social Care

ee "We are struggling to generate the same levels of fundraising income due to rising costs of organising fundraising events."

Small organisation, Community, Economic and/or Social Development

ee "These [rising costs] have increased our core costs which we have not been able to offset through fundraising."

Large organisation, Youth Work

Service delivery

Thirty percent (30%) of respondents mentioned some aspect of service delivery as the main challenge rising costs are presenting their organisation. Overall, small (25%) and medium-sized (30%) organisations were more likely to report service delivery as a challenge due to rising costs than large organisations.

Organisations working in the fields of Culture and Sport (23%) and Community, Economic and/or Social Development (23%) were more likely to mention an aspect of service delivery as a challenge.

Among organisations that mention service delivery, around 30% cite challenges meeting the increase in demand for services and about the same number report having to reduce services due to the rising costs of delivery.

ee “[Rising costs] are increasing [the] cost of delivering our services (running costs) to an increasing client base...”

Medium-sized organisation, Health

ee “The rising costs are unsustainable whilst retaining low charges to customers to ensure accessibility, rising costs will lead to a reduction in service outputs.”

Medium-sized organisation, Culture and Sport

ee “Budgets have been stretched to go further in order to cover increasing costs and so other activities have been curtailed or cancelled.”

Small organisation, General charitable purpose

A few respondents report having to alter their planned programme of work for the coming year due to rising costs.

ee “The rising cost[s] will prevent us from doing some of the work we have planned as prices rise, we need to re-structure budgets to suit these costs.”

Large organisation, Housing

A few respondents mentioned wrestling with the dilemma of passing on the rising costs to service users.

ee **"As a community organisation there to support those who are affected by poverty (fuel, food, transport) we are reluctant to pass these costs to the very people we are aiming to help."**

Medium-sized organisation, Community, Economic and/or Social Development

ee **"Trying to 'balance the books' means we have to increase our costs to visitors, traders etc. which does not sit easily with the Trustees."**

Small organisation, Education and/or Research

Staff and volunteers

A quarter of respondent (25%) mentioned some aspect of staff and volunteers as the main challenge rising costs are presenting their organisation. Overall, small (33%) and medium-sized organisations (31%) were more likely to report an element of staff and volunteers as a challenge due to rising costs.

Organisations working in the fields of Families, Children and/or Social Care (25%); Health (20%) and Community, Economic and/or Social Development (20%) were more likely to mention an aspect of staff and volunteers as a challenge posed by rising costs.

Among respondents that mentioned staff and volunteers, 16% cite challenges with recruitment, retention and paying staff wages. This includes finding appropriate/qualified people; retention of staff; hesitancy of volunteers and providing staff with an inflationary uplift in their pay.

ee **"Cost of living [is] not matched by income received meaning that staff are disadvantaged, and staff retention and recruitment are seriously adversely impacted upon."**

Large organisation, Law, Advocacy and/or Civic organisations

ee **"We want to look after our staff and provide cost of living increases to their wages to ensure they can continue to work for us and aren't too stressed."**

Medium-sized organisation, Health

One respondent tied several of the preceding themes together (they are all to some extent interrelated) by saying:

ee **"...we receive fixed funding for 12 months at a time and these don't [sic] take into consideration the rising costs. In addition to**

creating deficit budgets, it also makes it hard to recruit as we can only advertise posts on the period of funding and therefore doesn't make us as attractive to the statutory services who can offer job security."

Small organisation, Families, Children, or Social Care

The above neatly summarizes the cumulative impact of rising costs for many third sector organisations. The short-term nature of many contracts (without inflationary uplift) makes it difficult to run a sustainable organisation and to provide job security for staff. This in turn has a knock-on effect on the services that organisations can deliver.

The rising costs are also having an impact on volunteer recruitment, with the increased cost in fuel often cited as a reason for volunteer hesitancy.



"There is a need to secure additional funding to meet the rising costs of volunteer expenses as we see an increased demand for transport to healthcare appointments...We have also had to increase our recruitment for volunteers, especially volunteer drivers. This is due in part to the rising fuel costs for drivers impacting on their ability and willingness to travel across fairly large areas to deliver a service."

Medium-sized organisation, Families, Children, or Social Care

Other themes

A small number of respondents mentioned that the rising costs were impacting the health and wellbeing of their staff, volunteers or service users. Interestingly, very few organisations mentioned Covid-19 as an issue.



"We have also seen a significant rise in referrals and issues due to fuel poverty, food poverty, stress, anxiety and mental health issues."

Medium-sized organisation, Community, Economic and/or Social Development



"Our beneficiaries are almost all living on very low incomes, many on benefits and are really feeling the increased energy and travel costs which are adversely affecting their wellbeing."

Micro organisation, Culture and Sport



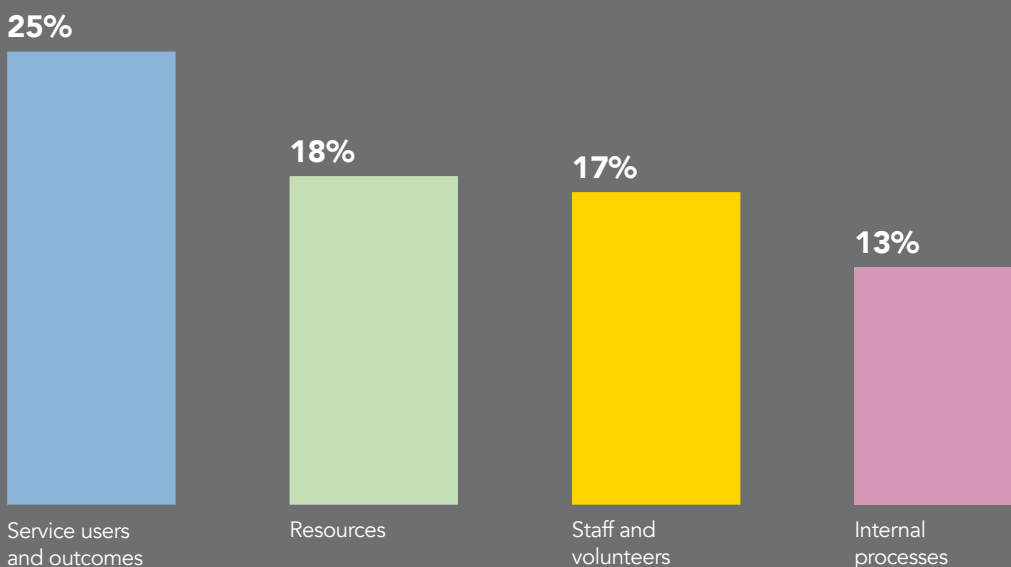
"It [rising cost] has reduced our cash flow and increased workload of staff thereby increased stress and affect staff holiday times."

Medium-sized organisation, Environment and Animals

The benefits of operating using hybrid methods of administration and delivery

For many organisations, the pandemic precipitated a seismic shift in the way that they operate. This shift was not without its challenges, but many organisations identified benefits in operating using hybrid methods of administration and delivery. For a quarter of organisations, Service users and outcomes was the main benefit, followed by almost one in five organisations citing Resources as the main benefit, Staff and volunteers (17%) and internal processes (13%) were also mentioned as benefits of adopting hybrid ways of working.

Figure 2: The benefits of operating using hybrid methods of administration and delivery



Service users and outcomes

The most frequently mentioned benefit of operating using hybrid methods was the positive impacts on service users (25%), including their engagement, experience, and outcomes. For 16% of respondents, inclusion and reach were the most widely recognised benefit for service users. This made services more accessible to a wider range of people (e.g., geographically) and/or previously marginalised or vulnerable groups.

- ee** "We have reached a larger and more geographically dispersed audience...and will keep the blend of some online and some face to face going forward."
Large organisation, Health
- ee** "One benefit of hybrid sessions is that we can continue to provide activities for some people who do not live locally, some who are disabled and others for whom home access is better than attending."
Small organisation, Health
- ee** "The benefits are being able to reach out to those who are isolating or fearful of COVID...and also for those who face everyday challenges and are unable to meet in the community."
Micro organisation, Law, Advocacy and/or Civic organisations

A smaller number of respondents noted that hybrid methods had enabled their organisations to serve a greater number of users and helped to meet an increase in demand for their services.

- ee** "Programmes being delivered online have definitely allowed us to provide more support and improve accessibility."
Large organisation, General charitable purpose
- ee** "Benefits are around the number of clients that can be seen remotely as opposed to when working face to face."
Large organisation, Community, Economic and/or Social Development

Resources

For 18% of respondents, hybrid working has had a positive impact on their organisation's resource levels, by reducing outputs. As a result of adaptations, resource costs (including non-financial costs) have decreased, for example, time savings, lower travel, and premises costs.

- ee** "Attendance at meetings using virtual platforms has significantly reduced "dead time" driving to and from locations...[and] a resultant saving in staff expenses."
Medium-sized organisation, Law, Advocacy and/or Civic organisations

“Benefits to online internal administration continue to be: – reduced commuting time and cost – reduced carbon emissions – being able to reallocate budget previously spent on office premises.”

Medium-sized organisation, Culture and Sport

“The combination of online/in-person works well for both client groups and internal administration. It gives clients choice. As self-employed workers and as an organisation that has to hire rooms for groups or for staff meetings, it saves us premises and travel costs.”

Micro-organisation, Health

A small number of respondents also mentioned the positive impact on the environment, with reduced travel and heating costs.

“...community groups will continue to be chiefly online for the foreseeable future. This has advantages--staff time, costs, environmental impacts all reduced.”

Medium-sized organisation, Culture and Sport

Staff and volunteers

For 17% of respondents, hybrid methods had a positive impact on the staff and volunteers of the organisation. The most frequently cited benefit was on staff working conditions and satisfaction. Respondents noted that staff and volunteers are more satisfied with their working conditions, this is from a combination of greater flexibility, more equal work/life balance, saving on travel time and costs.

“Back office is a hybrid approach which has been in the whole a success and has created a good work life balance for staff.”

Large organisation, Families, Children, or Social Care

“...greater flexibility for staff, especially using hybrid model, with new ways of working set up to support home working, especially on “admin” days. Volunteers who had to shield/have become less physically able, have been able to volunteer with different services... from their homes, opening up new volunteering opportunities.”

Medium-sized organisation, Families, Children, or Social Care

ee **"Some staff like the hybrid approach and find it improves their work/life balance."**

Medium-sized organisation, Environment and Animals

A smaller number of organisations mentioned that using hybrid methods have also increased the skills of staff and volunteers. This is either by undertaking new tasks or participating in new training areas, often digital skills building.

For some respondents, inclusion, and engagement and team building were cited as benefits from adopting a hybrid model.

ee **"[hybrid has] Enabled people who wouldn't normally work together or make connections to do so via teams/zoom both for staff and people we support."**

Large organisation, Families, Children, or Social Care

ee **"Benefits of hybrid working are that staff who were feeling isolated are able to interact with their colleagues."**

Large organisation, Families, Children, or Social Care

Internal Processes

For 13% of respondents, hybrid ways of working have had a positive impact on the internal processes of the organisation. The most frequently cited benefit was on the efficiency, productivity, and flexibility that hybrid has enabled.

ee **"[hybrid] is allowing high levels of productivity for senior staff, allows for staff to live further away – opens up pool of staff...[and] lower levels of sickness absence."**

Medium-sized organisation, Culture and Sport

ee **"Flexibility for staff in administration roles has been a huge benefit."**

Micro organisation, Families, Children, or Social Care

ee **"...gives us much greater efficiency by eliminating travel time which is significant."**

Medium-sized organisation, Law, Advocacy and/or Civic organisations

ee **"Online offers opportunities in terms of saving time travelling etc. We have a partnership and normally this would have been a 60-90**

min meeting with travel and now we can just jump online and have a quick 15-20 min meeting to address issues. Also, the ability to adapt quickly – in person meeting today, someone tested positive yesterday, but meeting can go ahead online instead.”

Medium-sized organisation, Environment and Animals

Finally, a small number of respondents mentioned a positive impact on relationships with external bodies and/or partners. Respondents mention improved breadth and quality of partnerships (new and established) with external organisations. This includes more or deeper collaborations, on funding applications – for example.



“We have engaged many more members and made many more beneficial partnerships now that the general trend is for online working and engagement.”

Large organisation, Culture and Sport



“We have linked in with national and local programmes...and are also an intermediary charity partner through the Turn to Us and SCVO. We have been really lucky to be able to tap into so many great organisations.”

Micro organisation, Health



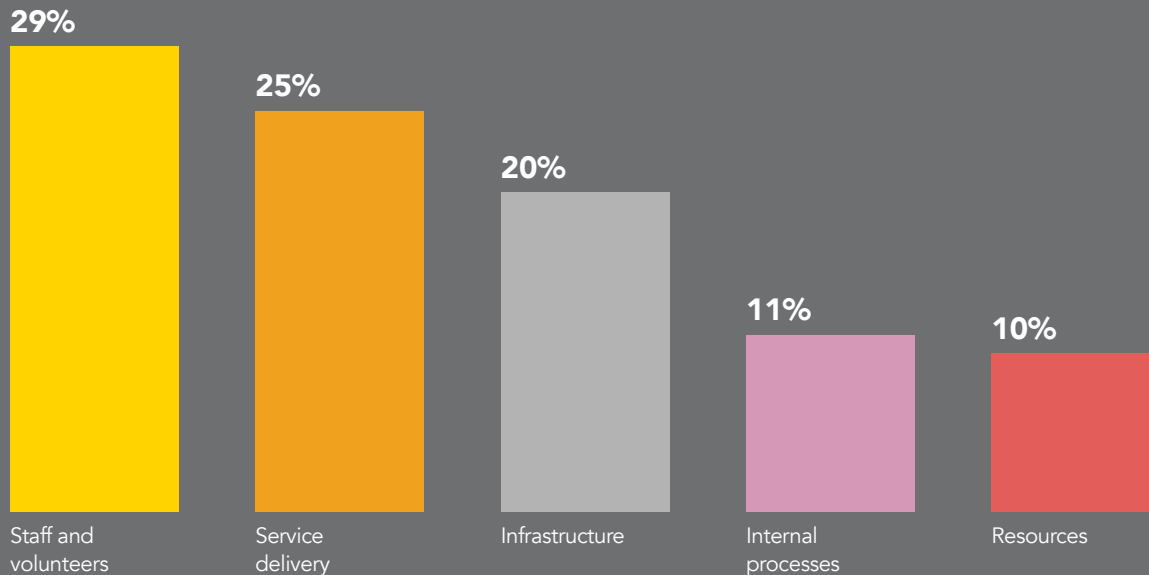
“The switch to remote meetings by some national organisations has allowed us to participate much more at a strategic level. This degree of engagement was not possible when meetings took place face to face and almost entirely in Glasgow or Edinburgh.”

Small organisation, Education and/or Research

The challenges of operating using hybrid methods of administration and delivery

For many organisations, operating using hybrid methods brought benefits, but also posed challenges. The most frequently cited challenges were the negative impacts on Staff and volunteers (29%); Service delivery (25%); Infrastructure (20%); Internal processes (11%) and Resources (10%).

Figure 3: The challenges of operating using hybrid methods of administration and delivery



Staff and volunteers

The most frequently mentioned challenge of operating using hybrid methods was the negative impacts on staff and volunteers (29%), including culture and community building (14%), supporting, and managing staff remotely (7%) and the health and well-being of staff, also seven percent.

For 14% of respondents, operating using hybrid methods had made connection, socialisation and community between staff and volunteers more difficult or damaged. This includes forming a sense of belonging for new staff and volunteers.



“Keeping the culture of your organisation is hard when people are working remotely and not being able to mirror or “feel” the culture. Many people have been appointed during the pandemic... [and] ensuring those who are still working from home feel part of the team and delivery and aren’t isolated from their colleagues.”

Small organisation, Families, Children or Social Care



“The main challenge we now face is building effective working relationships between our team members. A third of our team

has been recruited in the past 2 years – none of them have met the whole team in person. Building effective communication is challenging when we never meet face to face. It can be dealt with in the short term, but over a long period, it is damaging to working life.”

Medium-sized organisation, Culture and Sport



“Challenges are ensuring that all staff members and volunteers feel part of the team and that we are all focused on the same strategic goals.”

Medium-sized organisation, Health

For seven percent of respondents, supporting and managing staff remotely was cited as a challenge presented by hybrid methods of operating.



“Our team leaders need to give more focussed time to structured supervision to ensure the wellbeing of their team and that they are being supported to work to their best.”

Medium-sized organisation, Culture and Sport



“Supporting staff is challenging when being done remotely.”

Large organisation, Families, Children or Social Care

The same percentage of respondents mentioned that staff and volunteers have experienced poorer mental and physical health, such as burn-out, stress and fatigue. This is often due to increased workloads.



“More difficult to accurately gauge staff wellbeing (which has been severely tested) & support it when all WFH...potential burnout of staff as when homeworking the days are much more concentrated”

Small organisation, General Charitable purpose



“The challenge of working remotely has been related to the wellbeing, feelings of isolation and lack of connectedness of individuals working for the organisation.”

Large organisation, Families, Children or Social Care



“We are also seeing challenges with lower staff morale due to remote and lone working practices.”

Medium-sized organisation, Health

Service delivery

For a quarter of respondents, hybrid methods of delivery and operating are having a negative impact on service users, including their experience, engagement, and outcomes. For most respondents, this was because of digital exclusion ('digital divide') rendering services less or inaccessible to some people.

ee "We have good systems for online contact but there still exists a challenge relating to digital access for service users."

Medium-sized organisation, Community, Economic and/or Social Development

ee "The people we work with are generally in their 80s and 90s so most of these do not have access to online devices, nor would they know how to operate them."

Small organisation, Health

ee "Still, lots of digital inequality, people unable to use devices, have poor internet connections, this means we have to set up a volunteering scheme to support people to access our work online."

Medium-sized organisation, Health

ee "The members of the services sometimes either lack the skills or equipment for online."

Small organisation, Culture and Sport

ee "The challenges for online are making sure that we are minimising any digital exclusion."

Small organisation, Law, Advocacy and/or Civic

In addition to digital exclusion, some respondents thought that hybrid methods of delivery were leading to poorer service user experiences and outcomes. This includes services being less enjoyable, and more difficult to build or maintain relationships between staff, volunteers, and service users.

ee "...building trust and meaningful relationships are better done in person. Volunteers and clients specifically benefit from face to face."

Small organisation, Environment and Animals

ee "The downside of this type of working doesn't allow to gauge appropriately or significant body language. In the work that we carry out we do not feel it ethical to go into trauma and then leave the individual sitting alone with their thoughts."

Medium-sized organisation, Health

ee "Challenges around relationship development with clients and engagement with online."

Medium-sized organisation, Environment and Animals

ee "Our services are better face to face as we are able to react to conversations taking place and adjust our offer."

Large organisation, Families, Children and Social Care

Infrastructure

For one in five respondents, infrastructure (predominantly IT infrastructure) was mentioned as a challenge of delivering and operating hybrid services, activities, and ways of working. This includes mentions of poor connectivity in communities (particularly rural communities), but also the strain placed on digital infrastructures, or demanded challenging levels of investment – purchasing laptops, for example. There were also several mentions of the challenges associated with premises becoming less or entirely unusable or having to be altered. Securing suitable premises is included here too.

ee "Difficulties of operating services using a hybrid model are having the correct and adequate equipment to do this in a meaningful and inclusive way."

Medium-sized, Umbrella organisation

ee "We would like to move to be able to offer our services in a hybrid manner – talks and lectures as a mix of in person and webinar. However, this requires a venue and/or equipment and knowledge to do so. Both of which requires funds to cover the additional costs be that one off or rolling and the additional time for volunteers to source venues and/or the means to host "in-house."

Micro organisation, General charitable purpose

ee "IT support has always been an issue for small organisations like ours that cannot afford dedicated support."

Small organisation, Community, Economic and/or Social Development



“There are real challenges around the cost and logistics of effective video conferencing technology that allows a mixed group meeting of people online and in person.”

Large organisation, Health

Internal processes

For just over one in ten respondents, the implementation of hybrid ways of working was posing challenges for the internal processes of the organisation. This included new demanding time and effort requirements (typically around planning and organising and content creation/adaption) and a feeling that communication between internal staff and/or volunteers had suffered, sometimes leading to inefficiencies.



“There is a potential for a home working vs office working divide. I also find too much remote working makes me and my team forgetful and is not conducive to good communication.”

Medium-sized organisation, Families, Children or Social Care



“More administrative and management support is needed to coordinate things across our team.”

Large organisation, Law, Advocacy and Civic



“Main difficulty is in the volunteer time required to create online content/activities.”

Micro organisation, Culture and Sport



“Liaising with online and in-person adds to workload, and it can mean things are being missed or not dealt with as promptly and efficiently as it should be.”

Small organisation, Community, Economic and/or Social Development



“Takes more planning time and energy to be delivering services/ events in two different ways or planning to deliver in-person but with back up to move to remote if needed...everyone seems to be drowning in emails as even when people are at meetings, these are virtual, so they are all generating and answering emails 24/7.”

Large organisation, Families, Children or Social Care

Resources

Similarly, around one in ten respondents cited hybrid methods of working were having a negative impact on the resource levels of the organisation by increasing outputs. This predominantly relates to an increase in resource costs (including non-financial, and alluded to above), new IT equipment, training, venue hire, recruitment and so on.



"Accessing suitable venues with hybrid online facilities and the additional costs this entails."

Medium-sized, Umbrella organisation



"We had to invest a lot of money into good quality tech so we can provide a higher quality experience online. It has staffing implications – now need two people per session – one to run it and one to manage the tech. This pulls one staff member away from other pieces of work."

Medium-sized organisation, Health



"As we develop our programmes and projects, we will require to bring on board more volunteers/part-time employees to run the studio and undertake programming. At present we can absorb the costs as we roll out the programmes, but it will quickly develop into 'department' that will demand future funding."

Micro organisation, General charitable purpose



"Hybrid working can be expensive – need to have the right IT equipment to be able to easily work at home and at office."

Small organisation, General charitable purpose



"We have had to invest in equipment, which hasn't been budgeted for to support blended delivery of programmes."

Small organisation, Families, Children and Social Care

Other themes

Finally, a small number of respondents reported that the shift to hybrid ways of working had made it more challenging to build or maintain relationships with external bodies, partners, and funders. There was mention of the breadth and quality of external relations suffering.



"Most of the collaboration with orgs is online which has benefits, but we really miss the benefits of face to face in development work and collaboration to co create etc."

Small organisation, Community, Economic and/or Social Development



"Maintaining relationships with community intermediaries has become progressively more difficult as time wears-on."

Large organisation, Community, Economic and/or Social Development

Conclusions

The analysis of the open responses to wave three of the Tracker show several significant challenges facing third sector organisations. The rising costs are putting organisations' finances under increasing pressure, and this is having a deleterious effect on organisations ability to deliver their core services and activities. It is in some instances threatening the survival of the organisation as they are forced to dip into their reserves (if they have them) to cover the increased running (core) costs of the organisation.

For organisations that have adopted a hybrid model (and not all have), there have been benefits, but many have also faced challenges. The main benefit of operating both online and in-person, namely inclusion and reach, is also cited as the main drawback. The shift to online has excluded many service users who cannot or don't want to engage with services delivered remotely. In many ways hybrid methods appear to be a double-edged sword, offering benefits to staff and volunteers in terms of flexibility and a better work-life balance, but at the same time community/team building, relationships and supporting staff are all more challenging remotely. This is true for organisations too, with many respondents citing both resources and internal processes as both a benefit and a challenge of working using hybrid methods. It's clear that savings and efficiencies in some areas are being offset by increased costs (including non-financial costs) in other areas.

The pandemic has fundamentally changed the world of work and service delivery for many organisations and funders and support organisations are going to have to adapt to meet their and their service users, staff and volunteers changing needs.

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