BREAKING BLUE
A CELLO HEALTH INSIGHT BUSINESS

SCOTTISH CHARITY AND PUBLIC SURVEYS 2020 REPORT

June 2020

The Scottish Charity Regulator (OSCR)

OSCR
Scottish Charity Regulator

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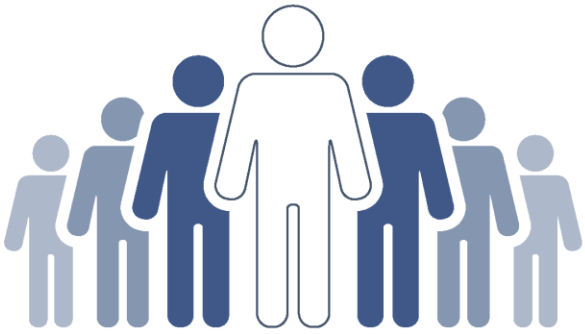
1. Executive Summary

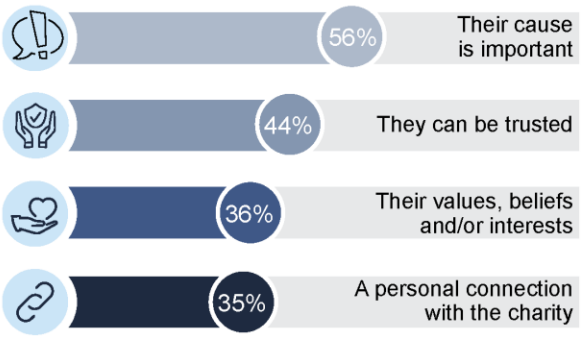
What motivates people in Scotland to support charities?



93% of Scottish Adults have given money, time or goods to a charity in the last year

(Base: Scottish public 1,010)

The top reasons the Scottish Public gave for giving to a charity were:



Respondents asked to name top three reasons for donating
(Base: Scottish public who have given to charity 933)

35%

When given no prompting, the Scottish public viewed transparency as the quality that would most inspire trust in a charity

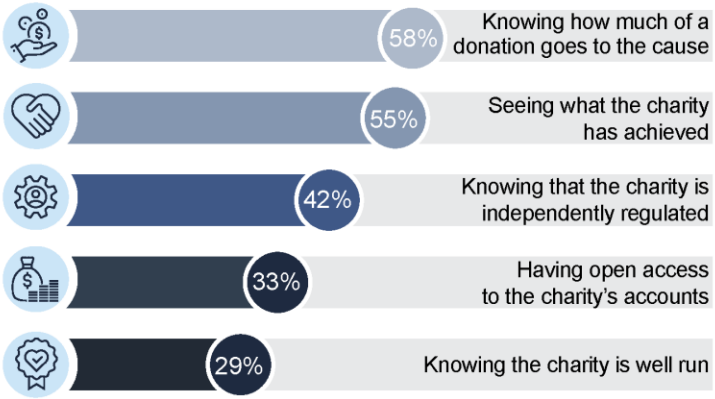
Unprompted
(Base: Scottish public 1,010)

Direct transparency
Seeing a positive impact made using donations

Administrative accountability
Being open with accounts and internal processes

And even when given a range of options to choose from, being transparent about the charity's impact and use of funds was important for perceived trustworthiness:

Respondents asked to name three options most likely to increase perceived trustworthiness
(Base: Scottish public 1,010)



42%

...feel **knowing that the charity is independently regulated** is important for trustworthiness

The principles that a charity should embody:

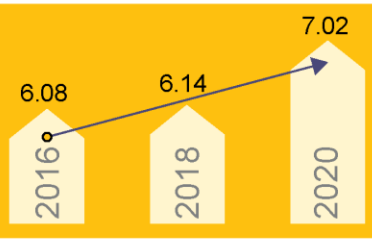
Honesty
Vision
Motivation
Transparency
Empathy
Passion
Committed
Volunteering
Trustworthy people
Local impact

How the Scottish public would communicate a charity's trustworthiness:

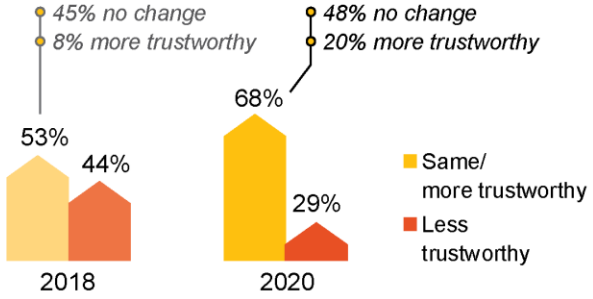
Does the Scottish public trust charities?

The overall level of trust and confidence in charities in Scotland has gone up since 2018 *(mean score out of 10)*

(Base: Scottish public 1,010)

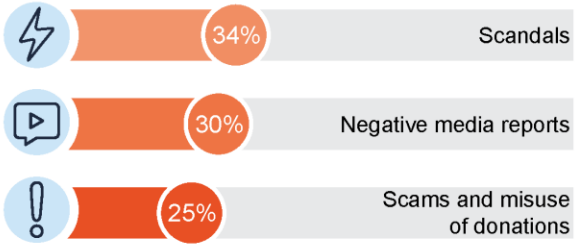


Two thirds of the public feels that the charity sector is as trustworthy, or more trustworthy, than two years ago, up from only a half in 2018



(Base: Scottish public 2020 1,010, 2018 1,010)

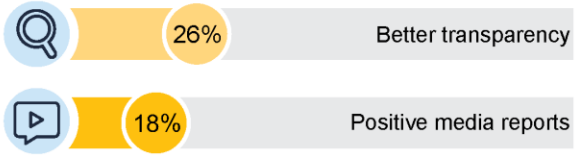
The primary reasons for members of the Scottish public feeling that the sector was less trustworthy than two years ago revolved around scandals and other negative stories in the media



(Base: Scottish public who felt charities are less trustworthy 283)

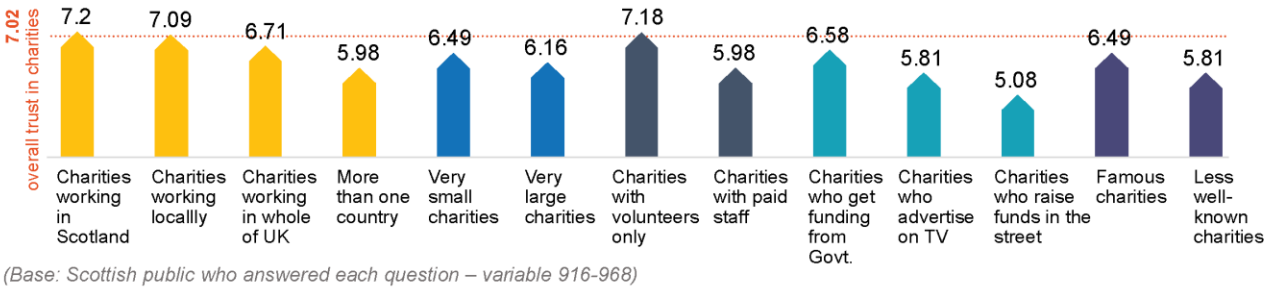
For those who believed that the sector was more trustworthy than two years ago, better transparency was the most common reason, followed by good news stories in the media

(Base: Scottish public who felt charities are more trustworthy 207)



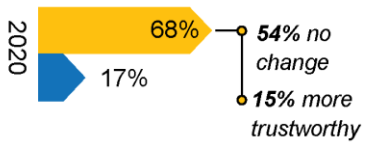
Charities working in Scotland, as well those working in local communities were more trusted than those with a UK-wide or international reach

While smaller charities were more trusted than larger ones, the size of a charity was less influential on its assumed trustworthiness than its geographical scope



(Base: Scottish public who answered each question – variable 916-968)

Charities themselves were less likely than the Scottish public to feel there had been a drop in the sector's perceived trustworthiness over the past two years



(Base: All charities 1,102)

Two-fifths of charities who felt the perceived trustworthiness of the sector had increased reported an increase in support because of this

(Base: Charities who felt public trust had increased in the past two years 166)

However, only one fifth of those who felt perceived trustworthiness of the sector had decreased felt that this had led to lower public support for them

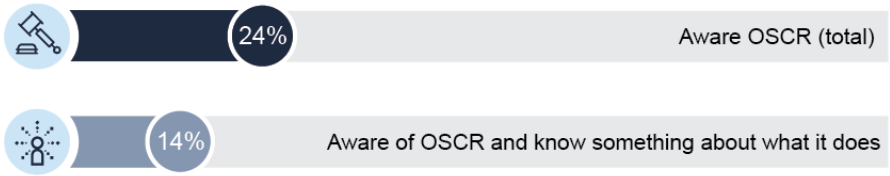
(Base: Charities who felt public trust had decreased in the past two years 194)

Awareness of charity regulation and of the Scottish Charity Regulator

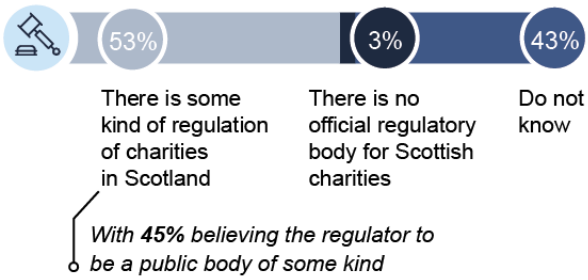
In general, there is a **low level of awareness** among the Scottish public of charity regulation in Scotland and of OSCR itself

A quarter of the Scottish public recognised the name of 'the Scottish Charity Regulator' or 'OSCR' when prompted

(Base: Scottish public 1,010)

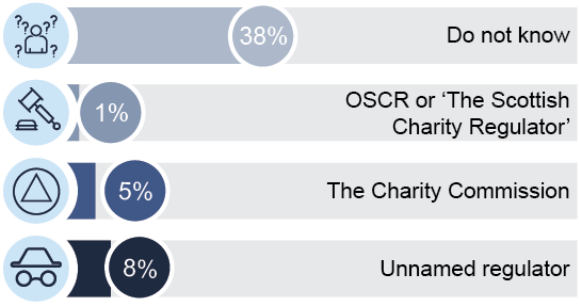


However, even where members of the public had not heard of OSCR specifically, there was a widespread belief the sector is regulated



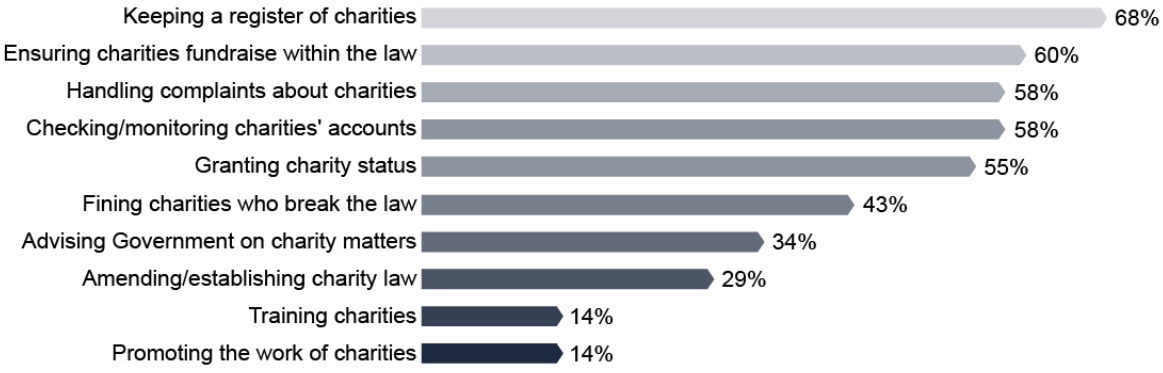
(Base: Scottish public 1,010)

When asked where they would turn to report concerns about a charity, two-fifths of the Scottish public did not know



(Base: Scottish public 1,010)

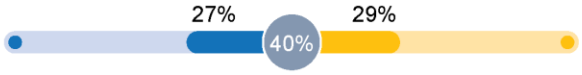
The Scottish public believed maintaining a register of charities and ensuring compliance with the law to be the core roles of OSCR



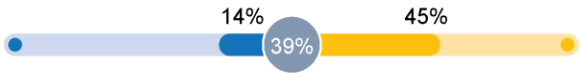
(Base: Scottish public 1,010)

Locus of responsibility

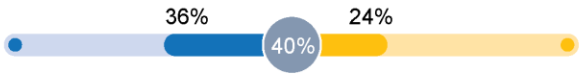
01. Making the public aware of the full list of charities' trustees



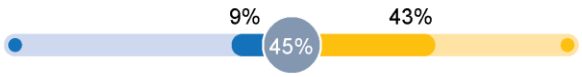
02. Ensuring that the public has access to charities' annual reports and accounts



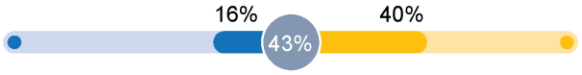
03. Ensuring that the charities are well-run



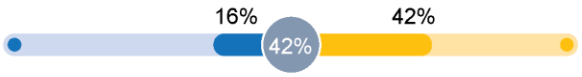
04. Supporting public trust in the charity sector



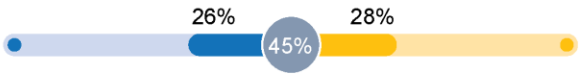
05. Ensures that charities are transparent and accountable

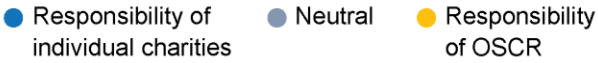


06. Ensuring charities operate within the law



07. Ensuring charities operate in an ethical way



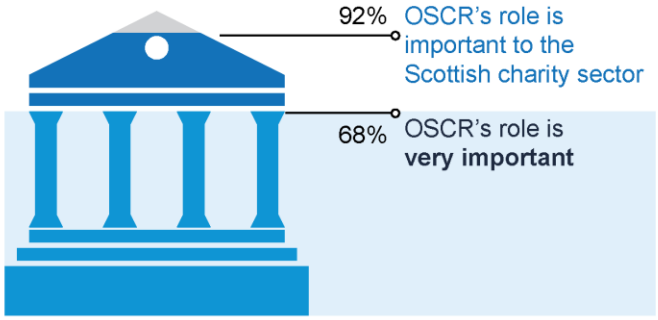


The role the Scottish Charity Regulator plays in supporting public trust and confidence in charities

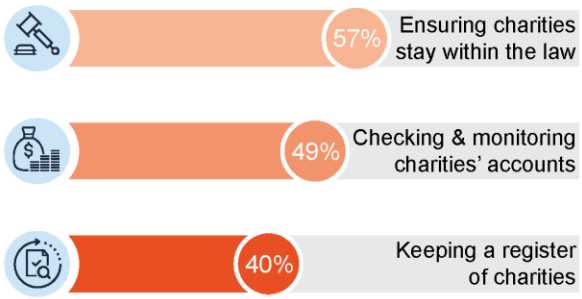
While the Scottish public did not have a very high awareness of OSCR and the nature of charity regulation in Scotland more widely, there was a common assumption that a regulator probably does exist

When promoted, overwhelmingly, the Scottish public thought that OSCR plays an important role in the charity sector

(Base: Scottish public 1,010)

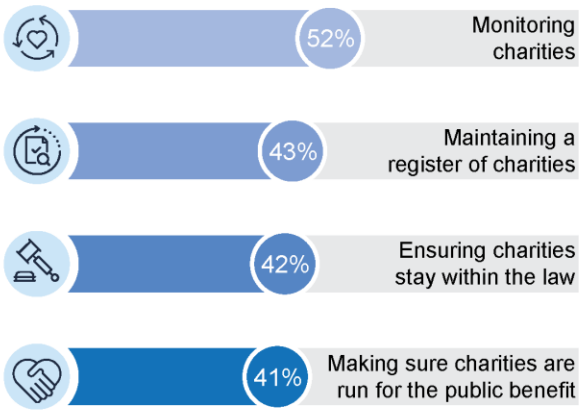


When it comes to maintaining high levels of trustworthiness in the charity sector, the public most values OSCR for its ability to ensure good conduct in accordance with the law



(Base: Scottish public 1,010)

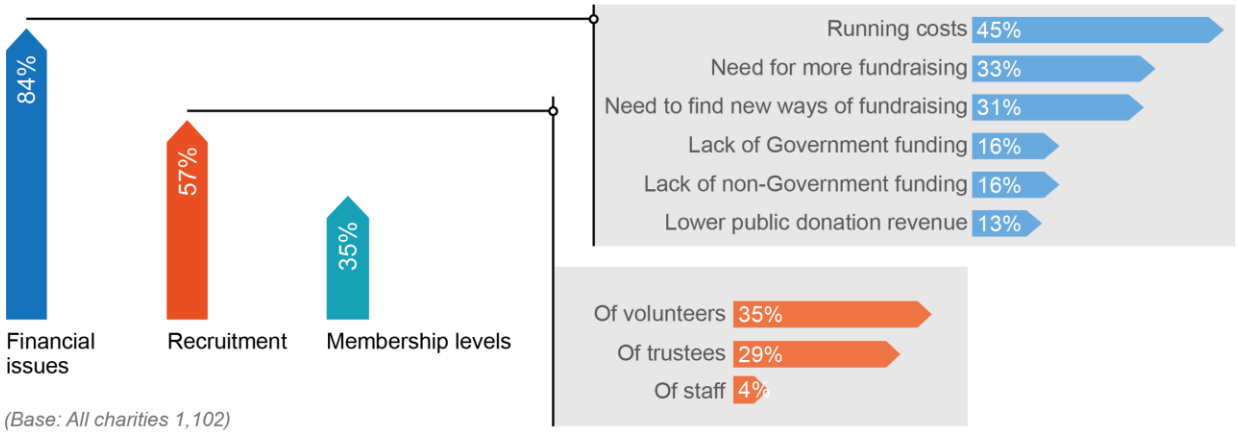
For the charities themselves, OSCR's most important role for maintaining the trustworthiness of the Scottish charity sector was the ongoing monitoring of charities



(Base: Scottish Charities 1,102)

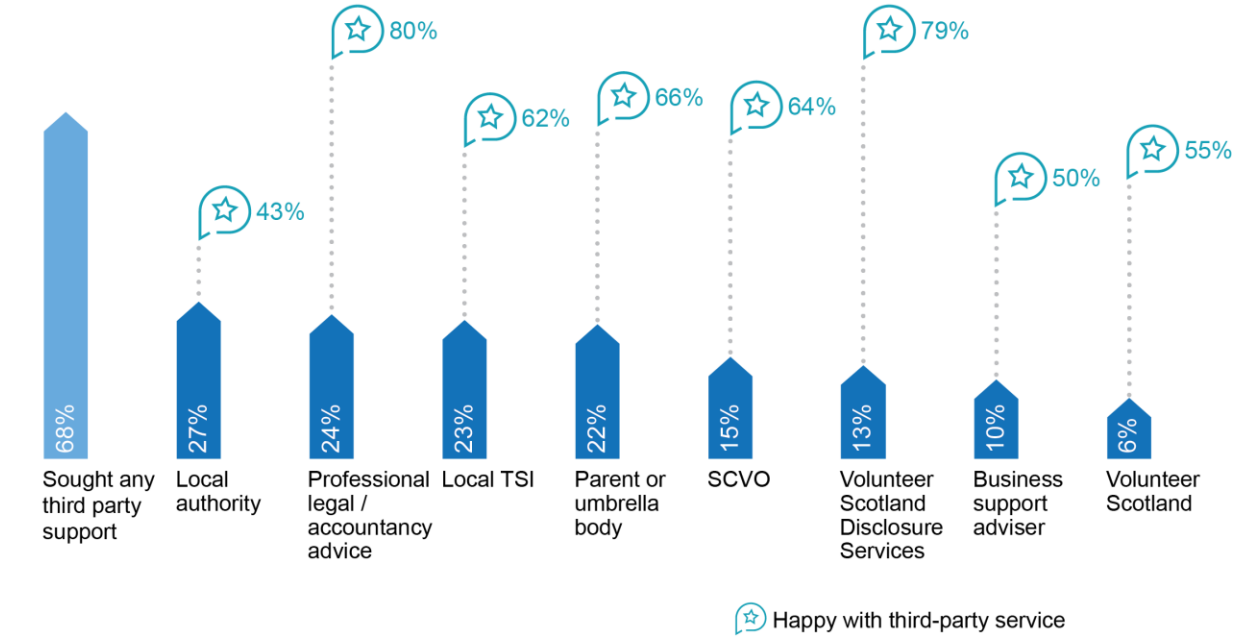
Challenges faced by charities in Scotland

Financial pressure was the most common issue faced by charities in 2020



(Base: All charities 1,102)

Just over two-thirds of charities had sought third party support in the last 12 months



(Base: All charities 1,102)

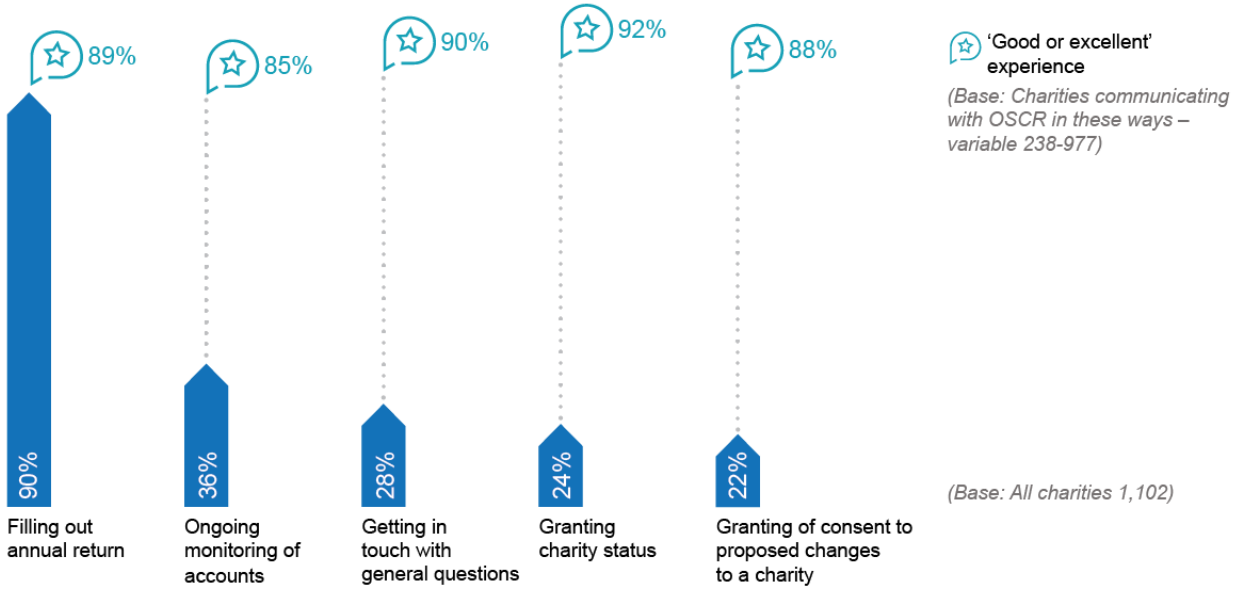
(Base: All charities using each service – variable 70-299)

How do charities find dealing with the Scottish Charity Regulator?

Charities in Scotland felt that OSCR's communications, taken as a whole, were good

(Base: All charities 1,102)

The most common reason for charities to contact OSCR in the last 12 months was to complete the annual return. Under a third had needed to contact OSCR with a general question in the same timeframe



Nearly all charities had cause to use OSCR's website in the last 12 months

86%

...of charities used the website in the last 12 months

80% used OSCR Online

- 73% To fill in the annual return
- 56% To upload annual reports and accounts
- 37% To check their own charity's details

95%

Of OSCR Online users found it easy to find what they needed

(Base: All charities 1,102)

55% searched for information

- 42% To look for charity guidance
- 22% To search for more information about OSCR or Scottish charity legislation
- 17% To download the Charity Trustee Information and Guidance Pack

92%

Of those looking for information found it easy to find what they needed

47% searched the charity register

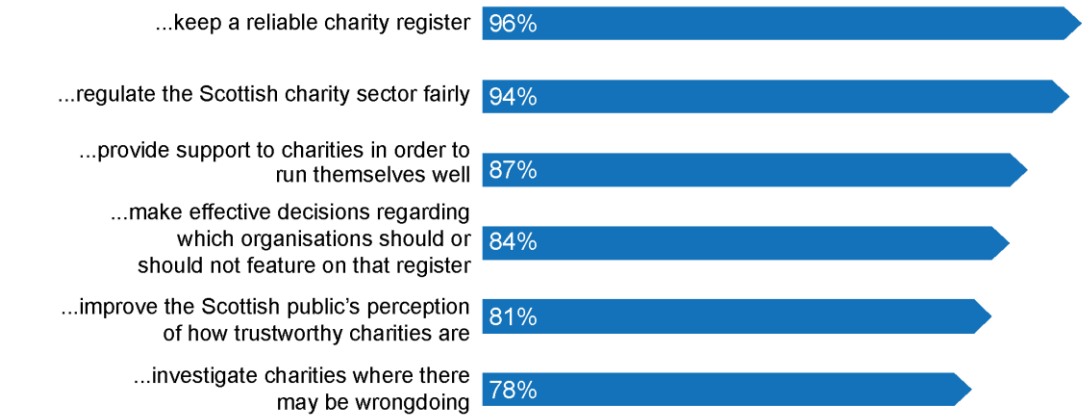
97%

Of those searching the charity register found it easy to find what they needed

(Base: Charities using the OSCR website 949)

Charities' perceptions of the effectiveness of the Scottish Charity Regulator

OSCR is trusted by charities in Scotland to deliver fair and effective regulation and support to the Scottish charity sector.
Percentage of charities who trust OSCR to...



2. Introduction

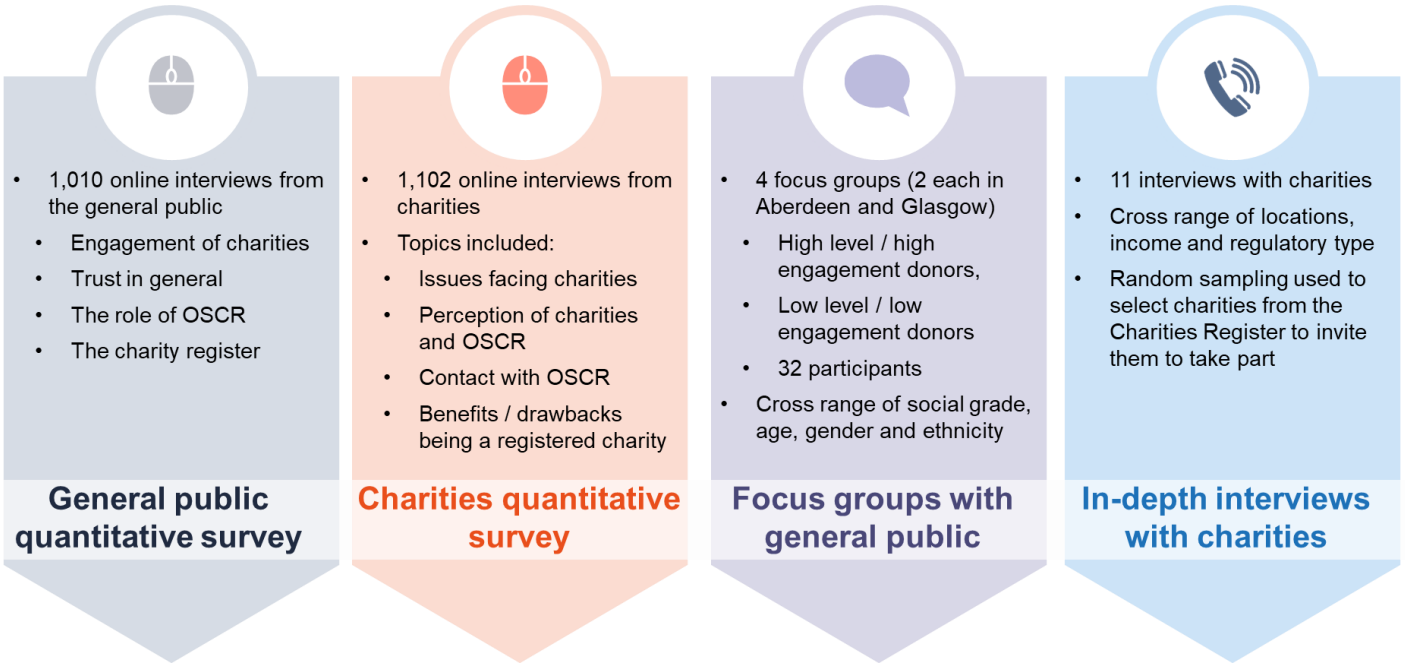
It is now 13 years since the first wave of the Scottish Charity Regulator's (OSCR) Charity Surveys research ran in 2007. In 2014, the research moved primarily from a telephone to an online methodology and has run every two years since. 2020 constitutes the fourth instalment of the research in this format.

The objectives of the Charity Surveys research are to:

- Measure and explore trust and confidence in the Scottish charity sector
- Measure awareness of, and attitudes towards, the regulation of Scottish charities; including measuring awareness of the Scottish Charity Regulator (OSCR) in general
- Explore the impact of charity regulation upon the perceived trustworthiness of the Scottish charity sector and OSCR's potential to affect a positive change in how the sector is viewed
- Understand the challenges faced by charities operating in Scotland today
- Examine perceptions of OSCR among charities, including its effectiveness, usefulness and supportiveness as an industry regulator

Two different audiences help produce a full picture of perceptions of, and within, the Scottish charity sector: the Scottish public and charities operating in Scotland.

Sampling and method



The Scottish public and charity research each involved a quantitative survey to obtain statistically robust results and a set of qualitative discussions to furnish the statistical findings with greater detail and context.

For the Scottish public, a sample of 1,010 Scottish adults (16+) was constructed according to a sample design developed using the latest mid-year population estimates from the ONS. Quotas were

set by age, gender and SEG to ensure accurate representation of the Scottish population[1]. Weighting was used to correct for small variances. Fieldwork took place between 20th February and 17th March 2020.

Focus group participants were recruited based on their engagement with charities[2] and were selected to ensure a range of participants according to their social grade, age and gender. In each location, Aberdeen and Glasgow, two groups were conducted; one with 'higher engagement' donors and the other with 'lower engagement' donors.

The charity survey sampling frame was randomly selected from the Scottish Charity Register, ensuring that there was consistency with the overall sample by using location of operation, type of charity, and income. In total, 1,102 charity representatives responded from a total sampling frame of 5,300 charities, a response rate of 21%. Fieldwork took place between 24th February and 17th March.

A smaller sample was drawn in order to invite charity representatives to in-depth telephone interviews.

Changes in 2020

The 2020 wave of the Charity Surveys research received an overhaul in the materials used for data collection, including both survey questionnaires and qualitative discussion guides. Many elements of the quantitative and qualitative components of both the Scottish public and charity research were moved from a literal to projective approach that encourages more truthful and honest answers through indirect and abstract questioning. This, in turn, discourages over-rationalisation of participants' responses and reduces the potential for certain biases.

The purpose of this change was to provide a more nuanced perspective on the nature of trust, as it applies to charities in Scotland.

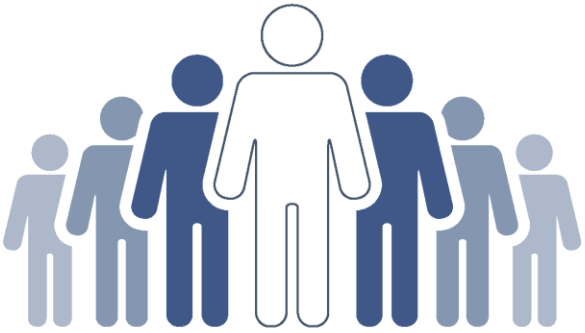
[1] Quotas and weighting detailed in the appendix to this report
[2] Details of the qualification criteria are detailed in the appendix to this report

3. What motivates people in Scotland to support charities?

This section looks at the Scottish public's general relationship with charities, including their reasons for supporting particular charities, the role of trust in that relationship, and how trust can be formed and broken.

Summary

Fig 3.1

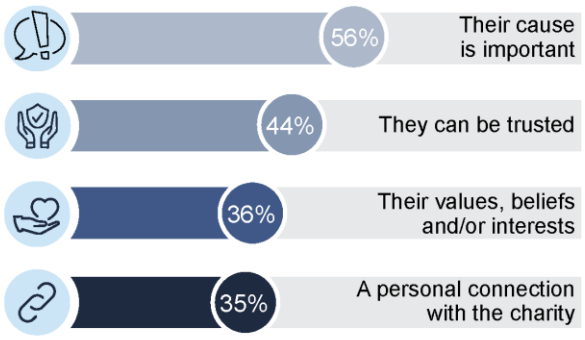


93% of Scottish Adults have given money, time or goods to a charity in the last year

(Base: Scottish public 1,010)

Fig 3.2

The top reasons the Scottish Public gave for giving to a charity were:



Respondents asked to name top three reasons for donating
(Base: Scottish public who have given to charity 933)

Fig 3.3

35%

When given no prompting, the Scottish public viewed transparency as the quality that would most inspire trust in a charity

Unprompted
(Base: Scottish public 1,010)

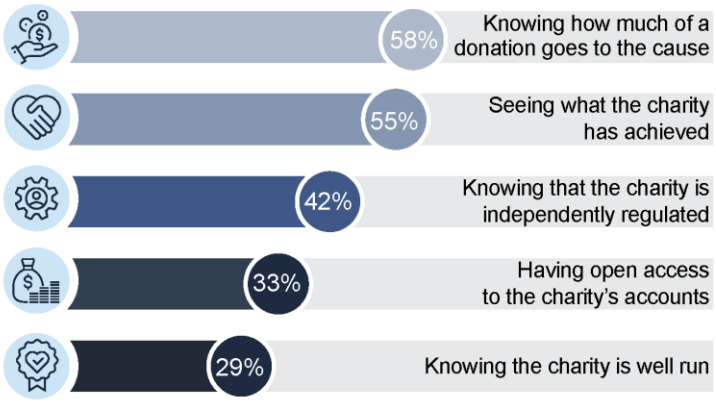
Direct transparency
Seeing a positive impact made using donations

Administrative accountability
Being open with accounts and internal processes

Fig 3.4

And even when given a range of options to choose from, being transparent about the charity's impact and use of funds was important for perceived trustworthiness:

Respondents asked to name three options most likely to increase perceived trustworthiness
(Base: Scottish public 1,010)



42%

...feel **knowing that the charity is independently regulated** is important for trustworthiness

Focus group feedback

The Scottish public means a number of interconnected things when talking about the trustworthiness of charities

1. Providing the public good it promises
2. Using donations properly and effectively
3. Operating in a moral way, especially when it comes to fundraising
4. Appreciating donors and respecting their donations

The nature of the public's motivations to donate often creates an emotional relationship with a charity

A supported charity being involved in a scandal can break that relationship, but is unlikely to affect support for other charities

However, appearing unappreciative of a donation risks quickly souring this relationship, for instance by

1. Asking current donors to increase their donations or to donate a specific amount
2. Being manipulative or aggressive to raise funds
3. Using paid fundraisers
4. Being found to overpay executive staff

3.1 Scottish public's general relationship with charities

Supporting a charity usually brings little or no direct material benefit to the donor and, as such, the motivations behind donating tend to be emotional rather than pragmatic. This means that the decision to support one charity over another is usually based on the perceived value of what that charity does, as well as the way they go about delivering this. There are several different facets to this, the most common of which are detailed below.

The 2020 results show that 93% of the Scottish public had donated either money, time or goods to a charity in the last twelve months (see fig. 3.1). This is similar to previous years (91% in both 2016 and 2018). When asked to give the three most important reasons for choosing to donate to their chosen charity(ies), the perceived importance of a charity's cause was the most common response (56% of those who donate[3], see fig. 3.2). This is closely related to two other common motivations: that a charity and/or its work overlaps with the values, beliefs or interests of the individual (36% of those who donate), and that the individual has a personal connection to (or experience with) the charity in question (35% of those who donate).

Choosing to support a charity with which the donor has a meaningful and personal connection was a strong and consistent theme in the 2020 findings, as it has been in previous years. Donors who regularly donated to a number of chosen charities commonly chose a charity from which they or a close friend or relative received direct support. Often this was a cancer charity, local hospices in particular, but also included others such as animal and childrens' charities. The prime motive here was retroactively 'giving something back' to the charity. Where the chosen charity was not one that had provided direct support to the donor or someone close to them, it was still common to find individuals strongly motivated to donate to a charity that was thought to be making a difference in a subject matter closely related to an issue that had affected them, for instance those conducting research into that particular issue. These donors often chose larger, well-known charity brands such as Cancer Research UK and British Heart Foundation with the expectation that these would be the most effective organisations for providing support or making breakthroughs. This topic is explored in more detail in chapter 4.

[3] Time, goods or money

> ***I lost my father when I was a teenager. So… [the cause has] been so close to me…. The reason I chose Cancer Research UK is probably just because it's the biggest out there for the UK… it's the biggest one out there and very transparent. So, you know your money is going to a good place….***
>
> Focus group participant, Aberdeen

The importance of feeling good about a charity donation was noted by one-fifth (20%) of the Scottish public, but was significantly more important for the youngest audience. Thirty-two per cent of those aged 16-24 included it in their top three motivations, as opposed to just 12% of those aged 65+ who, in turn, are more likely to value a well-run charity (25%) than their counterparts in the 16-24 (10%), 25-34 (12%) and 35-44 (14%) year old ranges. This suggests that this youngest group is more likely than their older counterparts to value the emotional 'hit' of donation over the reputation of the charity itself.

3.2 Trust matters

After the importance of the cause, the second most common reason for supporting a particular charity was that the charity itself is viewed as trustworthy (44% of those who donate). Trust was more often a consideration for men (49%) than it was for women (39%).

Supporting the public perception of the charity sector in Scotland as trustworthy is core to the Scottish Charity Regulator's purpose – forming one of its four organisational objectives[4] – and better understanding trust within the public's relationship with the charity sector is crucial for OSCR's success as a regulator. To this end, this chapter and the next will discuss in greater depth what being a 'trustworthy' charity means in this context, how important it is and the current perception of the Scottish charity sector as a trustworthy place.

What drives trust?

Fig. 3.3 above details the unprompted views of the Scottish public regarding what makes a particular charity appear trustworthy to them. As may be expected, the breadth of responses to this question was wide. However, the answers grouped around a number of themes, with transparency (35%) – also expressed as openness, honesty or accountability – being the most common. Transparency has two main thrusts to it. The first and most important of these is a direct transparency in regard to being clearly seen to be delivering a public good with the donations and/or funding given them. This may be through communicating the good work they do or through having a visible impact in the community.

[4] https://www.oscr.org.uk/about-oscr/our-objectives/

You know exactly where their money goes and you can actually see what difference they are making to lives

Member of the public

The second common theme regarding transparency is in respect to administrative accountability, referring to an openness about the internal processes of a charity, and with a specific focus on publicly available accounting records and responsible financial governance. Good financial governance in this case most commonly refers to avoiding high executive pay levels and minimising the cost of administration.

Transparency of accounts, no executive pay and pension perks

Member of the public

In-depth telephone interviews with charities provided confirmation of the importance of transparency and accountability, in their own experience.

When it comes to the public's perception of the charity sector, I think accountability and transparency in general is key. And that comes from us (the charities), but needs to go through a regulatory body.

Charity interviewee

Having a clear purpose (19%), the nature of the cause (19%), personal experience of a charity (14%), and the profile and reputation of a charity (12%), were all also mentioned spontaneously as contributing to trust, albeit to a notably lesser extent than transparency.

This pattern was repeated when participants were asked to pick, from a pre-coded list, qualities in a charity that would make them more likely to feel that it is trustworthy (see fig. 3.4). Here again, direct accountability is seen as the most effective way of increasing the perceived trustworthiness of a charity, with knowing how much of a donation goes to the cause (58% of the Scottish public) and seeing evidence of what the charity has achieved (55%) the most effective measures by some distance.

Seeing evidence of what a charity has achieved was more likely to be considered effective by those under 25 years old (66%) and women (60%). Women were also more likely than men (61% and 55%

respectively) to feel that knowing how much of a donation goes to the cause would increase the perceived trustworthiness of a charity, although it remained the most effective method of boosting confidence with both.

Issues of administrative transparency were also found to be somewhat effective at increasing the perceived trustworthiness of a charity, although less so than seeing direct evidence of public good. When prompted a third (33%) of the Scottish public felt that having open access to a charity's accounts would make a charity appear more trustworthy whilst 29% felt that knowing the charity is well-run would make a charity appear more trustworthy.

Interestingly from OSCR's perspective, knowing that a charity was fully regulated by an independent body (42%) was the third most effective method of increasing its perceived trustworthiness. This highlights the important part independent regulation plays in the perceived trustworthiness of individual charities. However, the impact of independent regulation on trustworthiness was not distributed evenly across the sample. Those aged 55-64 (49%) and 65+ (52%) were more likely to believe that independent regulation is an effective way of increasing the perceived trustworthiness of a charity. This is in direct contrast to those in the youngest group, 16-24 (21%), who were far less likely to believe independent regulation to be an effective way of increasing the perceived trustworthiness of a charity. Those from socio-economic groups[5] AB (49%), C1 (45%) and C2 (43%) were more enthusiastic about the role that independent regulation plays in the perceived trustworthiness of a charity than those from DE households (33%).

While official independent regulation was less appealing for those under 25 years old, this group (41%) was far more likely to feel that a website that details ethical and honest charities would make them feel that a charity is trustworthy, than those 25 years old or over (25%).

Using a badge to advertise a charity's regulated status (16%) and knowing the details of its trustees (12%) were not widely seen to be effective ways of a charity boosting its perceived trustworthiness. It is worth noting, however, that while the prospect of a badge to denote regulation isn't consciously considered to be effective in increasing confidence in a charity, the accompanying qualitative research with the Scottish public found that the public have a high level of awareness of the charity number on charity communications, and take it to be a strong indicator of the charity being a legitimate one. As such, there is clearly a benefit to charities from using widely recognised images or other well-known identifiers of their charity status.

> ***I quite like the idea that if they're out collecting, they've got the t-shirt with the name on and the charity registration number on it. That will give you a bit of confidence that you're not dealing with people that you'd rather not deal with.***
>
> Focus group participant, Glasgow

[5] See appendix 1 for SEG classification definitions

3.3 What does trustworthiness really mean when applied to charities?

This and previous waves of this research, have established that trustworthiness applies to charities in a multitude of ways depending on the individual, their circumstances, the type of charity and its cause, the method of donation, and their prior relationship with the charity.

From the in-depth focus group discussions with the public we found that, for a charity, trustworthiness is most often a combination of the following:

- Being trusted to be what it says it is and to provide the public the good that it says it will
- Being trusted to use its resources properly and efficiently, especially where public donations are involved
- Being trusted to operate in a moral fashion, which means not only how a charity uses its resources but also how it raises them in the first place. For example, a charity that is honest about the social good it provides but uses emotionally manipulative or aggressive fundraising techniques, is still perceived as less trustworthy
- Being trusted to appreciate and respect a donation from the public

While people may have a different emotional connection to charities than they do to commercial organisations, they still relate to charities as they do to brands in any other context. This means that, for individual charities, any actions or branding mistakes that distance them from their supporters will likely reflect negatively in terms of their perceived trustworthiness.

> ***Force themselves on you. The young ones. They're doing it for [national charity], but they catch you in the street as you're walking down. I would prefer it if I was approaching them to put the money in, not approaching me***
>
> Focus group participant, Aberdeen

> ***If, for instance, I decide to have a sort of sofa day… then I guarantee you the television in the afternoon, every break of adverts it's advertising charities that want donations… at one time, years ago, they wouldn't ask for an amount, a charity. I think it's quite cheeky of them to say…***
>
> Focus group participant, Aberdeen

These two excerpts from focus group conversations with the Scottish public touch on two of the four types of trustworthiness detailed above: being trusted to operate in a moral fashion and being trusted to appreciate and respect a donation. The latter of these is important to note, and has proved very difficult to identify through direct questioning. People are reluctant to say that they expect to feel that a charity is grateful to them for their donation. This is a social taboo that appears to imply a degree of vanity attached to the donation. However, identifying a number of potential break-points in the relationship between donor and charity, it is evident that the implied gratitude of a charity is often an essential part of trust. These include:

- Asking a current donor for an increase in donations (not respecting the level of donation given)
- Asking for specific amounts for a donation (not trusting the donor to donate a fair amount)
- Using manipulative or aggressive fundraising (valuing the 'sale' over the donor-charity) relationship
- Paying staff, especially executives, too much (not giving the donor's contribution the impact that he or she expects)
- Spending money on paid fundraisers and expensive advertising (wasting a large part of the donation as a means to raise more donations)

> ***I think the next year they sometimes write to you with the thing all filled out with a bigger amount of money, asking you to donate that… I understand why they do it, but I really don't like that, personally… I just think because you might not decide to donate to charity, that charity, that year, and it's asking for more. You know, people's circumstance, you give as much as you can.***
>
> Focus group participant, Aberdeen

While there are a number of missteps open to a charity that may result in decreased trust, overall the research found a high degree of resilience within individuals' support for individual charities and the charity sector as a whole.

As established above, there are a number of emotional ties that bind an individual donor to a chosen charity, including a strong and direct personal connection to the charity itself, a personal interest or history with its cause, and the need to feel as if one is giving something back. Furthermore, the focus group discussions unearthed wider social ties that emotionally bind an individual to a charity or cause, such as supporting family, friends or workmates who are fundraising.

> ***But I'd say that the way I donate money* [most often] *… is actually through people at my work, or on Facebook, or the gent over there. Fundraising when they're doing something, and raising for charity. I'll donate to that cause***
>
> Focus group participant, Aberdeen

All of these ties, when combined, mean that when asked, very few focus group participants felt that their support for their chosen charity(ies) would be undermined, even by high-profile stories of scandal elsewhere in the sector or by any of the individual ways in which trust could be decreased. In reality, the only common issues that donors suggested might lead them to break with the charities they most closely identified with were a direct breach of trust by their chosen charity itself or through lack of ability to pay.

Even when an individual choses to cease support for a particular charity, feedback from focus group discussions suggests that they are more likely to select a new charity to support or a new means of supporting, rather than stop supporting charity altogether.

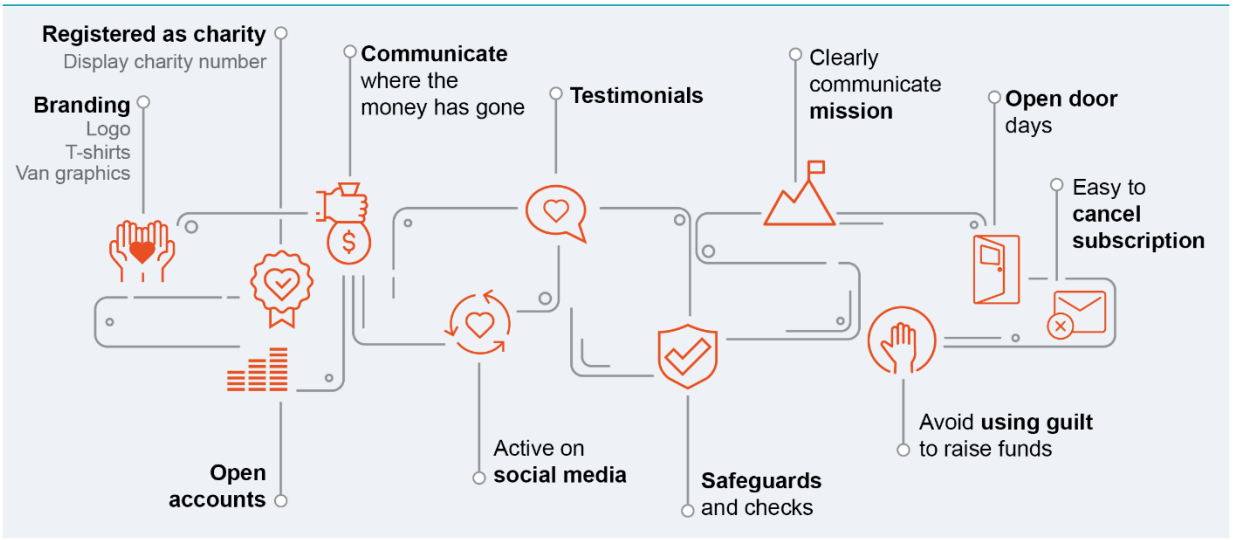
> ***Well, I think probably if you couldn't afford it, you would have to change, or reduce the amount that you donate… Maybe if you can't afford to give them money, just donate time… Volunteer***
>
> Focus group participant, Aberdeen

Focus group participants were asked to build their own fictional charity as part of the group discussions. Once these charities were designed, they were invited to describe the core principles they felt their charity should abide by and how they would choose to communicate their charity's trustworthiness to the public. The results of this exercise (detailed below) underline the public's expectation that charities operate in a transparent and trustworthy manner but also that they are founded on passion and commitment towards a cause.

The principles that a charity should embody:

Honesty
Vision
Motivation
Transparency
Empathy
Passion
Committed
Volunteering
Trustworthy people
Local impact

How the Scottish public would communicate a charity's trustworthiness:



4. Does the Scottish public trust charities?

This section looks at the Scottish public's perception of the charity sector as a trustworthy space and how that level of perceived trustworthiness differs across different types of charity.

Summary

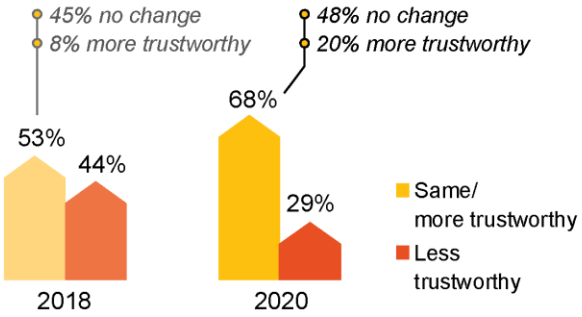
Fig 4.1

The overall level of trust and confidence in charities in Scotland has gone up since 2018 *(mean score out of 10)*

(Base: Scottish public 1,010)

Fig 4.2

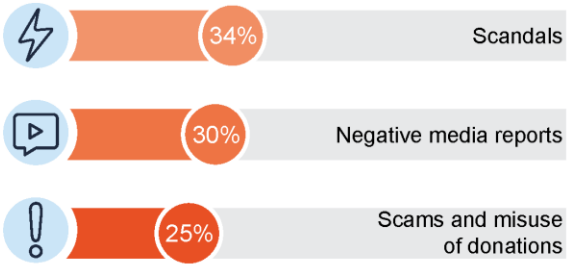
Two thirds of the public feels that the charity sector is as trustworthy, or more trustworthy, than two years ago, up from only a half in 2018



(Base: Scottish public 2020 1,010, 2018 1,010)

Fig 4.3

The primary reasons for members of the Scottish public feeling that the sector was less trustworthy than two years ago revolved around scandals and other negative stories in the media



(Base: Scottish public who felt charities are less trustworthy 283)

Fig 4.4

For those who believed that the sector was more trustworthy than two years ago, better transparency was the most common reason, followed by good news stories in the media

(Base: Scottish public who felt charities are more trustworthy 207)

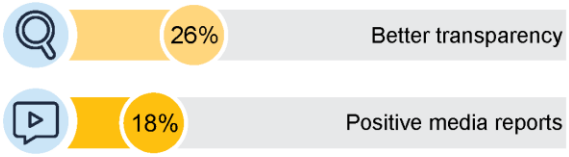
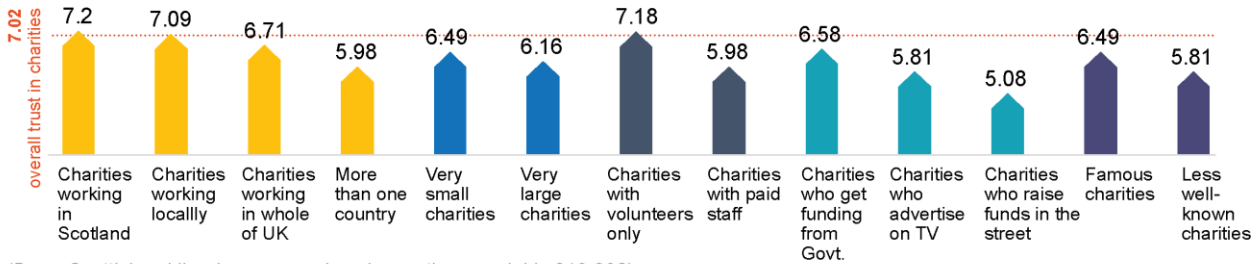


Fig 4.5

Charities working in Scotland, as well those working in local communities were more trusted than those with a UK-wide or international reach

While smaller charities were more trusted than larger ones, the size of a charity was less influential on its assumed trustworthiness than its geographical scope



(Base: Scottish public who answered each question – variable 916-968)

Focus group feedback

Larger charities with a 'corporate' image can suffer from a perceived lack of transparency. This is compounded for charities that operate internationally for whom communicating a community impact is often difficult, especially when the issues they tackle (e.g. global poverty) seem to be unending.

4.1 Overall trust and confidence in the Scottish charity sector

As part of the core changes to the questionnaires in 2020, the Scottish Charity Regulator and Breaking Blue decided on a change to the way in which the notion of trust was presented and measured. As well as introducing a number of projective questions to identify what trust means (see chapter 3) in regard to the relationship between the public and charities in Scotland, the research moved away from the notion of 'trust in' charities and towards perceived 'trustworthiness of' charities, which was felt to be more appropriate and intuitive to participants. The only exception was the central figure relating to overall trust and confidence, which was felt to be important to track accurately between waves.

At an average score of 7.02 out of 10 (see fig. 4.1), the general public in Scotland have a reasonably high level of trust in charities. This is notable and statistically significant increase compared to 2018 when the level of trust in charities was 6.14 out of 10.

The increase indicates a genuine and credible shift in public opinion, which is an encouraging finding for OSCR.

The improvement in the level of trust in charities between 2018 and 2020 was seen across all demographic groups. However, in 2020 (7.21) as in 2018 (6.44) there were higher levels of trust among women.

Comparing levels of trust in 2018 and 2020 by socio-economic group, there are differences. In 2018 those in socio-economic groups DE (5.70) had much lower trust in charities than those in other socio-economic groups. However in 2020 there is much less variation in trust across the different socio-economic groups.

As was the case in 2018, in 2020 the trust score is higher among those who have given to charities (7.14), those who are personally involved in charities (7.20), and those who are aware of OSCR (7.32). This indicates an interlocking relationship between personal experience, awareness of OSCR, and trust. From this simple analysis alone it is not possible to deduce any causation. For example, it could be that those who are involved with charities in some way gain higher trust, and also become more aware of OSCR through their involvement. Alternatively it could be that those who know of OSCR gained higher trust, and became more inclined to get involved with charities. This relationship would need more extensive research and analysis to understand fully.

4.2 What has caused this change?

The general context in which the fieldwork took place is very likely to have had an impact on levels of trust. In the 2018 wave of the research a very high profile and negative news story about charity safeguarding broke not long into fieldwork and almost certainly had a depressing effect on the trustworthiness score. While this story, and others like it, did not lead to a notable dip in the trust and confidence score in 2018, which remained consistent with 2016, the prominence of the story was likely to have counteracted much of the potential for the score to rise.

Unlike in 2018, in 2019 and into 2020, there has been little room in the headline news for stories other than Brexit and, more recently, the COVID-19 pandemic. Although negative press coverage of charities has not been completely absent over the last two years, there has been less opportunity for negative coverage of high-profile charities which would adversely affect perceptions of the charity sector.

The hypothesis that high-profile negative publicity about charities drags down the overall level of public trust is supported by the detailed distribution of trust scores. This movement takes place, for the most part, around the middle of the scale, where there is a shift from scores of 5 or 6 to around 7 or 8. There is little change in the proportion giving scores of 9 or 10, which suggests that there's no specific reason for the public to feel more positively. The lack of negative publicity is very likely to have influenced the overall trust score.

A counter-hypothesis – that the outbreak and escalation of the COVID-19 pandemic in the UK led to a change in the perceived necessity of, and therefore positive feeling towards, charities in Scotland – has been explored and dismissed as there was no recognisable increase in the overall trust score over the course of fieldwork.

4.3 How does perceived trustworthiness compare across types of charity?

There is considerable variation in perceived trustworthiness between different types of charity (see fig. 4.5). Historically, international charities in particular have suffered from a perception of being less trustworthy, while local and Scottish charities have benefitted for appearing more so.

Looking into feedback from the in-depth focus group discussions, there are two likely explanations for why larger charities struggle to match their smaller counterparts.

Firstly, as an abstract group, larger charities (and, by association, UK-wide and international charities) more readily prompt awareness of previous high-profile scandals that, though they may have taken place more than a couple of years ago, remain in the public's memory. This is supported by the reasons given for decreased perceived trustworthiness across the sector as a whole, with 34% of those who view the sector as less trustworthy referring to scandals and abuse as their reason. Fortunately for larger charities unaffected by scandal, when asked to explore this issue in greater detail, focus group participants were unlikely to feel that scandal at one large charity would contaminate their view of another similar charity. Donors were willing to continue to donate comparable amounts of money, goods and time somewhere else. However, while this is reassuring for individual charities, there is a clear impact on the profile of large charities more generally and it is not certain that this will not start to have a diminishing effect on donations in the long run.

The second explanation for perceptions of larger charities as less trustworthy, again coming from focus group discussions, is that their size and structure makes their internal operations less transparent and more corporate. In turn, wasted donations, high pay and scandals appear easier to obscure.

Despite this slight cynicism about larger charities and their potential for mismanagement, a less direct line of questioning – looking at the charities focus group participants support and why – shows a more complex picture. While there are fears about scandals and inefficiency, large, national and international charities, such as Cancer Research, RSPCA and Barnardo's, were popular choices for charity donors, who found their brand familiarity, capacity to deliver and inability to escape attention to make them a low-risk choice for donation.

> ***Yeah, a charity like [well-known national charity] - why I chose them is that because it's big, and I know it's more UK than Scotland, but again, in so much of the public eye, that I think you can trust that your money is going to the right place***
>
> Focus group participant, Aberdeen

This again suggests that while people find the abstract idea of a larger charity concerning, this is unlikely, currently, to impact the relationship between them and any larger charity in particular, if that relationship meets their emotional needs as a donor and is not associated with impropriety.

One of the drivers for the higher trust score on local and Scottish charities is that their impact is very visible in the community; whether that community is their local neighbourhood or Scotland-wide. By comparison international charities don't have that same advantage and, as such, are less likely to fulfil the emotional need of communicating effectively what their real-world impact is. This is exacerbated by the fact that often their cause appears to the Scottish public unending, calling into question their efficacy.

> ***They're raising more and more and more money every single year and you just don't even see a dint in any kind of, you're still getting the adverts on TV with all these little kiddies that are really unwell and they are needing water and they are needing this, that and the next thing, and I just think, well, there's not that many countries in the world that their money can't be fixing something, you know?***
>
> Focus group participant, Aberdeen

It is worth highlighting that while the perceived trustworthiness of 'small' and 'local' charities overlap greatly, they are not precise synonyms. While being small was seen as a good indicator of

trustworthiness (32% trust, 9% distrust), operating in a local community was even more powerful (44% trust, 4% distrust).

4.4 Perceived change in trustworthiness

Over two-thirds (68%) of the Scottish public felt that the charity sector in Scotland was as or more trustworthy than two years ago, with 20% feeling that the sector was a more trustworthy place (see fig 4.2). This is a notable increase from the 53% who saw no change or a positive change in trust in 2018.

Twenty-nine per cent of the public felt that the charity sector in Scotland had become less trustworthy.

Younger people were more likely to feel that the trustworthiness of the sector overall had improved, with 45% of those aged 16-24 and 27% of those aged 25-34 believing this to be the case, compared to only 15% of those aged 35 or over. Two-fifths (43%) of those over 65 years old and a third (34%) of those aged 55-64 years old felt that the sector was a less trustworthy place than two years ago, compared to 24% of those aged 25-54 and just 15% of those under 25 years old.

Repeating the pattern seen elsewhere in the findings, the Scottish public had a much more favourable view of charities that operate in the local community (30% trustworthiness increased, 7% decreased) or across Scotland only (28% increased, 7% decreased), than those operating across the UK (20% increased, 17% decreased). It was only charities operating internationally for whom fewer people felt that trustworthiness had increased (16%) than decreased (35%).

Similarly, very small charities (22% increased, 11% decreased) were thought to have become more trustworthy, while the opposite was true for very large charities (15% increased, 33% decreased).

4.5 Reasons for change in perceived trustworthiness

Those who said that the trustworthiness of the charity sector overall had changed – increased or decreased – were then asked why they felt that this was. This question asked for spontaneous answers.

Charity scandals were the primary factor driving decreased trustworthiness: 34% (of those believing trustworthiness had decreased in the past two years) cited abuse of position and exploitation, 30% noted negative media reports and 25% scam and misuse of donations (see fig 4.3).

Twenty-four per cent (of those believing trustworthiness had decreased in the past two years) noted overpaid executives as their reason for viewing the sector as less trustworthy.

It's now been two years since the safeguarding scandal broke but it is still present in some people's minds. Of those for whom trustworthiness had decreased, 8% mentioned the safeguarding scandal as the reason for this. This demonstrates a lasting impression that we also measured with some intensity in the focus group discussions.

For those who felt that the trustworthiness of the sector had increased (see fig 4.4), the most common reason was that they felt that charities had become more open and transparent (26% of those believing trustworthiness had increased in the past two years). The second most common reason was that the sector had received more publicity in the media (18%).

Interestingly for OSCR, the next tranche of responses cited greater oversight of the sector as the reason for their increased confidence: being monitored more effectively (13%) and stricter or better laws governing charities (12%). It should be noted that while it is positive that increased regulation is being cited by those with greater optimism for the sector, these figures represent only 3% and 2% of the Scottish population in total.

4.6 Perceptions of volunteers and paid staff

The question of hiring paid staff is divisive and can strongly affect the perceived trustworthiness of a charity. 'Charities who employ paid staff' (26% trust, 14% distrust) were certainly viewed as less trustworthy than those with only volunteers (46% trust, 3% distrust). This supports findings detailed earlier that the public is keen to ensure the majority of the money they donate goes to the specified cause and is not be diverted into administration costs, including staff wages.

When speaking to members of the public in the focus group discussions, the response was, predictably, more nuanced. For many, their instinctual reaction is that charity work should be voluntary and not paid. For them, charity is often more akin to an extra-vocational activity.

> ***I think obviously charity is done by volunteers so if you're not volunteering for charities, investing your time into it, you shouldn't be paid for something you do outside work time or family time***
>
> Focus group participant, Glasgow

However, through discussion most people were reconciled to the idea that many charities involved some level of paid work in order to deliver their service(s). There was still an emphasis on delivering the most with the funds raised and ensuring that the charity does not become a pure money making activity for those running it.

> ***There will be an element, there will be admin, there's got to be admin. People are not going to necessarily work for free. There will be an element of voluntary but I suppose there has to be an admin section the same as there is in every business***
>
> Focus group participant, Glasgow

When asked directly whether staff working in charities should be paid the same as staff doing similar jobs elsewhere, there was sympathy with the view that charity employees should be paid a similar

salary. Just under half (45%) of the Scottish public agreed with this sentiment, with just 17% disagreeing.

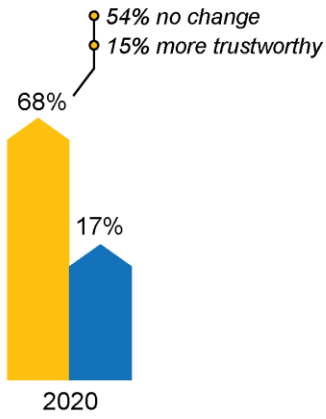
However, there was a notable level of indecision, with one third (34%) opting to 'neither agree nor disagree' with the statement and a further 9% saying that they did not know.

Disagreement with the notion of paying charity workers the same as similar staff in other industries was not linked with any particular demographic group, nor was it related to awareness of OSCR or involvement with charities.

4.7 The charity perspective

Fig 4.6

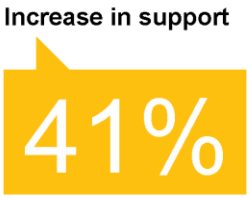
Charities themselves were less likely than the Scottish public to feel there had been a drop in the sector's perceived trustworthiness over the past two years



(Base: All charities 1,102)

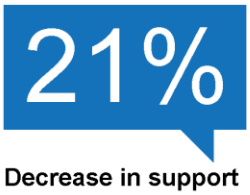
Fig 4.7

Two-fifths of charities who felt the perceived trustworthiness of the sector had increased reported an increase in support because of this



(Base: Charities who felt public trust had increased in the past two years 166)

However, only one fifth of those who felt perceived trustworthiness of the sector had decreased felt that this had led to lower public support for them



(Base: Charities who felt public trust had decreased in the past two years 194)

Have charities themselves seen a change in how trustworthy they are perceived?

From their own experience, charities themselves were less likely than the public to feel that the public perception of their trustworthiness had shifted (see fig 4.6). Sixty-eight per cent of charities felt that either there had been no change (54%) in the level of trust in the last two years or that they did not know if there had been any (14%).

Of those who felt that public perceptions of trust had changed, there was a roughly even split between those who thought it had increased (15%) and decreased (17%).

What is the impact of the change in trustworthiness?

On balance, charities appear to have benefited a little in terms of public support due this shift, even though slightly fewer charities reported increased trust than decreased.

Two-fifths (41%) of the charities that noticed a positive shift of trust in the sector also experienced additional support (see fig 4.7) – 6% of all charities in Scotland. In comparison, only a fifth (21%) of

the charities that noticed a fall in trust also experienced decreased support (see fig 4.8). This translates to 4% of charities in total.

Are charities in Scotland concerned about their own perceived trustworthiness?

The trustworthiness of charities was not a key concern identified during in-depth interviews with charities.

> ***I think they (referring to the public) have reasonable faith that money going to a charity is going to the right place***
>
> Charity interviewee

While charities were aware that scandals will occur, they did not see this as a threat to the trust placed in them by the Scottish public.

5. Awareness of charity regulation and of the Scottish Charity Regulator

The following chapter looks at the Scottish public's awareness of the Scottish Charity Regulator, as well as their familiarity with the way in which the sector is regulated more generally.

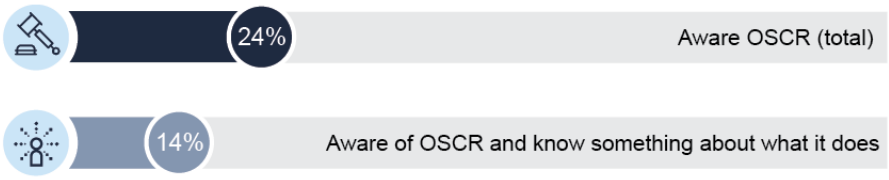
Summary

Awareness of charity regulation and of the Scottish Charity Regulator

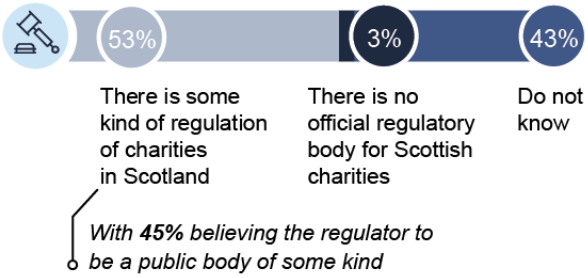
In general, there is a **low level of awareness** among the Scottish public of charity regulation in Scotland and of OSCR itself

A quarter of the Scottish public recognised the name of 'the Scottish Charity Regulator' or 'OSCR' when prompted

(Base: Scottish public 1,010)

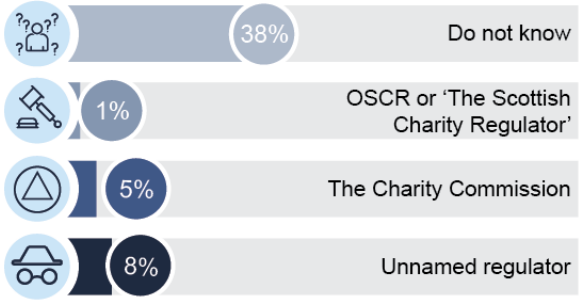


However, even where members of the public had not heard of OSCR specifically, there was a widespread belief the sector is regulated



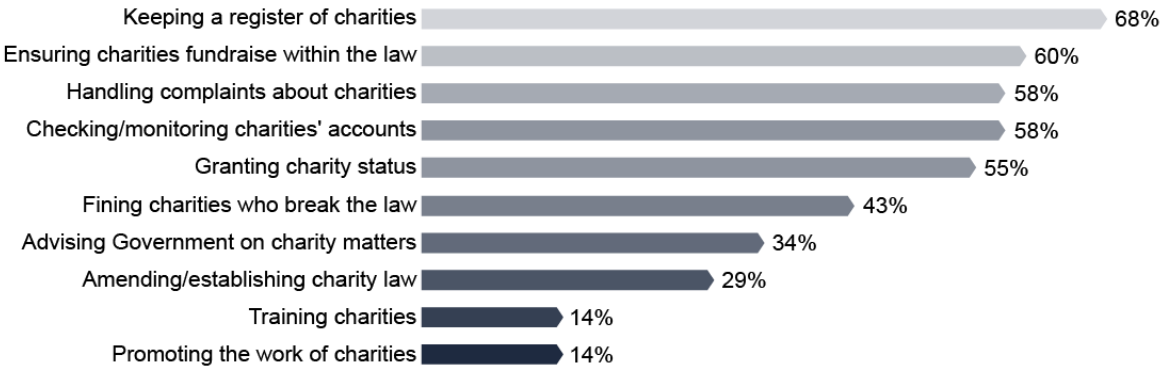
(Base: Scottish public 1,010)

When asked where they would turn to report concerns about a charity, two-fifths of the Scottish public did not know



(Base: Scottish public 1,010)

The Scottish public believed maintaining a register of charities and ensuring compliance with the law to be the core roles of OSCR



(Base: Scottish public 1,010)

5.1 What does the public know about regulation of the charity sector?

From both the general public survey and the in-depth focus group discussions the research identified a generally low level of awareness about how the charity sector in Scotland is regulated.

Specifically, there is low awareness of:

- Who to approach with concerns about a charity
- The Scottish Charity Regulator (OSCR) as an organisation
- OSCR's status as a regulator
- The distinction between regulation in Scotland and the rest of the UK
- Awareness of the legal requirements for fundraising

When provided with a list of possible scenarios that represent the nature of regulation of the charity sector in Scotland today (see fig. 5.2), the most common response by some distance was that the respondent did not know (43% of the Scottish public). Only 22% were able to identify that "The Scottish charity sector is regulated by an independent public body that reports directly to the Scottish Parliament", with a similar proportion (23%) believing that "The Scottish charity sector is regulated by a department within the Scottish Government". The remaining responses were divided between the view that the industry is self-regulated (9%) or that there is no regulation of the Scottish charity sector at all (3%).

Here we see a roughly even split between those who believe that there is a public body responsible for regulating the sector (45% either as an independent body or as a department within the Scottish Government) – albeit with mixed understanding of its precise status – and those who truly do not know (43%). This reflects the findings of the focus group discussions in which awareness of specific information about the regulation of the Scottish charity sector was low; however, there was a strong assumption that some public organisation must exist to register charities with a charity number and to oversee compliance as is the case with other sectors and industries.

Those aware of OSCR were far more likely to have a good understanding of the nature of charity regulation in Scotland, with 75% believing that there is a public body responsible for regulating charities in Scotland (either as an independent body or as a department within the Scottish Government). Only 15% of those aware of OSCR said they didn't know the nature of the body that regulates charities in Scotland, compared to over half (53%) of those unaware of OSCR.

> ***Well if charities are registered there would be some sort of regulation***
>
> Focus group participant, Aberdeen

A common misconception among the public is that only registered charities are legally able to fundraise with 73% believing this to be the case.

Interestingly, among those aware of OSCR, 44% believed strongly that registration as a charity is a legal requirement for fundraising (answered "definitely true"), with only one in five believing it to be

false (8% “possibly false” and 9% “definitely false”). This indicates that, even for those whose knowledge of charity regulation in Scotland is above the national average, awareness of the specific legality of fundraising is low.

In addition, there is no difference in belief of registration being a legal requirement for fundraising between those who are involved in any way with a charity and those who are not; nor between those who have supported a charity in different ways and those who have not. This suggests that there is scope for individual charities to educate their supporters about registration being a legal requirement for fundraising in Scotland.

Prior to asking prompted awareness of OSCR (see section 5.2), respondents to the Scottish public survey were asked to name where they would go if they wished to report concerns about a particular charity (see fig. 5.3). Here 38% of the Scottish public stated that they did not know where they would go.

Only 1% of the Scottish public named ‘OSCR’ or ‘the Scottish Regulator’ specifically as the place they would go to report their concerns. However, a further 5% named the Charity Commission and 8% named a non-specific charity regulator or ombudsman. The fact that the Charity Commission was far more commonly mentioned than OSCR reinforces a finding from the focus groups that the Scottish public is 1) not aware that charity regulation in Scotland is separate from that in England and Wales, and 2) the OSCR brand has not yet reached the level of awareness that the Charity Commission holds. It is also possible that the public are aware of the existence of a ‘charity commission’ but not the specific jurisdiction of the regulator.

Other popular sources that would be used to report concerns or find the relevant body to report wrongdoing included Google, the charity themselves, national and local government, the police, social media, and the press.

5.2 How aware is the public of OSCR?

Awareness of OSCR itself is fairly low among the Scottish Population, with 24%[6] having heard of the organisation when prompted (see fig 5.1). Furthermore, only 14% of the Scottish population know anything about OSCR past its name.

People in ABC1 households (29%) are a little more likely than those in C2DE households (20%) to have heard of OSCR. This was also the case in 2018.

The most common way the Scottish public first heard about OSCR is through contact with charities themselves, with a quarter (24%) having heard of OSCR in that way. The second most common way is newspapers and other physical media (16%). Word of mouth accounted for 11% of those who were aware of OSCR and 10% of those aware of OSCR found out about it via an online search.

[6] The number of people explicitly saying they recognise OSCR is lower in 2020 (24%) than 2018 (33%). This apparent shift comes after a redesign of the questionnaire that aimed to gather a more accurate figure

A more in depth look at the value of public awareness of OSCR can be seen in chapter 10.

5.3 What responsibilities does the public expect OSCR to have?

The Scottish public expects a charity sector regulator to be able to oversee the administration of charity applications and to be effective in determining legitimate charities from fraudulent ones and processing applications from them accordingly.

> ***Checking to make sure that those who are running it are… trustworthy or legitimate, or have they done [fraudulent things] at another charity and then been found out and then gone to somewhere else***
>
> Focus group participant, Aberdeen

Accordingly, the public most commonly selected 'keeping a register of charities' (68%) as a responsibility of OSCR (see fig. 5.4), with granting charity status (55%) also highly prioritised among its responsibilities.

As part of the regulator role, participants in the in-depth focus group conversations were keen to see a regulator that had the powers and capability to assess those setting up and running a new charity to ensure that they not been involved in criminally fraudulent activity or charity mismanagement in the past.

Of high importance to the public, also, is a regulator that is able to monitor charities accounts and activities to ensure that they are acting not just within the law but in an ethical manner more widely. Sixty per cent of the public expected OSCR to be able to ensure that charities 'fundraise within the law' and 58% selected 'monitoring charities' accounts as a responsibility they expect OSCR to have.

> ***It would need to be able to investigate. Do an audit once or twice a year on everything that's been on… Money. Procedures. Staff-handling. I think they should do that across the board***
>
> Focus group participant, Aberdeen

Along with the ability to monitor charities' accounts, the Scottish public also expect their charity regulator to be able to respond to complaints made about charities and, where needed, take action. Fifty-eight per cent of the public wanted OSCR to be able to handle complaints about charities. However, it is notable that only 43% wanted OSCR to be able to fine charities who break the law, despite 60% wanting them to be able to ensure the law is adhered to in terms of fundraising. This may suggest an uneasiness about taking public donations out of a charity to pay for fines.

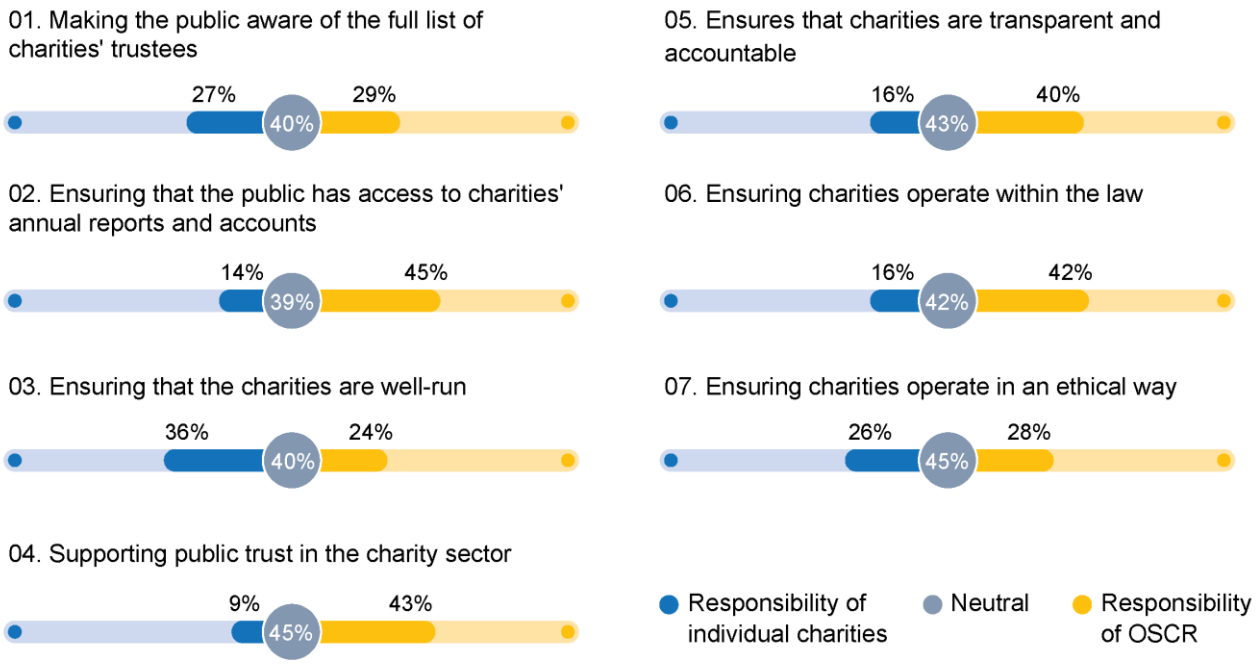
That does not mean, however, that the public wants OSCR to shy away from using regulatory power when needed. As established in the in-depth focus group discussions, the public is keen for individuals and charities to be investigated and, if appropriate, have their status as a charity revoked.

> ***The power to shut it down. It's like any other commission that are in charge of things like that. That's the power [the Care Inspectorate] have. I would assume the charity one has the same***
>
> Focus group participant, Aberdeen

Where the public is less certain about OSCR's role is in terms of 1) as an advocate for legal matters regarding charities, and 2) as a source of support for charities. A third (34%) felt that OSCR should advise Government on charity matters and a similar proportion felt that OSCR should be involved in establishing or amending charity law (29%). Even fewer were convinced that OSCR should be providing training for charities (14%) and promoting the work of charities (14%).

5.4 What do charities expect of OSCR?

Fig 5.5: Locus of responsibility



The above diagram shows where charities place the locus of responsibility for various actions and outcomes, between themselves and OSCR.

For each, approximately two-fifths of charities feel that there is an equal burden of responsibility between individual charities and OSCR to ensure compliance or best practice.

In regard to supporting public trust in the sector (see fig. 5.4 ‘04’), charities clearly have an expectation that individual charities are less responsible than OSCR. Interestingly, this also extends to charities appearing transparent and accountable and even operating within the law (see fig. 5.4 ‘05’).

Ensuring the public has access to charities’ accounts and annual reports is also viewed by charities to be a responsibility of OSCR, rather than themselves, which runs counter to recent communications sent out by OSCR (see fig. 5.4 ‘02’).

6. The role the Scottish Charity Regulator plays in supporting public trust and confidence in charities

This chapter explores how both the Scottish public and charities operating in Scotland view the Scottish Charity Regulator (OSCR) role, especially in regard to increasing the perceived trustworthiness of the charity sector.

Summary

Fig 6.1

While the Scottish public did not have a very high awareness of OSCR and the nature of charity regulation in Scotland more widely, there was a common assumption that a regulator probably does exist

When promoted, overwhelmingly, the Scottish public thought that OSCR plays an important role in the charity sector

(Base: Scottish public 1,010)

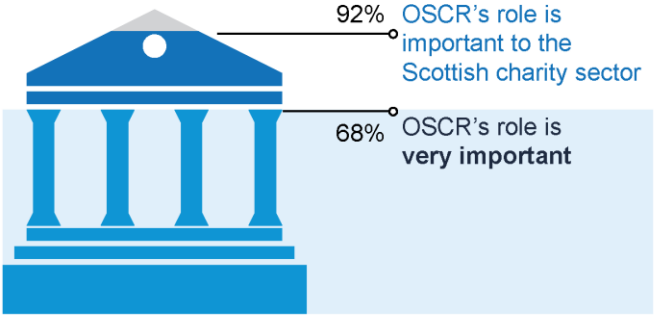
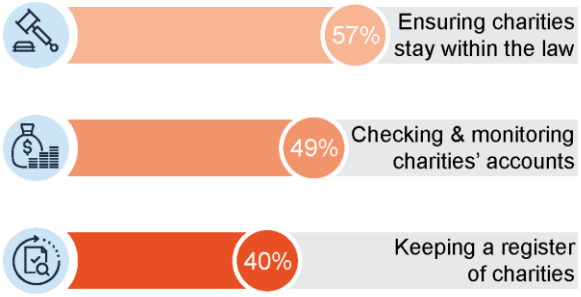


Fig 6.2

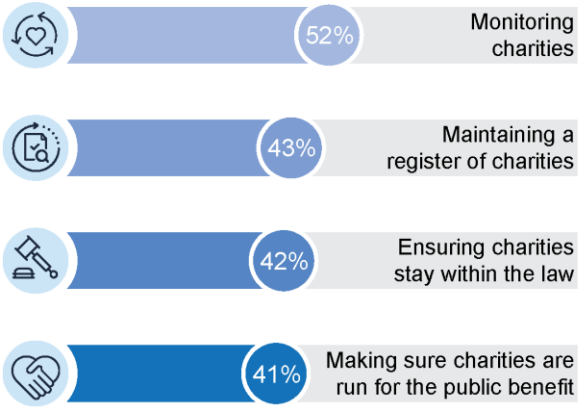
When it comes to maintaining high levels of trustworthiness in the charity sector, the public most values OSCR for its ability to ensure good conduct in accordance with the law



(Base: Scottish public 1,010)

Fig 6.3

For the charities themselves, OSCR's most important role for maintaining the trustworthiness of the Scottish charity sector was the ongoing monitoring of charities



(Base: Scottish Charities 1,102)

6.1 How do the public think OSCR could improve the trustworthiness of Scottish charities?

As established in chapter 5, while the public did not have a great deal of awareness and knowledge surrounding OSCR, many presumed an OSCR-like body to exist and to perform an essential regulatory function. Accordingly, once made aware of the organisation, the public valued the role OSCR plays in the charity sector, with 92% believing OSCR's role is important (very important or important). Sixty-eight per cent see it as very important (see fig. 6.1).

To try to understand the practical value the public places in OSCR's regulatory role, respondents to the general public survey were asked to imagine a charity sector in which OSCR did not exist. Responses to this question most often fell into one of two main camps that, on the face of it, seem similar but involve an important distinction in how OSCR's role is perceived. Twenty-eight per cent of the public felt that without OSCR there would be an influx of fraudulent organisations into the charity sector to prey on the public's donations. Twenty-two per cent of the Scottish public worried that, without oversight from OSCR, charities would become less trustworthy, transparent, and honest.

While the latter of these two fears assumes that current and established charities would decline in their behaviour, the other assumes that the charity space would be infiltrated by opportunist scam charities with no intention of providing for the public good. One positions OSCR as a monitor and enforcer, the other as a gatekeeper.

Whereas keeping a register of charities was most commonly selected as a responsibility of OSCR by the Scottish public, it is its role regarding ensuring that charities stay within the law (57%) that the public perceived as most crucial to maintaining, protecting and enhancing the trustworthiness of the Scottish charity sector (see fig 6.2). Monitoring charities accounts (49%) was seen to be the second most important responsibility for maintaining a trustworthy charity sector.

6.2 What do charities themselves know about OSCR?

All charity representatives surveyed in the research were aware of OSCR through their role as lead contact for OSCR at their charity.

Keeping a register of charities is OSCR's clearest responsibility for charities with almost all of them mentioning this as part of OSCR's role (95%). This was closely followed by three other responsibilities - checking/monitoring charities' accounts (89%), granting charity status (82%), and handling complaints about charities (79%).

6.3 What do charities expect from OSCR?

OSCR's most well-known responsibilities are not necessarily the most important ones for the charities (see fig 6.3). When charities rate OSCR's most important responsibilities, the top four have a different focus. Monitoring charities (52%) takes priority over keeping a register (43%) and two new functions share the spotlight: ensuring charities stay within the law (42%) and making sure charities are run for the public benefit (41%).

The four most important responsibilities involve OSCR taking a more proactive approach to guarantee not only compliance with the law, but also ensure public benefit. The in-depth interviews with charities showed that these functions are closely related to the trustworthiness of the sector. There is an appetite for OSCR to work and improve these areas of responsibility, with OSCR's role going beyond being a registry.

Charities want an organisation that ensures the sector is complying with the law. There is recognition that OSCR is on the right path to achieve this, and interviewed charities that have been monitored appreciate the way this monitoring has been conducted.

OSCR is described as an organisation that works alongside charities and helps them improve. And, although they are policing and monitoring, this is not being done in an aggressive way or with any intention other than benefitting both the individual charity and the sector.

A common desire from the charities interviewed was that OSCR should be more visible to the sector as a whole and the general public, for example by placing newspaper ads or taking part in interviews. This in turn would benefit charities and the volunteers as it would build greater trust in the Board and with the public.

> ***Regulation gives confidence, if OSCR was more obvious/visible it would build more trust. Getting charitable status is not easy and the public should be aware of this.***
>
> Charity interviewees

> ***OSCR are not the police but they are like 'guardians'. OSCR could be more visible, obvious to people – they are in the background, but could market themselves more. They could take space in a newspaper/ magazine (NOT TV/radio) have the chief exec be interviewed by 'Scotsman' 'Herald', or 'Times Scotland'. Hold public briefing meetings, perhaps use existing clubs like the rotary club or institute of directors in Scotland.***
>
> Charity interviewees

> ***It is essential that there is a body looking after and policing charities. I am not sure the public is really aware of OSCR, they are not that high profile.***
>
> Charity interviewees

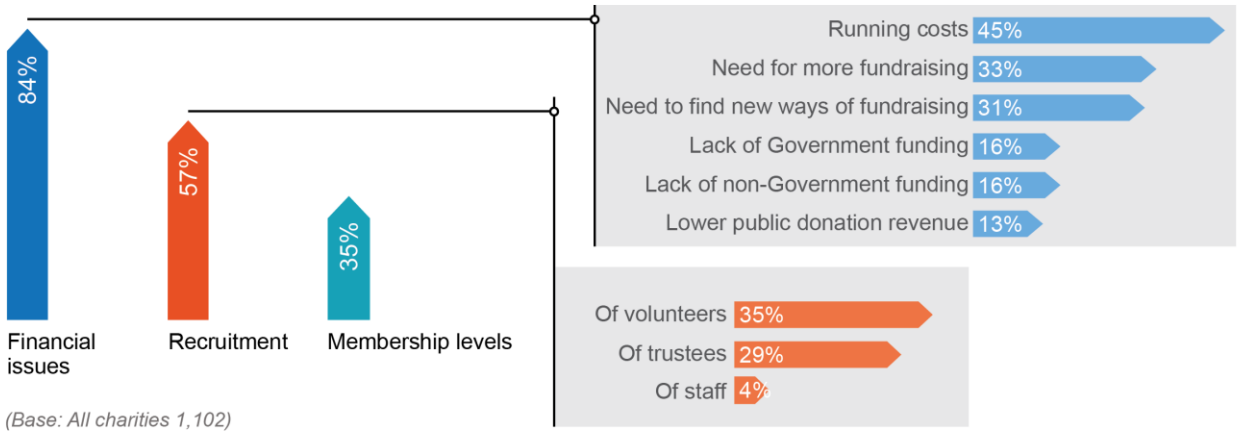
7. Challenges faced by charities in Scotland

This chapter looks at the challenges faced by charities in Scotland and the support they have sought to address them.

Summary

Fig 7.1

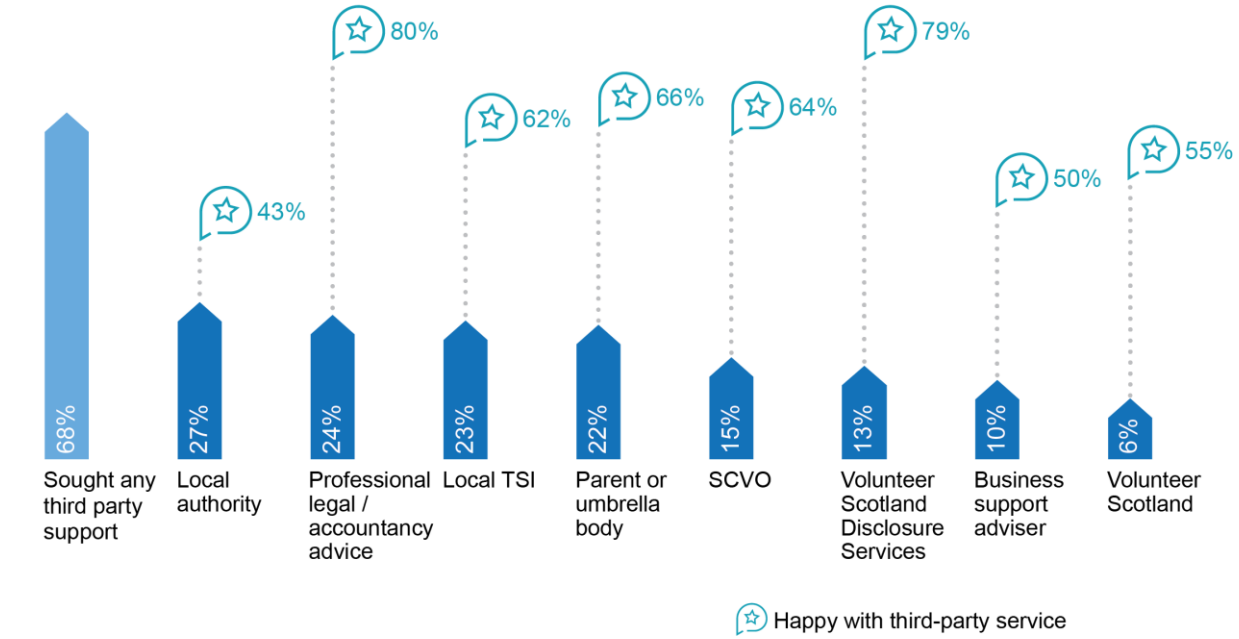
Financial pressure was the most common issue faced by charities in 2020



(Base: All charities 1,102)

Fig 7.2

Just over two-thirds of charities had sought third party support in the last 12 months



(Base: All charities 1,102)

(Base: All charities using each service – variable 70-299)

It should be noted that fieldwork for this research was completed before the full extent of the COVID-19 mitigation measures were rolled out in mid-to-late March 2020. Because of this, the feedback given in the following section does not truly reflect the severe and emerging challenges for which the sector is currently preparing itself.

Many charities at this point in time will be deeply troubled by the impact that the COVID-19 crisis will have not only upon fundraising and donations, but also upon their ability to deliver the services that their communities rely upon.

7.1 Current issues affecting charities

As in both 2016 and 2018, the primary issue facing charities in Scotland, at the point of data collection, was found to be a financial one (see fig. 7.1). Eighty-four per cent of charities felt that financial issues fell among their top three challenges, with running costs (45%), increased need for fundraising (33%) and finding new ways to fundraise (31%) the most common types of financial issues faced.

> ***There is a balance in being charitable and the need to generate income. There is also a general lack of understanding of what charities do, people expect so much.***
>
> Charity interviewee

Financial challenges were particularly pressing for the newest charities (95% of those less than 4 years old). While, these issues were still very prevalent for longer established charities but fell away a little for those running for four years or more (84%).

The financial pressure of paying staff wages was evident, with 94% of charities with paid staff concerned about financial issues, compared to 78% of those with no paid staff. This was mainly driven by greater concern over organisational running costs (55% with paid staff, 38% no paid staff).

A lack of both Government (30%) and non-Government (25%) funding was most keenly felt by charities with the largest turnovers (£100,000+). This, along with fears about organisational running costs (55%), made charities with a turnover of more than £100,000 more concerned about financial pressures than any other turnover band.

Charities established for more than half a century (4%) were far less likely than younger charities (21%) to be concerned over Government funding. However, this longest established group (56%) were most concerned over sustaining membership levels (0-25 years 23%, 26-50 years 35%).

Recruitment (57%) was a top concern for a little over half of charities. This primarily related to recruitment of volunteers (35%) or of trustees (29%). Recruitment of volunteers was of particular concern for smaller charities: those with no paid staff (45%) and those with incomes under £25,000 (45%). Recruitment of paid staff (4%) was not an issue for all bar the largest charities: those with turnovers (£100,000+ 11%) and with six or more staff (16%).

Only one in five (18%) believed that the burden of regulation and/or legislation constituted one of their charity's top three challenges, with very little variation by charity profile.

7.2 What third party support are charities seeking?

Sixty-eight per cent of charities had turned to a third party for support in the last two years (see fig. 7.2). This was much more common for those most recently established (Less than four years 84%) but also those with more staff (none 60%, one to five 78%, six plus 92%) and higher turnover (up to £25,000 57%, £25,001 to £100,000 72%, £100,000+ 89%).

The most popular sources for third party support were:

- Local authorities (27%)
- Professional legal / accountancy advice (24%)
- Local TSI (23%)
- Parent / umbrella body (22%)

SCVO (15%), Volunteer Scotland Disclosure Services (13%), business support advisers (10%) and Volunteer Scotland (6%) had also been approached by charities.

While the majority of these third party organisations were thought to be helpful when approached (see fig. 7.2) – receiving between 62% and 80% of responses as 'quite' or 'very' helpful – there is a notable exception.

Local authority support, which was the most commonly used third party organisation, received a response of 'helpful' from only 43% of those who used them. As established above, financial issues are particularly challenging for charities and local authorities provide vital streams of funding to offset this. In-depth telephone interviews with charities raised issues surrounding opaque processes and charging schemes.

> ***I have had some grant support from local authority but sometimes they come with a hidden cost, like planning fees/ legal charges.***
>
> Charity interviewee

Professional legal and accountancy advisers received the highest score for satisfaction (80% happy with the support received). Future research that explores what legal and accounting support charities are seeking and the reasons behind their high levels of satisfaction in this area should help OSCR identify elements of best practice that can help improve sector-wide support.

8. How do charities and the general public find dealing with the Scottish Charity Regulator?

This chapter explores the experiences of charities operating in Scotland when dealing with the Scottish Charity Regulator. The chapter also looks into the experiences of those among the Scottish public who have had contact with OSCR.

Summary

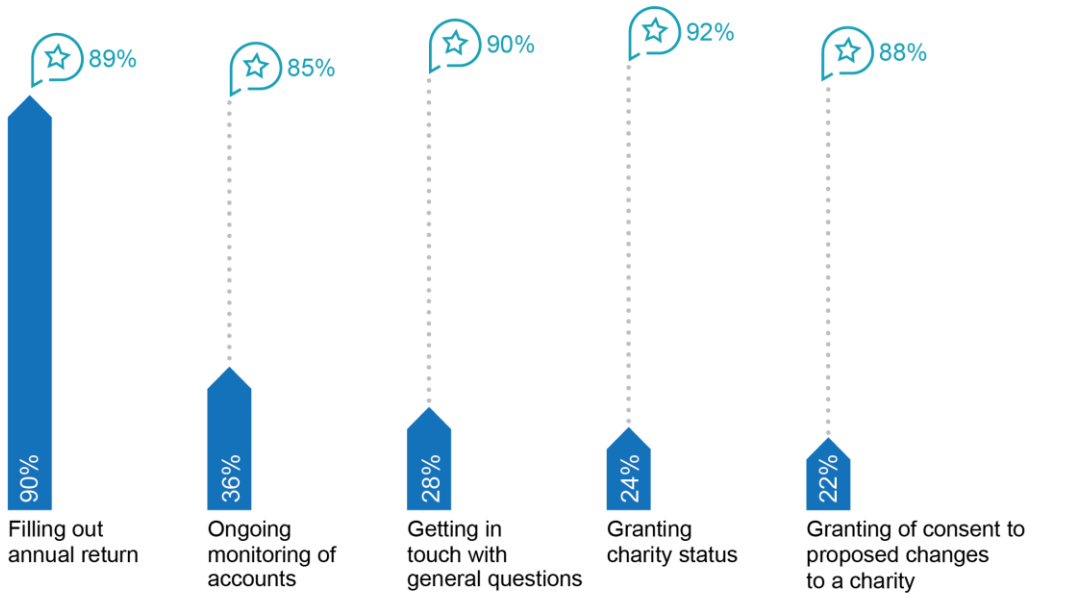
Fig 8.1

Charities in Scotland felt that OSCR's communications, taken as a whole, were good

(Base: All charities 1,102)

Fig 8.2

The most common reason for charities to contact OSCR in the last 12 months was to complete the annual return. Under a third had needed to contact OSCR with a general question in the same timeframe



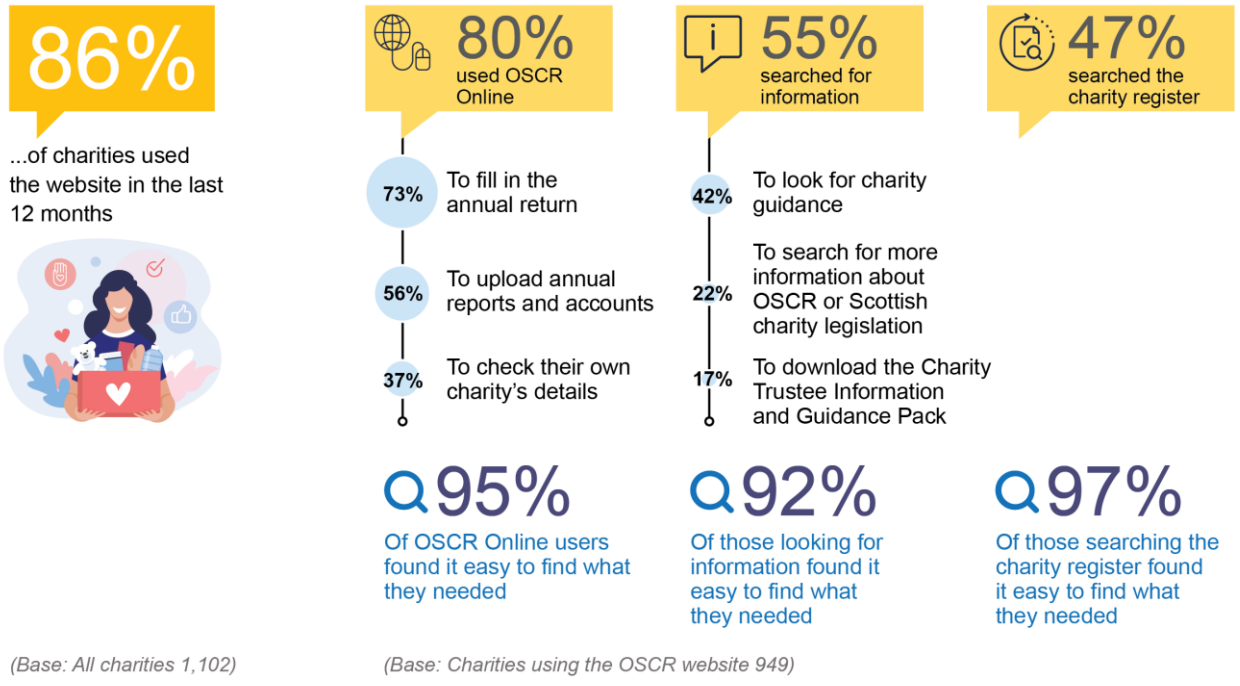
(Base: All charities 1,102)

'Good or excellent' experience

(Base: Charities communicating with OSCR in these ways – variable 238-977)

Fig 8.3

Nearly all charities had cause to use OSCR's website in the last 12 months



(Base: All charities 1,102)

(Base: Charities using the OSCR website 949)

8.1 Charities' overall contact with OSCR

Overall, OSCR's communications were well regarded by charities in Scotland (see fig. 8.1). Ninety-three per cent of charities felt that OSCR's communications, taken as a whole, were either 'good' (21%), 'very good' (49%) or 'excellent' (23%).

Filling out annual returns (90%), monitoring accounts (36%), and asking general questions (28%) were the three main reasons for charities contacting the Scottish Charity Regulator (see fig. 8.2). All three of those functions received a positive performance rating (85-90% 'good') with no more than 2% of charities considering them poor (see fig. 8.3).

Aside from having a well-functioning website, in-depth telephone interviews with charities showed OSCR to be an approachable organisation for charities. Charities appreciate that OSCR positions itself as a source of support rather than a policing body. This adds value to OSCR's image within the sector.

> ***The thing I like about OSCR is that they are very sensible, they are not too domineering or rule driven in their approach, they are pretty flexible, approachable and if you ask advice they are timely and it is good advice... they are nice and easy to deal with, well led and well resourced***
>
> Charity interviewee

8.2 Charities and the OSCR website

OSCR's website was well used and well regarded by charities. For its most common uses – OSCR online, finding information and searching the register – the site was thought to be easy to use, even for those less confident online.

> ***Personally, I don't like online, I will always prefer paper. However, OSCR's website was easy to use and they have been positive when I needed to contact them. Not much OSCR can do to improve there.***
>
> Charity interviewee

Just under nine in ten (86%) of charities had visited OSCR's website in the previous 12 months.

The most common reason for charities to visit OSCR's website was to use OSCR Online (80% of those who had used OSCR's website), to fill in the annual return (73%), to upload the annual report and accounts (56%) or update or check their charity's details (37%).

Charities had a very positive view of using OSCR Online, with 95% saying it was 'quite' or 'very' easy to find what they needed.

Just over half (55%) of those using the website did so to look for information. The information most commonly looked for was charity guidance or other similar information (42%) whilst just over a fifth (22%) searched for more information about OSCR or Scottish charity legislation and just under a fifth (17%) wanted to download the Charity Trustee Information and Guidance Pack.

Searching the website for information was most common among newly established charities (less than four years 68%), those with 6 or more staff (72%) or a turnover of more than £100,000 (69%).

Again, charities found it very simple to use the OSCR website to find this information, with 92% saying it was 'quite' or 'very' easy to find the information that they required.

Just under half (47%) used the website to search the charity register. Thirty-two per cent had looked at their own charity's extract and 27% were looking for information about a specific charity.

Once more, the website was deemed 'quite' or 'very' easy to use by nearly all (97%) who were searching the charity register.

8.3 Areas for improving contact with charities

When asked in the accompanying in-depth telephone interviews about improving OSCR's communications, some felt that the website algorithm for the charity keyword search could be improved. This referred to the flexibility of the search itself and, also, the algorithm being closer to Google's, in which a typed word does not need to match exactly to return a result. The benefit of this

would be to help people who are unsure of the spelling of a charity's name or only have a general idea of what it does or where it is operating from.

Other charities felt that OSCR did not have enough time and personnel resources to become familiar with their situation and, rather, acted solely as a register.

8.4 Public perceptions

A third (33%) of the public was aware of the register of charities where they can search for information and 8% had used it.

Those who have used the register have found it easy to navigate (95%) and find what they are looking for. Those who have used the register most commonly just check that a charity is registered, but the public have also used the register to get contact details, check financials or look at a charity's objectives.

9. Charities' perceptions of the effectiveness of the Scottish Charity Regulator

This chapter looks at charities' views regarding how effectively the Scottish Charity Regulator fulfils its role as a regulator.

Summary

Fig 9.1

OSCR is trusted by charities in Scotland to deliver fair and effective regulation and support to the Scottish charity sector.
Percentage of charities who trust OSCR to...

9.1 Do charities trust OSCR to deliver on its key responsibilities?

Charities in Scotland displayed a high level of trust in OSCR to fulfil its core duties, including administering the charity register, supporting charities to run themselves well and to take action to increase the perceived trustworthiness of the sector as a whole.

Importantly, OSCR is clearly trusted by charities to regulate the Scottish charity sector in a fair manner, with 94% of charities saying this (72% saying that OSCR can be trusted 'a great deal'). This is the necessary foundation on which OSCR can operate as an effective yet supporting regulator.

While there are clearly no issues regarding the charity sector's confidence in OSCR to fulfil its role, there are some interesting variations in the way different areas of OSCR's operations are perceived.

From an administrative angle OSCR performs very strongly. Ninety-six per cent of charities trust OSCR to keep a reliable charity register (81% of them doing so 'a great deal'). Similarly, charities are fairly unanimous in trusting OSCR to make effective decisions regarding which organisations should or should not feature on that register (84% trust OSCR, 57% trust OSCR a 'great deal').

OSCR is also well trusted to provide support to charities in order to run themselves well (87% trust OSCR, 46% trust OSCR a 'great deal').

However, while trust in OSCR to improve the Scottish public's perception of how trustworthy charities are is still very high at 81% (39% a 'great deal'), this figure is noticeably lower than trust in OSCR to deliver its key administrative responsibilities.

Likely tied to this is the responsibility eliciting the lowest levels of trust (although, importantly, still high), investigating charities where there may be wrongdoing (78% trust OSCR, 47% trust OSCR a 'great deal').

This is supported by feedback from the accompanying in-depth telephone interviews with charities, in which some charity representatives questioned OSCR's capacity to investigate in some instances.

> ***Someone I work with in the church reported a child safety issue to OSCR and it felt like OSCR didn't want to know.***
>
> ***They have a lack of understanding about charities and it is about ticking boxes all over the place***
>
> ***I think OSCR is understaffed***
>
> Charity interviewee

Some charities were keen for OSCR to communicate clearly to the public how the processes of acquiring charitable status and being monitored work. They felt that compliance takes a great deal of effort from their side and they felt that the public would find this reassuring.

The next chapter of the report highlights potential strategies for boosting charities' trust in OSCR for taking firm and appropriate action in the case of wrongdoing.

9.2 How would the charity sector change if OSCR did not exist?

To try and understand the extent to which charities felt that OSCR is effective and important as a regulator, they were asked to predict the hypothetical impact upon the sector if the organisation no longer existed.

The largest impact, charities believed, would be in terms of public accountability. Eighty-five per cent of charities felt that without OSCR the charity sector in Scotland would be less transparent and accountable and 84% felt that the public would be less informed.

Most (63%) felt that without OSCR there would be little change in the amount of time they spend on administration, suggesting that compliance with OSCR's requirements is not thought to be an overwhelming burden on charities. Interestingly, younger charities under 10 years old (26%) were a little more likely than older charities (16%) to feel that their administrative burden would, in fact, increase if OSCR no longer existed.

Charities were divided in their opinion on whether the sector would become less ethical than it is now (55%) or remain as ethical in the way charities act (44%). While this shows that charities feel OSCR plays a strong part in limiting wrongdoing in the sector, there are clearly many who feel that charities in Scotland are, on the whole, trustworthy in themselves.

10. How can the Scottish Charity Regulator support the perceived trustworthiness of the Scottish charity sector?

This final chapter explores approaches the Scottish Charity Regulator can take to support and increase the Scottish public's perception of trustworthiness of the Scottish charity sector.

10.1 Increasing awareness of OSCR may well help boost public confidence in the sector, but it may not be the most effective use of the organisation's resources

The research has confirmed that overall awareness of the Scottish Charity Regulator among the Scottish public is fairly low, at 24% (see chapter 5). The research has also shown that knowledge that a charity is independently regulated had a sizeable influence on how trustworthy it is thought to be (see chapter 3) and that the Scottish public strongly believe that the role of the regulator is an important one (see chapter 6).

It is tempting, therefore, to suggest that merely increasing awareness of OSCR among the Scottish public will, in itself, boost the perceived trustworthiness of the sector. While this may be true to some extent, much of the potential benefit that greater awareness of OSCR itself would bring to public trust in charities is already being realised through the general assumption there must be a regulator, even if it isn't known to be OSCR.

Fifty-four per cent of the Scottish public believed that there is some kind of regulation of charities in Scotland (see chapter 5) and only 3% believed that there was no regulation of Scottish charities. Feedback from focus group discussions with members of the public showed that this presumption of regulation without explicit knowledge of OSCR was most often based on three things. First, the existence of the charity registration number, which implied an issuing body. Second, the strength of the brand of the Charity Commission, and third the presence of a regulatory body in other sectors. Many of these common assumptions will soak up the benefits of investing in a high profile for the organisation.

A more effective future measure of the impact of regulation on public trust is likely to be across the following:

- The proportion of people in Scotland who feel that independent regulation is an important component of trustworthiness
- The proportion of people in Scotland who are aware that regulation of charities takes place and is effective
- The proportion of people in Scotland who identify the markers of regulation – such as the charity registration number and the OSCR logo – as recognisable signs of a charity being regulated

10.2 The charity number has a power that OSCR's name/logo doesn't – use that to your advantage

While the scope for increasing public trust in charities through greater awareness of OSCR itself may be limited, there is plenty of scope for OSCR to increase public confidence indirectly through publicising the actions it takes.

The charity registration number is a key asset for OSCR, as it indicates the work it does in a manner that is well-known, ubiquitous, and easy to understand. To enhance the power of the charity registration number, OSCR may consider providing a link to charities that takes the reader to a page on OSCR's website that outlines how and why the charity number was issued. This is very similar to the current charity registration logo available for each registered charity to download from their register entry. This would have the following benefits:

- It elevates the charity registration number past just being a sign of legitimacy to a starting point for more information about what under pins that legitimacy
- It makes clear the specific and rigorous steps a charity must take to become registered, including key aspects that the public values such as accounting transparency
- It further strengthens the public assumption that for a charity to be registered there must be an overseeing authority

Other areas of focus for OSCR's indirect marketing should focus on include:

- Public information about how to report concerns about a charity, including what this process will involve (see 10.3)
- More information about how OSCR is working with charities to make their financial dealings more transparent (see 10.3)
- Details of where action has been taken successfully in response to concerns raised (see 10.4)

10.3 Both OSCR and charities can make steps to increase transparency in the sector

Encourage charities to take greater responsibility for their own transparency

It is clear from the feedback received from charities that they often defer the responsibility of making their accounts available to the public to OSCR. This is despite a campaign by OSCR to encourage charities to take the initiative in this respect.

Making clear that the publishing of accounts by a charity – something that the public clearly values as the act of a trustworthy charity – is a voluntary, un-coerced act, is likely to be a well-received gesture.

The public isn't aware of where it can raise concerns

Currently, two in five members of the Scottish public would not know where to turn in order to raise concerns and only one in seven would first think to speak to a regulator (see chapter 5).

There is clearly a lot of scope to raise public awareness as to where to go if they have concerns about a charity.

10.4 Make better use of OSCR's public communication strategy

OSCR's communication with charities has been shown to be effective and well-regarded (see chapter 8). However, there are two ways in which communication with the public may be refined.

Use an effective framework to model communications

Previous behavioural science research into effective communications shows the efficacy of a messaging framework known as 'EAST' (Easy, Attractive, Social, and Timely). The EAST framework acts as a guide to making use of behavioural science principles as part of an organisation's communications.

There are four main aspects to this framework:

Easy: make it easy for people to do something as a response to seeing the campaign. This involves making information clear in its meaning and simple to find

Attractive: attract attention and issue rewards for participation. Make the design attractive and make the target behaviour appear valuable

Social: use social norms to make it acceptable to take part. This may be using previous examples of ordinary people making a difference through raising a concern about a charity to show that it is common and normal to do so. This may also involve the use of social structures, such as social media, to share and interact with the campaign and with OSCR in a way that is socially visible

Timely: prompt people at a time when they are most likely to be receptive to the message and when their habits are disrupted, such as at Christmas time

An example for OSCR:

Easy
- Very clear guidance, without having to dig to find information.

Attractive
- Highlight key messages, e.g. bolding
- Use of colours to make the message clearer

Social
- 'Social proof' – '24,883 charities' message utilizes the tendency to want to behave as others do

Timely
- After large scale scandals, around Christmas time are likely to be most effective times for OSCR to communicate

For OSCR, the main EAST priority should be in terms of the clarity of the messaging – making it Easy. That is, simplifying the messaging around the functions that OSCR performs that are valued by the public, such as encouraging transparency and investigating wrongdoing. However, in order to communicate its effectiveness, OSCR needs to describe the processes in a manner that is easy for the public to understand, and make it easy for them to enact the desired behaviour.

For instance, while much of the detail about what the public might expect from the process of raising a concern about a charity *is* included on the OSCR website, it is provided as a PDF adjunct to the

submission process[7]. This hides this crucial information and, therefore, makes the process harder to understand and the tangible benefit less apparent – in other words, adding friction and making it less Easy. This, in turn, may be less motivating for the reporter.

Integrating a clear outline from the outset of what is expected of the reporter, and of what they can expect from the subsequent process, is likely to encourage those who suspect wrongdoing to report it. It also may reassure the wider public that the process of taking action against wrongdoing is available, logical and effective.

Communicate with the public when firm action is taken against charities guilty of wrong doing; both charities and the public are keen to see this

A regulator that is effective in taking action against wrongdoing by charities is valued not just by the donating public (see chapter 6), but by charities themselves (see chapter 9). Currently, charities' trust in OSCR to respond to wrongdoing is lower than it is for OSCR to complete its administrative responsibilities and they are keen to see evidence of more decisive action taken to protect the reputation of the charity sector.

There is still scope for OSCR to be braver in communicating action against wrongdoing, without risking the appearance of being heavy-handed to charities or over-publicising malpractice to the public.

[7] https://www.oscr.org.uk/media/1768/2014-12-22-oscr-inquiry-policy-document.pdf

11. Appendix 1: Sample profile

11.1 General public survey

	Unweighted	Weighted		Unweighted	Weighted
Gender			**Age**		
Male	48%	48%	16-24	14%	13%
Female	52%	52%	25-34	18%	16%
Location			35-44	16%	15%
North East Scotland	16%	16%	45-54	17%	17%
Highlands & Islands	7%	6%	55-64	16%	16%
South Scotland	14%	4%	65+	19%	23%
West Scotland	9%	15%	**SEG**		
Central	14%	20%	AB	21%	19%
Mid-Scotland & Fife	9%	9%	C1	33%	32%
Lothians	19%	14%	C2	20%	22%
Glasgow	13%	16%	DE	26%	28%
Base:	***1010***	***1022***	***Base:***	***1010***	***1022***

Socio-economic Grouping (SEG) classification

- **'A'**: Higher managerial/ professional/ administrative (e.g. established doctor, solicitor, board Director in a large organisation (200+ employees, top level civil servant/public service employee))
- **'B'**: Intermediate managerial/ professional/ administrative (e.g. newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principal officer in civil service/local government)
- **'C1'**:Supervisory or clerical/ junior managerial/ professional/ administrative (e.g. office worker, student doctor, foreman with 25+ employees, salesperson, etc), or full-time student
- **'C2'**: Skilled manual worker (e.g. skilled bricklayer, carpenter, plumber, painter, bus/ambulance driver, HGV driver, AA patrolman, pub/bar worker, etc)
- **'D'**: Semi or unskilled manual work (e.g. manual workers, all apprentices to be skilled trades, caretaker, park keeper, non-HGV driver, shop assistant)
- **'E'**: Casual worker – not in permanent employment, homemaker, retired and living on state pension, unemployed or not working due to long-term sickness, full-time carer of other household member

11.2 Charity survey

	Unweighted	Weighted		Unweighted	Weighted
Annual income (wide bands)			**Location**		
< £25,000	47%	53%	North East Scotland	12%	-
> £25,000	53%	47%	Highlands & Islands	17%	-
			South Scotland	14%	-
Annual income (narrow bands)			West Scotland	8%	-
< £2,000	10%	17%	Central	7%	-
£2,001-£10,000	21%	21%	Mid-Scotland & Fife	13%	-
£10,001-£25,000	16%	15%	Lothians	14%	-
£25,001-£100,000	25%	22%	Glasgow	9%	-
£100,000+	28%	25%	Outwith Scotland	5%	-
Base:	***1102***	***1102***	***Base:***	***1102***	***1102***

12. Appendix 2: Qualification criteria

12.1 General public survey

- Resident in Scotland
- Between the ages of 16 and 99

12.2 General public focus group research

- Resident in Scotland
- Between the ages of 16 and 99
- Not personally closely involved in the following industries: advertising, marketing, PR/communications, market research, the charity sector
- No close friends or family closely involved in the above industries
- Donate more than £5 a year to charity on either an *ad hoc* or regular basis
- Shown to be actively engaged with charitable giving (see tables below)
- Have not participated in a focus group discussion on a similar topic in the last 12 months

Calculating engagement with charitable giving

1	I regularly donate over £50 to charity in the course of a year	**Qualifying (see table below)**
2	I normally donate less that £50 but more than £5 in the course of a year	
3	I do not normally donate more than £5 in the course of a year	**Non-qualifying**
4	I have donated to three or more charities in the past year	**Qualifying (see table below)**
5	I have donated to one or two charities in the past year	
6	I currently have or have had a regular standing order, direct debit or pledge payment set up to one or more charity in the past two years	
7	I have not had a regular standing order, direct debit or pledge payment set up to any charity in the past three years	
8	I give at least one day of my time each month to be involved with charity work	
9	I give less than one day of my time every two months to be involved with charity work	
10	I am very likely to respond to a world crisis appeal through giving my time or money to a charity	
11	I am fairly unlikely to respond to a world crisis appeal through giving my time or money to a charity	

12	I have a favourite charity which works in an area that is dear to me	
13	I do not have any favourite charity in particular	
14	I have sponsored friends or family who have been raising money for charity three times or more in the past six months	
15	I have sponsored friends or family who have been raising money for charity fewer than three times in the past six months	

High Level Donors	CODE 1 AND THE RESPONDENT CODES **AT LEAST 4 GREEN CODES** (I.E. CODES 4,6,8,10,12,14)
Low Level Donors	CODE 2 AND THE RESPONDENT CODES **AT LEAST 4 YELLOW CODES** (I.E. CODES 5,7,9,11,13,15)

12.3 Charity survey and in-depth interviews

- Involved in running or helping with a charity registered with the Scottish Charity Regulator (OSCR)
- Have direct contact with OSCR through this role

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