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* 1200**
Charities Community Groups

Of those:
2101 charities work primarily or exclusively in Edinburgh

260 Social Enterprises in Edinburgh

*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

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

*OSCR
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

**Arts, Heritage, Culture or Science** 749

**Citizenship or Community Development** 792

**Health** 600

**Disadvantaged People** 699

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.
Voluntary Sector Forums supported by EVOC
- Forth and Inverleith VSF
- South East Edinburgh VSF
- SW and Pentlands VSF
- Voluntary Organisations Leith Together VOLT
- Western and Almond VSF
- Portobello and Craigmillar VSF

Voluntary Sector Thematic Forums supported by EVOC
- Substance Use Network Edinburgh (SUNE)
- Mental Health Service Providers Forum
- Children, Young People and Families Network
- Older People’s Service Providers Forum
- Disability Forum
- ECTOG

Voluntary Sector Thematic Forums not supported by EVOC
- Strategic Homelessness Action Partnership in Edinburgh (SHAPE)
- Edinburgh Affordable Housing Partnership
- EVOLVE (supported by VE)
- Welfare Rights Forum
- Edinburgh Social Enterprise Network
- Carers Network
- Desire Lines (Cultural Sector)
- Equalities and Rights Network
- INSPIRE (supported by VE)
- Lothian Community Health Initiatives Forum
- Joined Up For Jobs
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

- Edinburgh’s communities are safer & have improved physical & social fabric
- Edinburgh’s children and young people enjoy their childhood and fulfil their potential
- Edinburgh’s citizens experience improved health and wellbeing with reduced inequalities in health
- Edinburgh’s economy delivers increased investment jobs and opportunities for all
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*)

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)

*Scottish Household Survey
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%
- Improve Employability: 28%
- Improve English: 9%
- Assist Access to education: 3%
- 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.
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...**

![Graph showing the percentage of responses over the years for the relationship with the public sector.](image-url)
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
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: Compact Voice 2017*
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.

Impacts on service users in recent years

Effects of budget reductions on third sector service users
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.

Everbody’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 ‘Commision 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