



Compact Voice 2017

A Guide to Edinburgh's Third Sector
and Social Economy

EdinburghCompact





Introduction

Each year we collect data from organisations and individuals across Edinburgh's third sector so that we can gain a better understanding of what our sector looks like. By publishing this information we aim to provide useful information back to voluntary organisations, social enterprises, and community groups, as well as use this data to influence decision-making at public and statutory level.

Our data is collected from:

- Responses to the annual Compact Voice Survey of the third sector in Edinburgh, typically 100+ replies, 120 in 2017.
- Information from the Scottish Charity Regulator (OSCR, April 2017).
- Information from Volunteer Edinburgh's annual Volunteering in Edinburgh survey (190 VIOs* responded Winter 2016/2017).
*Volunteer Including Organisations
- Information from Edinburgh Social Enterprise.
- EVOC's Redbook database.

What is the 'third sector'?

The third sector is comprised of charities, voluntary organisations, social enterprises, and community groups. Its purpose is to help to support and protect people, animals and the environment through policy development, provision of services and strengthening grassroots and community engagement.



This Year in Context

We face big challenges today as changes in support for vulnerable people and reduction in public spending continue to increase in its severity and impact. We have a choice. We can continue to do what we have always done and hope it will be enough. Or make a dramatic shift where we fully recognise the enormity of the task facing us. We need to rise to the challenge, but can't do this in isolation.

The third and public sectors are natural partners and both need to take a step into the unknown. The third sector has great resilience, flexibility and imagination - the public sector the scope and infrastructure to make sure that all citizens have equal access to opportunity. Let us be creative in our thinking and make sure that the Edinburgh of the future is Everybody's Edinburgh.

Jan-Bert van den Berg
Chair of The Compact Partnership



SECTION 1

Overview of Edinburgh's third sector

Size of Edinburgh's third sector

The number of registered charities in Edinburgh makes up approximately 10% of the total number of charities registered in Scotland, and this includes International Headquarters, UK Head Offices, Scottish Head Offices and Edinburgh focused organisations.

2395*

Charities

1200**

Community
Groups

*Source OSCR , Includes charitable trusts and foundations and newly formed organisations which meet the charity test and excludes Further Education establishments, Higher Education establishments and private schools in Edinburgh.

** Source: EVOC



Of those:

2101

charities work primarily or
exclusively in Edinburgh

Estimated

260

Social Enterprises
in Edinburgh

Contribution of the sector to Edinburgh's economy

When we talk about income to the third sector what we mean is the money that is generated through grants, funding, trading and investments which is then invested back into services and organisations in Edinburgh.

Income to the sector in 2017 – just over

£3 Billion

Excludes Further, Higher and Private Education
establishments and Housing Associations



What the sector does

To be registered as a charity in Scotland it is necessary for organisations to categorise themselves as having one or more charitable purpose (most state more than one purpose).

In Edinburgh the top five categories of charitable purpose are:

EDUCATION
1547



792
**CITIZENSHIP OR
COMMUNITY DEVELOPMENT**



749
**ARTS, HERITAGE,
CULTURE OR SCIENCE**

699
**DISADVANTAGED
PEOPLE**



600
HEALTH



- 524 Relief of poverty**
- 456 Religion**
- 318 Other**
- 300 Environmental protection or improvement**
- 284 Recreational facilities and activities**
- 199 Participation in sport**
- 181 Equality and diversity**
- 166 Human Rights**
- 104 Animal Welfare**
- 86 Racial harmony**
- 84 Saving of lives**

‘Many third sector organisations focus on preventative work.’

SECTION 2

How the sector organises itself

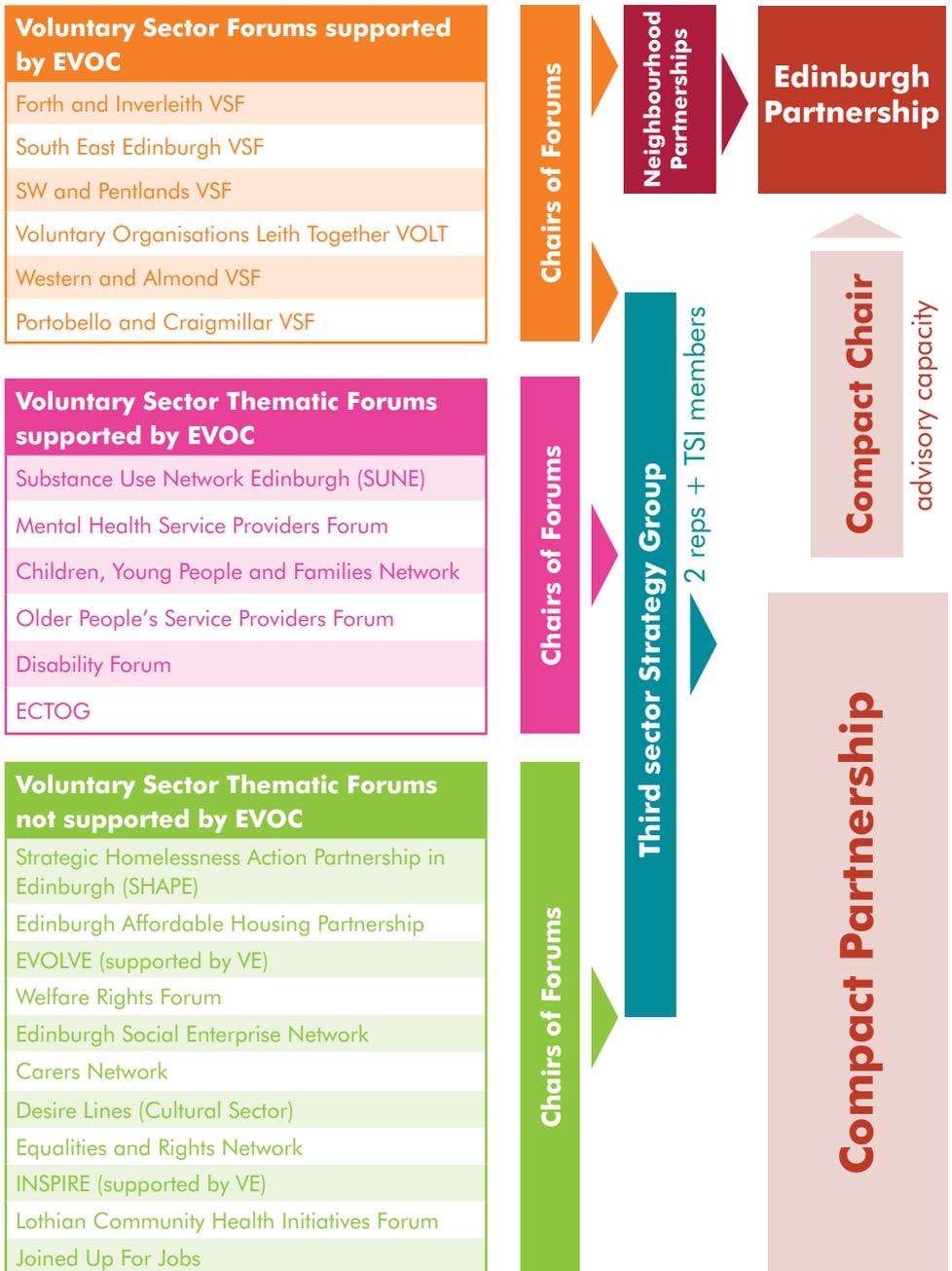
There are a range of forums and networks for third sector organisations in the City focusing on themes of interest or geographical areas. The purpose of these forums is to generate collective viewpoints and voice and improve networking and collaboration within the third sector.

All third sector forums and networks are invited to take part in the Third Sector Strategy Group (TSSG) which feeds into the Compact Partnership.

Actions and successes for the networks and forums in 2017 include:

- The Disability Forum and Children, Young People and Families Network highlighted the issues of transitions from children to adult services in Edinburgh for young disabled people at a thinkSpace event.
- Voluntary Sector Forums in 6 areas provided input into Locality Improvement Plans.
- TSSG submitted a response to the Call for Evidence for Social Security (Scotland) Bill.
- The Older People's Forum held a thinkSpace event on adult protection which was attended by 40 organisations from adult services and succeeded in raising the profile of third sector practice.
- Children, Young People and Families Network members participated in stakeholder dialogue events with children and young people from across the city to look at harnessing their energy and views in future planning.

Third sector input to Community Planning



Third Sector and Localities

Locality working has been introduced in Edinburgh, with the city now divided into four localities - North East, North West, South East and South West.

Both public sector and third sector have agreed to work in partnership in these localities with the aim to support better collaborative practice across the city.



The main route for third sector involvement is through Voluntary Sector Forums.

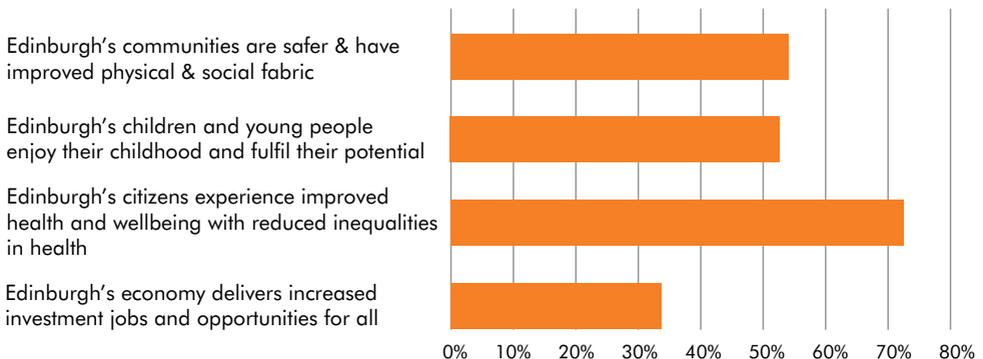
Voluntary Sector Forums facilitate communication and planning among the voluntary sector organisations that operate within each local area, and have direct links to senior staff within the planning structures of Edinburgh.

60%

of all third sector organisations focus on preventative work with older people, young people and families or health inequalities

Fit with City Priorities

City Priorities that organisations help to deliver



SECTION 3

Volunteering

 **990,000** hours annually

Each average individual volunteer contributes 3.8 hours a week (VE). In total **990,000 hours** are contributed annually to the organisations that took part in our survey

That's the equivalent of **£12.9 million**
(using Edinburgh's average hourly wage)

35%

of people in Edinburgh volunteer

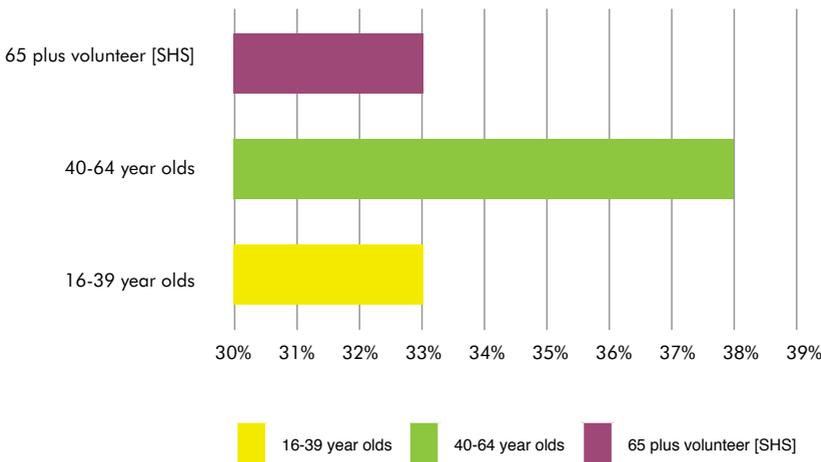
significantly higher than the Scottish Average of 27% (SHS*)

*Scottish Household Survey

42%

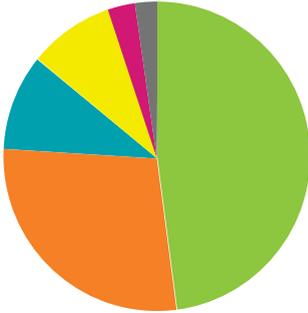
of adults with a household income of over £30,000 volunteer

compared to only 27% of adults with an income of up to £15,000 (SHS)



The data suggests people volunteer because they want to do something worthwhile in their community, while also increasing their employability prospects.

Motivations for volunteering: [VE]



- Do something worthwhile 48%
- Improve Health 10%
- Assist Access to education 3%
- Improve Employability 28%
- Improve English 9%
- Other 2%

What Volunteers Do

- Sports/Exercise (Coaching/Organising)
- Justice and human rights
- Religious Groups
- The elderly
- Children's activities associated with schools
- Wildlife Protection
- Environment Protection
- Youth/Children
- Hobbies/recreations
- arts/social clubs
- Local Community or neighbourhood groups
- Domestic animal welfare
- Safety/First Aid
- Education for adults
- Health disability and social welfare

Organisations that involve Volunteers (VIOs)



91%

of VIOs are involving more of the same number of volunteers than last year

41% 

of VIOs report that those volunteers are donating more hours

52%

of volunteer managers say that the main barrier to recruiting more volunteers is time/ staff to recruit and manage volunteers

62%

of VIOs do not have enough volunteers



39%

of VIOs currently have vacancies for trustees

SECTION 4

Social Enterprises

Edinburgh is home to an estimated

260 Social Enterprises, of which 137 (53%) are fully code compliant members of Edinburgh Social Enterprise (source; ESE)

There is interest across the third sector for information on:

- becoming a social enterprise,
- what a social enterprise is,
- national social enterprise strategy.

In order to fund services third sector organisations are looking at alternative means of funding, which may include trading and becoming social enterprises, the main drivers are:

44% of respondents reported that there is less support available from Edinburgh's public sector

53% reported a reduction in funding from Edinburgh's public sector

66% of respondents expect expenditure to increase

Demand for support is expected to increase dramatically over the next year
(85% respondents)

80% anticipate competition for resources to increase

This supports the need to explore different ways of resourcing the sector not just to keep abreast of current demand, but also future proof against expected growth in demand for services.

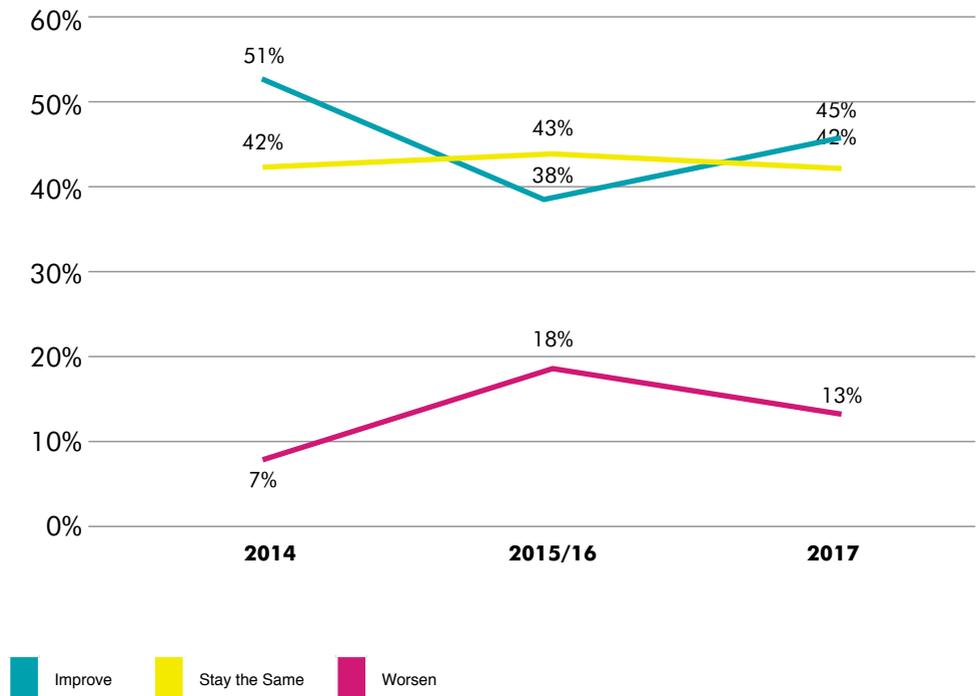
SECTION 5

Analysis

The majority of people felt that their relationship with the public sector will stay the same or improve. Over the last 3 years we have seen changing levels of confidence in that relationship. 2015/16 saw a drop in optimism for the future compared to 2014, but this has improved somewhat in 2017.

One of the major aspirations mentioned by the respondents for the future of the third sector is that they are respected partners with the statutory sector, and hope for closer and more effective collaboration in the future.

Over the next year do you expect your organisation's relationship with the public sector to...

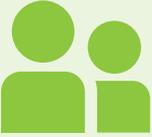


Concerns

This year, organisations listed

Funding | Fundraising | Finances

most frequently as areas of concern



Short-term funding creates an unstable environment for staff



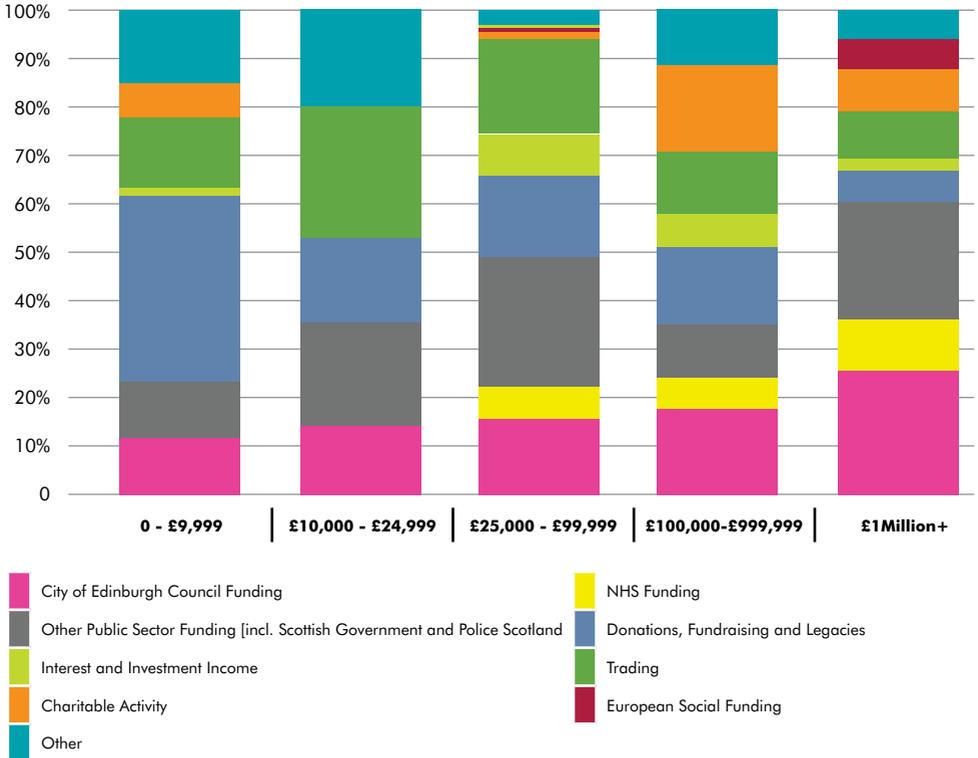
Increased competition for funding



Closure of organisations

Being asked to do more for less money means that service delivery and quality suffers

Current sources of funding



The City of Edinburgh Council provide a higher percentage of the income of larger organisations than smaller organisations.

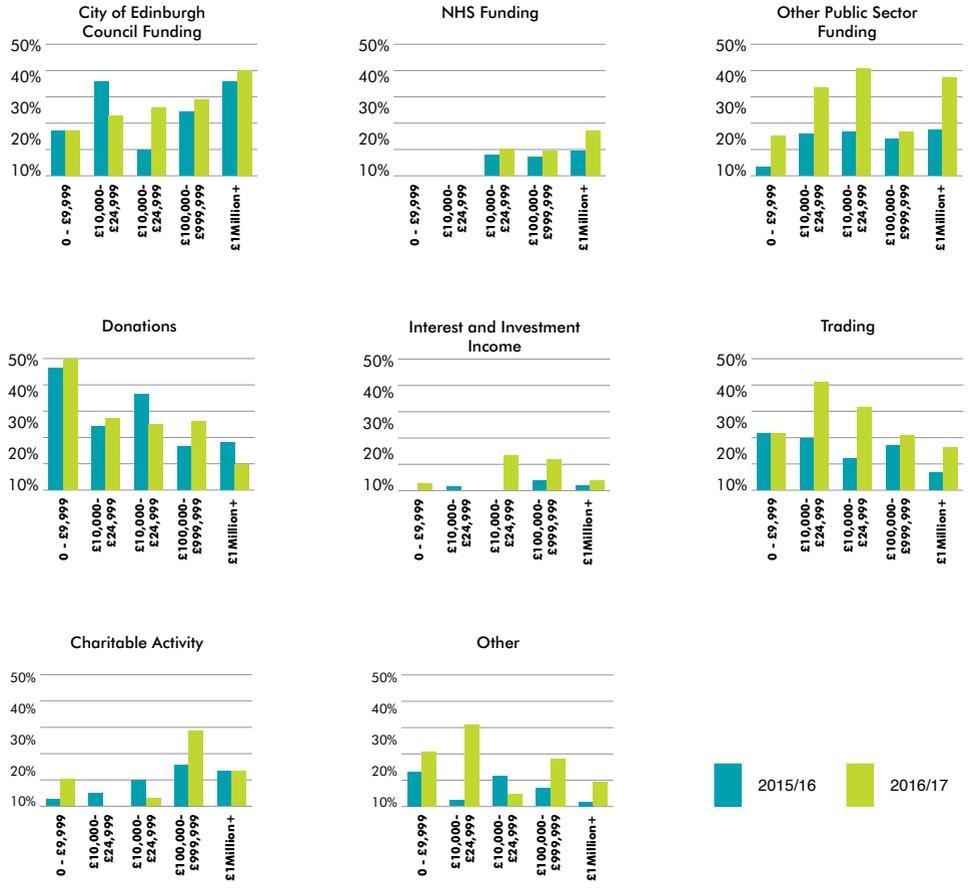
There is often a perception that the third sector is funded primarily by the Council, however, we can see here that all sizes of organisation also rely on income from other sources, including other public sector sources.

According to our sample, the NHS rarely fund organisations smaller than £25,000, and only the largest organisations receive European Social Funding.

Smaller organisations received most of their funding through donations, fundraising, and legacies.

Most trading takes place by medium to large organisations, and mostly larger organisations have received income from interest or investment this year.

Source of funding over time



City of Edinburgh Council funding for organisations with income between funding of £10,000 - £24,999 has been reduced this year. It appears that organisations have instead received an increased proportion of their funding from other public sector sources, and other sources. They have also increased their trading activity.

Funds from other public sector sources appear to have increased proportionally across organisations of all sizes.

The proportion of income from trading has increased since last year, overall, and significantly for those in the £10,000 - £99,999 bracket.

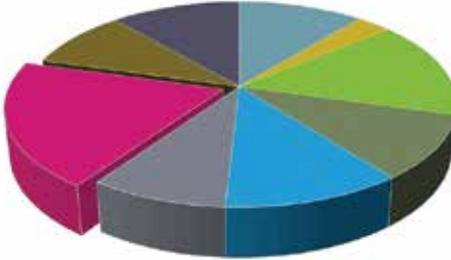
*Source: Compact Voice 2017

Recent impacts on the third sector

Effects of budget reductions on third sector services

For the most part, organisations have reported seeing a reduction in access to services, and the closure and reduction of services.

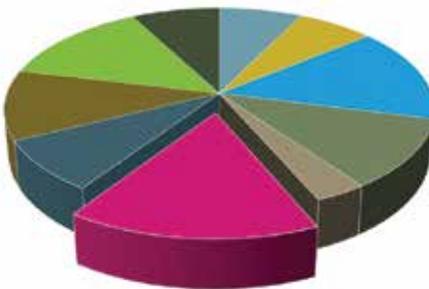
Effects of budget reductions on third sector services



- None as yet
- It's great -voluntary organisations are being relied on instead
- Less support available from public sector
- Reduction in services delivered
- Reduction in funding/effective reduction due to same level of funding and increased costs
- Less collaboration
- More competition
- Reduction in capacity
- Other (please specify)

Impacts on service users in recent years

Effects of budget reductions on third sector service users



- None as yet
- None as yet, as we are trying to protect our service users from feeling the effects
- Closure/reduction of services
- Increased poverty and hardship
- Information overload
- Reduced access to services
- Reduced quality of life
- Constraints on length of support
- Longer waiting lists
- Other (please specify)

Legislative issues that have affected the sector this year

During 2016/2017 the effects of new legislation as well as new ways of working with public and statutory organisations has been felt by the third sector. Support is requested by the sector and statutory bodies to address changes through training, awareness sessions and thinkSpaces.

The Community Empowerment Act increasingly affects the third sector:

- Locality working is now in place in Edinburgh with the Locality Improvement Plans (LIPS) due for completion by the end of 2017. Locally based Voluntary Sector Forums have become integral to locality working, providing a route for engagement to third sector organisations in the areas. Organisations which deliver city-wide services continue to be concerned about how they engage with localities. Thematic forums and networks offer a route but it is unclear at this stage whether this will be adequate.
- Participatory Budgeting is now a regular feature in the city, receiving a mixed response from voluntary organisations and community groups depending on the implementation of the projects and their objectives.
- There has been some interest in asset transfers and participation requests from the sector, however we expect this to increase as it becomes more relevant to individual organisations.

As the Edinburgh Integration Joint Board and the Health and Social Care Partnership moves into a more settled phase, third sector organisations seek:

- Improved relationships and partnership working
- Improved service redesign processes
- Appropriate investment models to support local service provision
- Opportunities to address issues collectively with statutory partners

Regulatory Changes

- OSCR moved to targeted regulation for Scotland's charities
- New fundraising regulations introduced

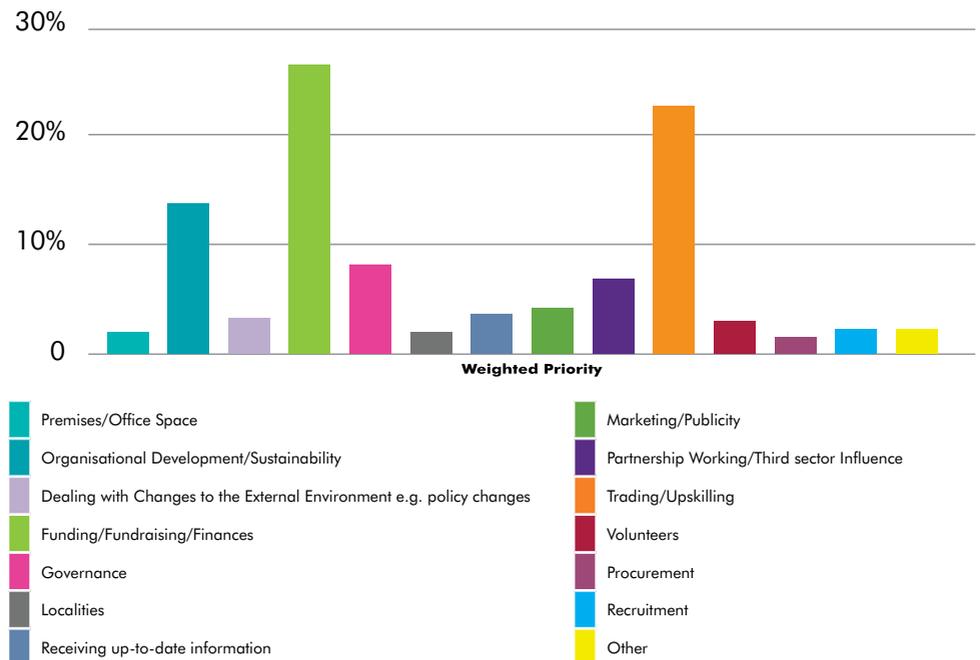
Looking forward to 2018, organisations will need support to understand the impact of and to comply with the new General Data Protection Regulation.

Areas requiring support

We asked what support third sector organisations would find most valuable, they answered:

1. Funding, fundraising, and finances are the most frequently listed in the top three priorities.
2. Training and upskilling in a variety of areas (ranging from communication to data analysis and reporting), was the second most important area of support requested by organisations, and was coupled with the need for funding for the required training in a number of cases.
3. Support with organisational development/sustainability was listed as the third most important area of support, with respondents looking to make their organisations more robust, e.g. through 'diversifying our model and services' or 'long-term survival in a short-term society'.

Support for governance was also listed by respondents as being important.



Aspirations for the future

The third sector is still dedicated to providing citizen-focused services and organisations want to continue and expand on this, we hope to:

Develop a more financially secure environment to operate and exist within, that would ensure organisations survive.

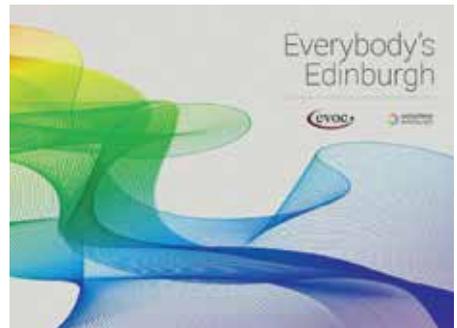
Become a valued and respected partner when working with the public sector in designing or delivering services.

Everybody's Edinburgh

The sector came together earlier in 2017 to discuss the challenges and issues that are affecting Edinburgh's citizens, and the commitments needed to overcome them.

We highlighted five of these areas in a third sector manifesto:

- Housing and Homelessness
- Caring for Older People
- The Environment
- Children and Young People
- Mental Health



Our challenge to the statutory sector over the next four to five years are to: Focus resources on addressing poverty and inequality; recognise, nurture and support in-depth coproduction and partnership working, and participate in a third sector led 'Commission on Prevention'.

Our commitment as a sector is to construct the space where all sectors can come together to practically tackle inequalities, and be involved with and understand the work of the third sector.

We aim to support partnerships and collaborations in this shared goal. You can request a copy of this document by emailing comms@evoc.org.uk

For further information about Edinburgh Compact
Partnership please visit www.edinburghcompact.org.uk



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