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# State of the Sector

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19/20

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## Introduction

The State of the Sector Report reflects on Edinburgh's third sector throughout 2019. The report looks at the composition and organisation of the sector, and the importance of the Third Sector Interface (TSI). We also explore the third sector's role as a partner in the city, and its relationship with the public sector. We consider the past, present and future of the sector by hearing from the organisations themselves.

The data for this report has been collected from:

Compact Voice 2019 survey

Third Sector Voices in Community Planning Survey 2019

Scottish Charity Regulator (OSCR April 2019)

Volunteer Edinburgh's annual Volunteering in Edinburgh survey

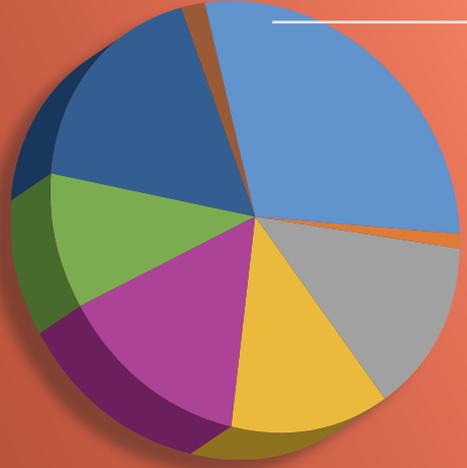
Third Sector Interface Survey 2019

Scottish Household Survey 2018



## What is the third sector?

The third sector is comprised of charities, voluntary organisations, social enterprises and community groups. In Edinburgh, there are **2,664** active charities (those with no returns for 2017 or 2018 have been removed as no longer functioning). This is **10.9%** of the total number of charities registered in Scotland (24,535).



To be registered as a charity in Scotland, organisations categorise themselves as having one or more charitable purpose (most state more than one). According to OSCR, the categories of charitable purpose in Edinburgh are:

1657. The advancement of education

862. The advancement of citizenship or community development

838. The advancement of the arts, heritage, culture or science

749. The relief of those in need

602. The advancement of health

549. The prevention or relief of poverty

514. The advancement of religion

## The geographical spread of organisations:

- A Specific Local Point, Community or Neighbourhood
- Serving People from a Broad Area
- Wider, but within one Local Authority Area
- More than one Local Authority Area in Scotland
- Covering all or most of Scotland
- Scotland & other parts of the UK
- UK & overseas
- Overseas only

- 342. The provision of recreational facilities, or the organisation of recreational activities
- 315. Any other purpose that may reasonably be regarded as analogous to any of the preceding purposes
- 299. The advancement of environmental protection or improvement
- 232. The advancement of public participation in sport
- 199. The promotion of equality and diversity
- 169. The advancement of human rights, conflict resolution or reconciliation
- 113. The advancement of animal welfare
- 106. The promotion of religious or racial harmony
- 96. The saving of lives

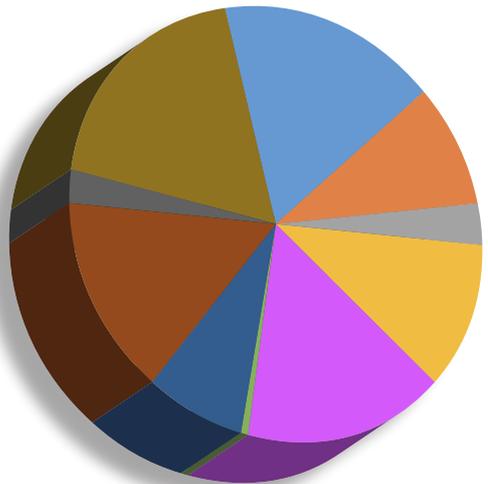


## Income to the sector

In 2019 there was £4.8 billion of income to the sector (not including private schools, further education and higher education institutions). The income to the sector has more than doubled in 5 years.

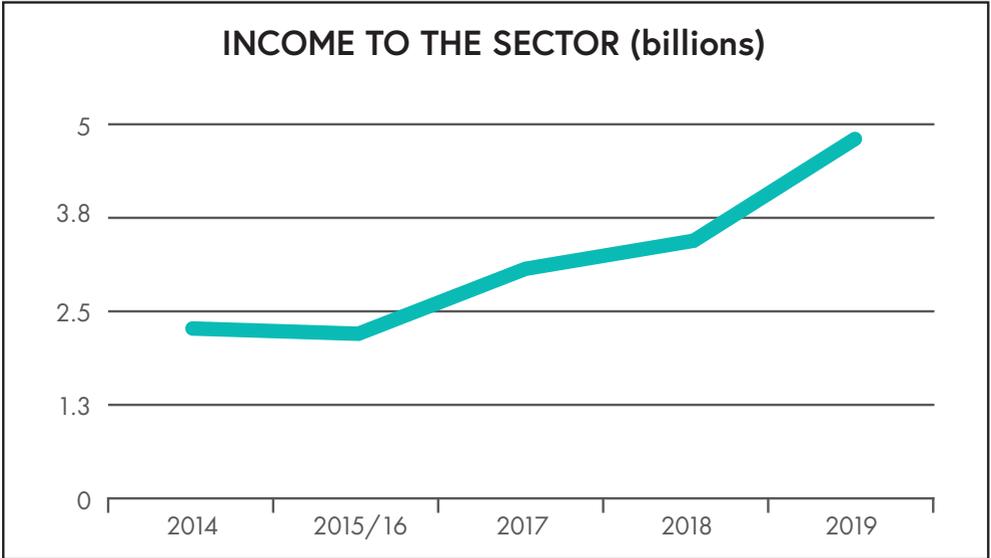
### The sources of funding for organisations:

- City of Edinburgh Council
- Health & Social Care Partnership
- NHS
- Other Public Sector Funding
- Donations, Fundraising & Legacies
- Interest & Investment Income
- Trading
- Charitable Activity
- European Social Funding
- Other Incoming Resources



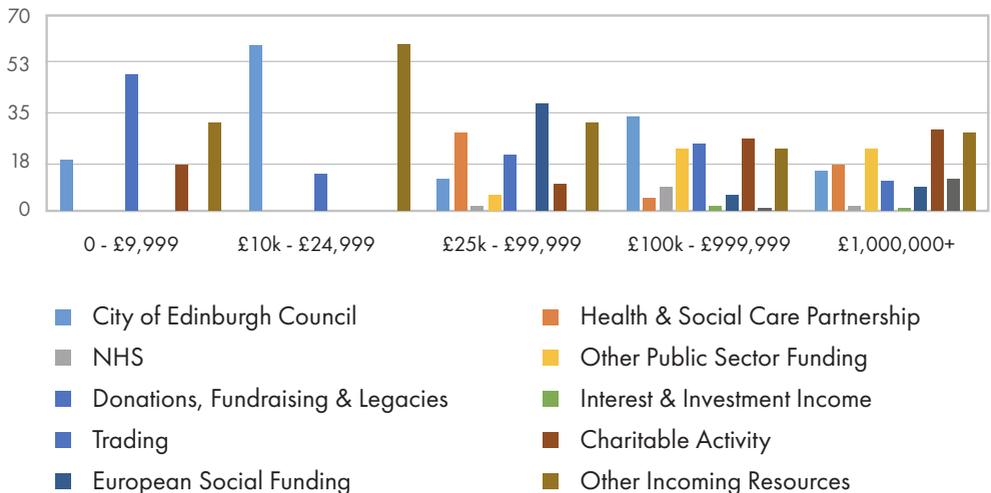
41% of organisations have had to use financial reserves; these have been used to cover core costs and meet funding gaps, as well as covering capital projects such as property maintenance and office charges.

## INCOME TO THE SECTOR (billions)



The sources of funding filtered by size of organisation. Larger organisations have more sources of funding, whereas smaller organisations rely on fewer sources of income:

### Sources of funding by size of organisation:



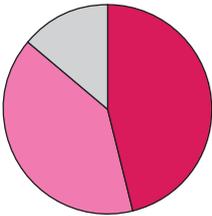


## 2: THE THIRD SECTOR INTERFACE

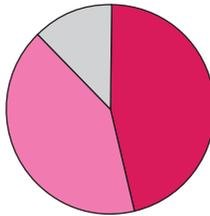
### Organisation of Edinburgh's Third Sector

The TSI is a partnership between Volunteer Edinburgh, Edinburgh Social Enterprise and Edinburgh Voluntary Organisations' Council (EVOC).

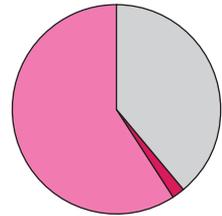
Agreed Strongly Agreed



86% of people either **agreed** (46%) or **strongly agreed** (40%) that as a result of taking part in networks and forums or networking activity they felt more connected.



89% of people either **agreed** (42%) or **strongly agreed** (47%) that EVOC brings extensive knowledge of the third sector and their views to partnerships.



61% of people either **agreed** (59%) or **strongly agreed** (2%) that the sector had found ways of working better together.

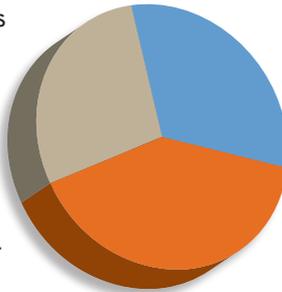
# Volunteering

**29%** of people in Edinburgh volunteer formally, consistently above the Scottish average of 26%. Averaged over the past 6 years the formal volunteering rate is **32.5%**.

The rate for all volunteering, both formal and informal is **51%**.

**34%** of adults in households earning more than £30K per year volunteer, compared to **26%** of adults in households earning less than £15k per year.

The average volunteer contributes **4.3** hours per week. A total of more than **640,000** hours of volunteering are donated in Edinburgh every single week. That is a financial equivalent contribution of **£8.4 million** pounds each week (using Edinburgh average hourly rate).



## Volunteering by age:

- 16-39 year olds
- 40 - 64 year olds
- 65+

**33%** of organisations are involving more volunteers than last year and **44%** of volunteers are donating more hours than last year. Yet **68%** of organisations need more volunteers and **37%** of organisations have vacancies for trustees.

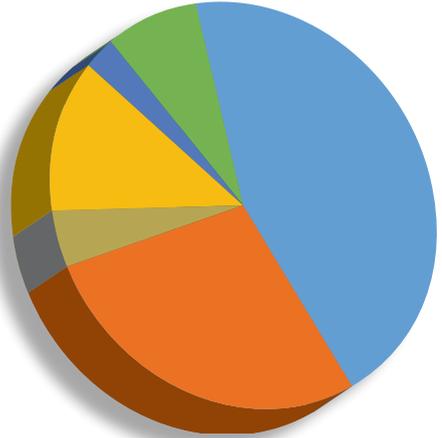
**57%** VIOs state that time to recruit and manage volunteers is the main barrier to increasing participation rates



### Volunteering (cont.)

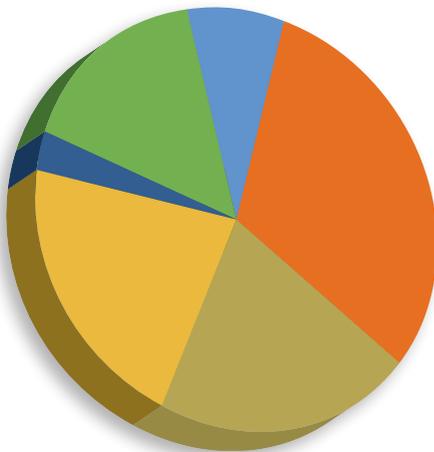
#### Motivation for volunteering:

- Contributing to Society
- Issue-focused
- Improving their own Social Activity
- Improving their Employability Prospects
- Improving their Health and Wellbeing
- Other



### Social enterprises

#### Geographical Spread of Social Enterprises in Edinburgh

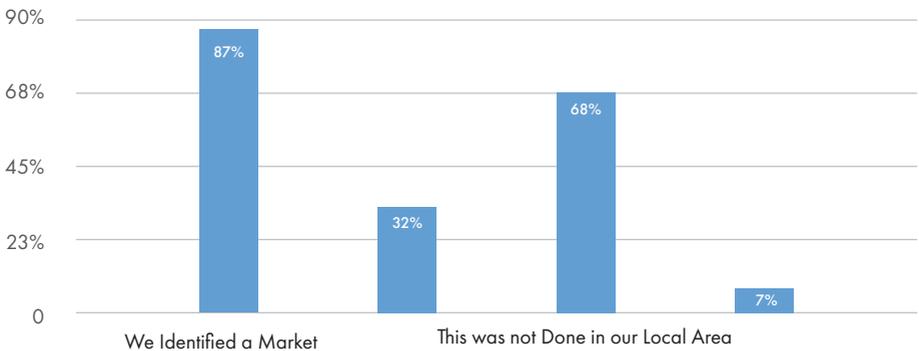


- A Single Neighbourhood/Community
- More Than One Local Authority Area
- Across the UK
- A Local Authority Area
- Scotland-wide
- Internationally

## Who are the main beneficiaries of social enterprises in Edinburgh?

- 1) People with Mental Illness or Mental Health Problems
- 2) Individuals with a Learning Disability
- 3) Long-term Unemployed
- 4) Individuals with a Physical Disability

## Why do people set up social enterprises?



For social enterprises in Edinburgh, the main trading activities were

- 1) Arts and Creative Industries
- 2) Education, Training and Employment
- 3) Other

This is different for social enterprises across Scotland, where the main trading activity is Community Centres and Halls, and Arts and Creative Industries ranks second.

Across Edinburgh, **74%** of Social Enterprises reported that they mainly sell services, which closely aligns to the national picture (**76%**)



### Social enterprises (cont.)

For social enterprises in Edinburgh, the top 3 objectives were

- 1) Improving Health and Wellbeing
- 2) Providing Training for Employment
- 3) Addressing Social Isolation/Exclusion
- 4) Providing Volunteering Opportunities

Barriers and Obstacles for social enterprises in Edinburgh

- 1) Lack of Time/Capacity to Develop Trading Potential
- 2) Insecure or Declining Grant Funding
- 3) Increasing Costs

Help and Support for the Next 12 Months for social enterprises in Edinburgh

- 1) Developing Digital Capabilities
- 2) Developing your Marketing Strategy
- 3) Measuring Social Impact



### The third sector as a partner in the city

We asked what conditions are supporting, and what conditions are hindering partnership working within the third sector in Edinburgh.

#### Supporting:

- Umbrella bodies such as EVOC, SCVO, ESE
- Relationships and communication
- Forums and networks

#### Hindering:

- Funding cuts
- Competition within the sector
- Capacity, lack of time and staff

During 2018/2019 the third sector has been invited to be involved in a number of significant strategic discussions in the City, including:

Integrated Joint Board commissioning plans

Community planning governance review

Children services inspection

Mental health PSP

Carer Strategy

Community Learning and Development Plan

City Mobility Plan

Children and Young People Mental Health

Domestic Abuse Services Strategic Review

Canal Transformation

Cultural Strategy

Out of Hours Care



### The third sector as a partner in the city (cont.)

Over **50%** of our surveyed organisations had contributed to these discussions and overall felt their opinions were both listened to, though to a lesser degree acted upon. Those involved in the Carer Strategy and Community Learning and Development Plan expressed greatest satisfaction in both being listened to and their opinions acted upon. Organisations in the Community Planning Governance Review and the Children Services Inspection felt quite well listened to but expressed the greatest dissatisfaction regarding the actions following.

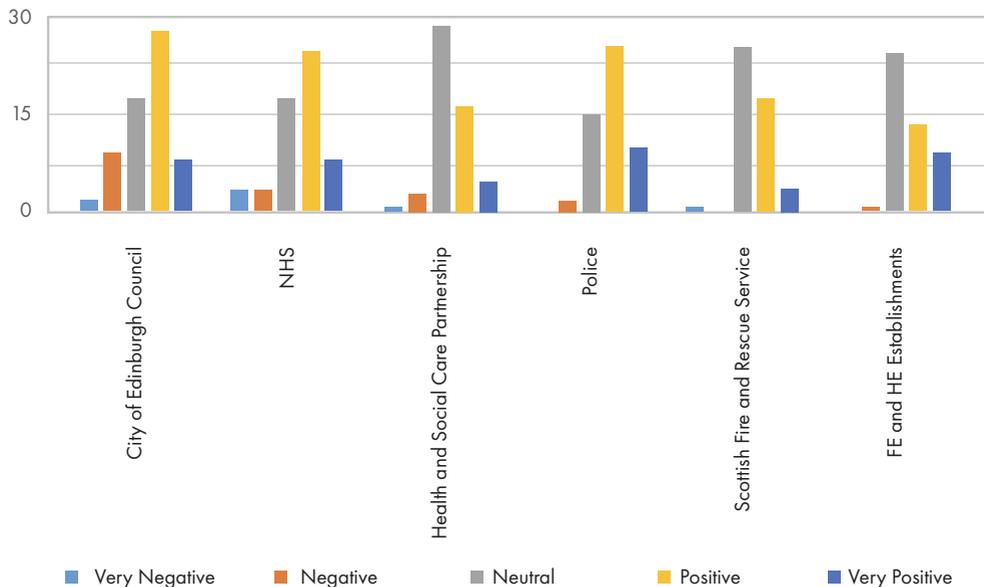
The sector works towards locality priorities in Edinburgh, and the organisations felt that they worked mostly towards:

- **Health and Social Care.** This involves improving access to GPs and other services, supporting older people, reducing social isolation, supporting carers, supporting mental health and the promotion of healthy living.
- **Children and Young People.** Making sure all children have the best start in life, all children and young people reach their potential, providing the right support at the right time, improving health and wellbeing, and involving children, young people and their families in developing services.
- **Employability.** Improving quality, level and continued participation of all young people in education, employment or training, making sure local residents are aware of and are supported to access local vacancies and opportunities further afield, improving general economic health, improving support around the individual, ensuring that services are accessible, appropriate and holistic and making sure local communities understand each other's needs and work effectively together.

- **Safer Communities.** Tackling fear of crime, reducing hate crime, tackling anti-social behaviour, enhancing collective approach to domestic abuse, tackling drug and alcohol misuse and improving road safety.
- **Place.** Making sure Edinburgh has an integrated and sustainable transport system, communities are placed at the heart of planning new developments, improving civic space and making sure local communities understand each other's needs and work effectively together.

## The relationship between the third sector and the public sector

Rating of the Organisation's Relationship with Public Sector Services





### Voluntary sector forums (VSFs)

VSFs currently meet quarterly across Edinburgh localities and provide an opportunity for the third sector to come together and share their experiences. VSFs are also an important channel for the third sector's voice to be heard in local planning, due to the VSF chair representing their interests at the Locality Community Planning Partnership (LCPP) meetings.

During 2019 we asked for opinions on VSFs. **76%** of people who have attended VSFs found them to be useful. And **92%** of all respondents believed that voluntary organisations should participate in local community planning. Reasons why this is important focused on:

- The strong relationship between voluntary organisations and local communities
- The trust between local communities and voluntary organisations due to their work at a grass roots level
- The local knowledge base which voluntary organisations have about the lived realities of the communities
- Providing one voice for the community

When asked if there was a better way to develop local relationships and local partnership working the common responses included:

- Increased networking events to increase partnership working
- CEC needs to be committed, engaged and respectful of the voluntary sectors knowledge
- Open invites well in advance to locality meetings, as this allows smaller organisations the opportunity to contribute



## 4: PAST, PRESENT AND FUTURE

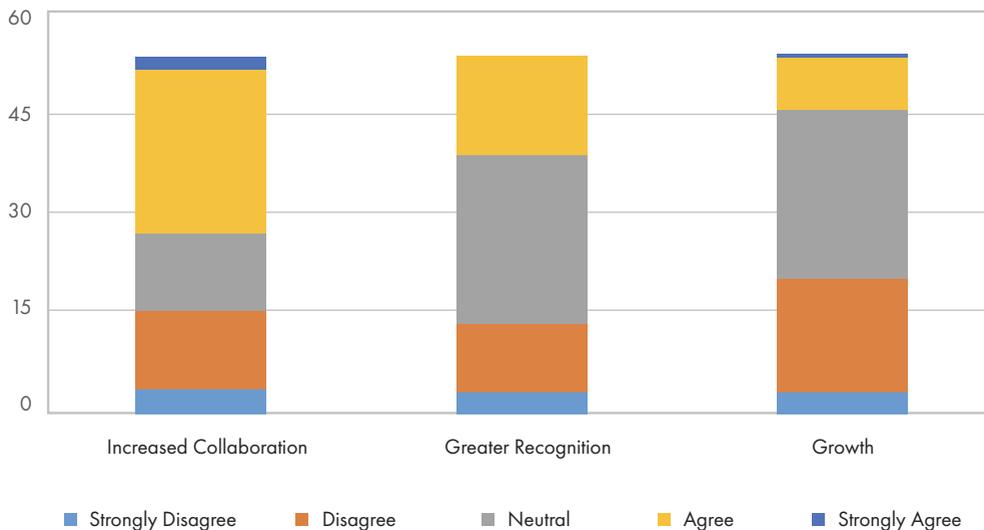
### Five years on – hopes and fears

5 years ago we asked what the third sector's hopes were for Edinburgh in the future, and the most important were:

- Increased collaboration
- Greater recognition
- Growth

This year we asked whether they felt the sector had met these hopes:

Hopes after Five Years





## 4: PAST, PRESENT AND FUTURE

### Five years on – hopes and fears (cont.)

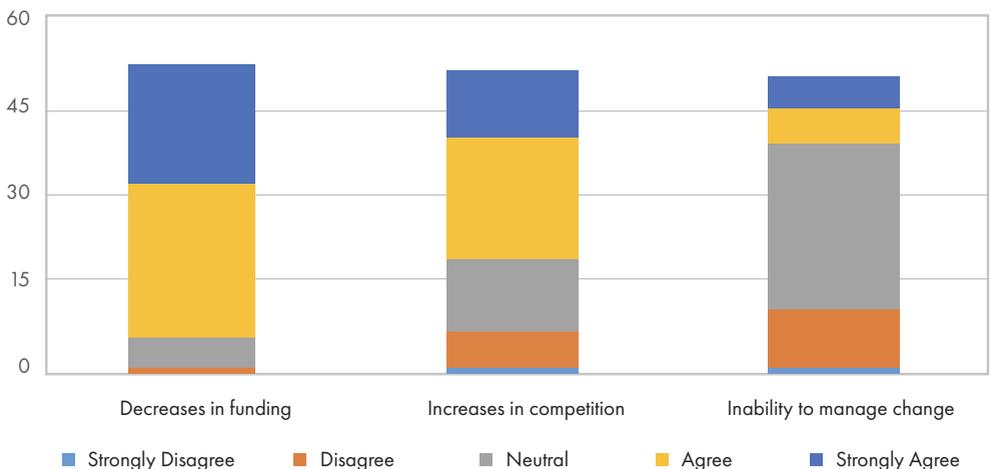
**49%** of people either agreed (**45%**) or strongly agreed (**4%**) that the hope for increased collaboration had been met. However, only **25%** of people agreed that the hope for greater recognition had been met, with no one strongly agreeing. And only **14%** of people agreed (**12%**) or strongly agreed (**2%**) that the hope for growth had been met. The majority of people (**47%**) felt neutral.

5 years ago we asked what the third sector's fears were for Edinburgh in the future, and the most important were:

- Decreases in funding
- Increases in competition
- Inability to manage change

This year we asked whether they felt these fears had come true:

Fears After Five Years



**88%** of people agreed (**49%**) or strongly agreed (**39%**) that the fear of decreases in funding had come true.

**62%** of people agreed (**40%**) or strongly agreed (**22%**) that the fear of increases in competition had come true.

The majority of people (**55%**) felt neutral about the fear of inability to manage change.

## Looking forward

We asked what the biggest challenges facing organisations were. For small organisations the biggest challenges were:

- Ongoing funding
- Availability of volunteers
- Fundraising difficulties

For large organisations the biggest challenges were:

- Ongoing funding
- Competition
- Increasing demand

We asked what the organisations anticipated they would need support with in the coming year: For small organisations the anticipated support is:

- Supporting volunteers
- Access to training
- Making sure their voices are being heard



## 4: PAST, PRESENT AND FUTURE

### Looking forward (cont.)

For large organisations the anticipated support is:

- Strategy development
- Access to training
- Evaluation and monitoring

**90%** of people believed that there will be an increase in demand for services in the coming year.

We asked how they felt the third sector could most effectively respond to a shrinking public sector:

- By working in partnership
- Supporting each other
- Proving outcomes through evaluation



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