



**November COVID-19 survey:
Funding and Fundraising**



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Introduction

Finances, specifically funding and fundraising emerged as a cross cutting theme in the analysis on the open responses to Question 8 of the November survey. This section combines the responses from both 8a and 8b. This section is given as far as possible in the words of the respondents, but without the use of quotation marks as this would disrupt the text. Key points made by multiple charities have in places been drawn into a summarising statement. The voices of the charities are given extensively in their own words without interpretation or inclusion of assumptions, consequently there are places where something said may be unclear or leave a gap. Charity names have been removed or replaced by generic terms to preserve anonymity. Boxed text are quotations.

The analysis shows tension between needs and sources, and between those with the skills and resources to seek and access funding (typically characterised as time, knowledge and paid staff) and those who were resource limited and inexperienced in this type of activity and its execution (typically characterised as volunteers).

Many charities were grateful and appreciative of the funding that had been made available during the pandemic up to November. It had enabled them to continue to operate, and for some to cover core running costs. Conversely, many charities said they were struggling financially and there was wide spread loss of income across different types and sizes of charity.

However this is not the whole picture, some charities were managing through different strategies such as using reserves or adapting how or where they seek income; and others were doing alright financially in November but were worried about the longer term.

The greatest number of requests for help and support from OSCR and other charity sector supporting organisations was around funding and fundraising. The types of requests for help and support varied across type of income stream. The income streams include grants, trading, and fundraising.

❏ The biggest threat to charities at this time is a financial one so anything that can help offset the loss of income due to the impact of COVID-19

The adaptation and survival strategies of charities was also creating new and different funding needs. There were requests for OSCR and charity sector supporting organisations to bring this to the attention of grant givers and to work with them to ensure that funding is going where it was most needed.

There were many requests for continued and future funding from Local Authorities, Scottish Government and UK Government; for lobbying, raising awareness and pressing for more and longer funding to be made available to the sector; and for it to be easier and faster to access.

1. Grant funding

Many charities spoke of *grants*, but the landscape of grants and their awarding organisations is broad and varied. Consequently it was not always clear when a charity told us about a grant what type of grant it was or where it had come from. Similarly, *funders* were frequently mentioned and whilst some, such as local authorities, councils or Scottish Government were sometimes named, there were many non-specific references to funders. Where specific types of grant, such as emergency funding to mitigate the impact of COVID-19 and specific funders, such as Scottish Government can be identified relevant comments have been gathered together. There are however many more which have to be taken at face value.

Emergency funding

A large number of charities' responses said they felt overwhelmed by the information about emergency financial support, finding it complicated and confusing. They could not determine if they were eligible, or not. The application forms were long and complicated asking for vast amounts of detailed information which they did not necessarily have. Quite a number asked for assistance and/or training in how to complete these applications. They also said they had been refused but did not understand why or felt it was unreasonable. A few said they had not heard anything in response to their application.

The majority of charities asking for help with identifying and accessing funding sources were run by volunteers, with no staff. A number said their volunteers were working on funding applications in their own time to make sure this activity did not impact their services and beneficiaries, and more than a few of these volunteers had either their own caring responsibilities or paid employment as well.

It is such a complex challenge applying for grants from the government. We are volunteers with other work commitments and family concerns, and it is frankly, seriously overwhelming going through the application process. We don't even know all of the grants available to us, and which would apply to us. The grant applications are truly the most challenging, and sometimes soul destroying exercises.

Charities that received grant awards said Scottish Government, local authority grants and the Business Support Fund for charities has been a saviour; and that local government funding has helped open limited services. One charity said they have had very positive support from the funders in our sectors (arts and recreation), they have been understanding and flexible.

It was great to see funders supporting and trusting charities with flexibility in the use of funding and quick turnaround times - it would be great if this is something that can become the norm. Waiting months for decisions about funding can leave charities in a perilous position with cash flow since it is discouraged to have too much money sitting in our reserves!

However there were others who found their core funding was under threat due to cut backs from local authorities; some charities had difficulty getting support via Closure Grants simply because they were a charity; and that charities have been given no financial support other than rates related small business grant.

Core funding

Some charities felt that much of the support provided was targeted at charities that had provided COVID-19 specific services. For those who carried on providing their traditional core services (all be it in a different way) to help people throughout the lockdown very little financial support was available even though the same financial challenges were faced and extra expense was incurred.

- Provide as much support as you can to enable charities to secure their core finances to enable them to continue to provide their services and survive this crisis. Through training, and also advice on the best places to find appropriate funding.
- OSCR see what you can do to help those charities with premises to lessen the burden to their finances by appealing to Government to challenge those companies ie: Power, Phone & Broadband. They are making massive profits from the charity sector during this time of a worldwide pandemic, where most organisations are doing their utmost to help.
- Address the reluctance of funders to value, and therefore be willing to financially support, core costs such as management and admin salaries.
- Encourage more Trusts and Foundations to support core costs

All charities acknowledged the need to prioritise support to services dealing directly with the pandemic, but many perceived wider growing needs and were frustrated at their lack of funding to respond to indirect but widely felt impacts on mental health, general and specific health needs, education, and wellbeing of people in both vulnerable groups and the wider population.

New grant seekers

Many charities were seeking funding to cover lost income, mostly to cover core running costs for staff, delivering services, utility bills, buildings costs, rent, communication costs (IT/telephone/Broadband), provision of health and safety equipment and materials (screens/hand sanitiser/PPE/ cleaning), getting accounts done, and restart. There were a couple who suggested that Scottish Government should reimburse charities for the costs of additional health and safety measures necessary for operation.

Most of these charities would not usually require grant funding but COVID restrictions meant they had to cease, cancel or abandon their usual income generating activities. Usually they would generate their own income to cover their core costs.

☞ We operate a very independent, self-funding operation. This means that we have managed to provide our service without challenging other organisations for funds available from offered sources - local authority, founders etc. Now, with the situation we may have to change our approach. This gives us concern as the reason we have used this approach is because it means that we are able to make our own decisions without having to fill enforced requirements from an outside body.

These charities are new to applying for funding and they were seeking advice from OSCR and other charity supporting organisations about funding and funders. Generally they were seeking temporary support to stay in existence and/or keep operating. They were seeking funding to survive the duration of pandemic restrictions and possibly a recovery period, but anticipated that once they were able to resume their usual fundraising activities they would not have an ongoing need for this type funding.

☞ Make applying for funding simpler, as in a lot of cases this is not something we envisioned having to need as we were a self-reliant Charity for over 30 years, but due to the ongoing pandemic we have had to look at funding in other ways, and with the uncertainty of next year's events going ahead we have had to look into grants etc just to keep us going. Our event generates £100,000's for our local community during the festival and to be unable to proceed with the event due to lack of funding would not only affect us but the whole community.

Trusts, Foundations and other funders

Some charities said that many funders changed their priorities to target those who had added services which were COVID 19 specific which removed them from the already dwindling pool of Trusts and Foundations that many charities and local voluntary groups could apply to.

Many charities ask for a relaxation of funding terms and requirements and that they be allowed and trusted to use their discretion to use the funds as required. Many also ask that funding applications be made simpler and the payments made faster.

- Understanding the many new and different challenges that charities are facing. The funders we receive support from have been amazing and been incredibly understanding and communicative - this has made a huge difference in reducing levels of stress and anxiety. It would be good if all funders could be encouraged to take that approach moving forward where possible. Also simplifying application and reporting procedures would be very helpful.

A lot of charities said that grants were too restrictive and did not cover their range of needs. They asked that funders relax restrictions and trust charities to use the money where they need it. Funding was often for a specific type of cost or expenditure so that some types of charity were excluded from applying. What funding could be used for often caused difficulties because it was restricted. Some charities had more than one need to be met but the terms of many grants prevented use for more than one cost/expense.

- Grant opportunities have been useful but they are very restrictive with regard to a specific purpose which is sometimes not always possible to deliver.
- Many of our independent grant providers are being stretched thin by increasing requests for grants so we are finding it harder to get grants for core costs when we don't have any active volunteering taking place. Grant funders increasingly want a specific project to fund not core costs.

There was a lot of frustrations with funders not allowing running costs to be covered and appreciation for private trusts who recognised the bills have to be paid for example annual certification checks and utility bills standing charges even though charities incomes were reduced to zero.

Charities asked OSCR and charity supporting organisations to encourage Trust and Foundation grant givers to support core costs and to provide funding for more than 1 year – as one charity put it

- Fly the flag for core funding which is such a challenge for smaller charities that aren't doing huge contracts. All charities are worried right now about access to funding in the coming two or three years.

Future funding

Charities whose income is dependent on grants and contracts with Local Authorities and Scottish Government were asking for longer term funding to ensure they can plan for and maintain services.

- We need to highlight the importance of mid-longer term solutions to the government. The emergency funding now is just postponing the inevitable.

continued

- ❏ The biggest single challenge for the charity sector that comes up again and again is short termism. Short term planning, short term decision-making and of course short term funding etc etc. Covid-19 has turned the short term into a week by week term and while up to a point that's inevitable but we need a bit more certainty and so we'd love to see more opportunities think again and help the charity sector plan and deliver confidently into the future - whether that's through funding but also longer term public and civic strategies and partnerships.

There were some who expressed the view that this only affected large scale charities. However there were also small charities providing services in local communities and their need for assurances and money was just as great where, as one put it, we have been taking up the slack.

- ❏ The Voluntary sector in Scotland has been blighted for years by the lack of multi-year local and central government funding. This leads to an inability to plan effectively leading to disruption in staffing and instability. Covid has demonstrated how the voluntary sector provides the fabric for communities to respond and be resilient to crisis.
- ❏ We have celebrated thousands of individual and community 'acts of kindness' but in many circumstances this 'work' is supported by a fragile network of third sector organisations with limited resources. COVID provides an opportunity to reset Scotland's relationship with its communities and to see the Voluntary Sectors pivotal role in the strength of places where we live and increasingly work.
- ❏ The current financial model for most organisations is under considerable strain. One issue that we would like to see addressed is a more mature conversation about Charity Reserves. For many organisations with a relatively poor financial situation they were able to access emergency funding. For organisations that had appropriate levels of reserves they were 'penalised' for good financial management. COVID has also taught us that holding 3 months of reserves is simply not enough - this does not make a charity wealthy - it makes it viable when a crisis ensues.

Whilst many look to government to provide financial support to charities there were those who anticipated that budgets will be cut for the foreseeable future. Some were concerned that all the funding given during the pandemic may affect future funding streams which help services maintain their current service commitments and staffing levels.

A number of charities with this type of income stream were expressing concern about Scottish Government and local authority funding, anticipating that there will be tight budgets and less money available for grants as the impact of huge borrowing, drop in the financial markets and impact of restrictions on the economy through 2020 start to affect decisions in 2021. Quite a lot of charities that operate on government or local authority grant income were seeking help and support to find other and new sources of funding.

Charities that make grant awards

A number of grant giving charities completed Q8 of the survey, not to ask for help and support but to provide an update on their situations and concerns, which were varied. In general they were concerned about their loss of income; how this would impact on their ability to award grants going forward; and their ability to generate income. There was also a reduction in applications for some types of grant.

Impact on ability to award grants

- Our charity holds investments which generate income for distribution to beneficiary organisations. A fall in the value of the investments and a reduction in the level of income generated means our donations going forward will not be as much as we had hoped.
- We have placed a cap on the value of applications for support during the pandemic to protect the General Fund until the effects of the Covid-19 are better known.
- Our charity provides grants to organizations for the environmental improvement related to their community. It had a fixed income from a source which no longer trades and therefore there is no further income for the future. Once the funds are distributed the Trust will cease to exist.
- We have seen the income from the initial capital given to our charity diminish dramatically over the years as interest rates have fallen. 2020 has seen this further decreased with talk of negative interest rates. These would effectively take away funds for giving. Perhaps Charity capital could be treated differently.
- The biggest impact to our charity is we cannot have our regular fundraising events but the fact we are all volunteers and have no overheads benefits us in that all our funds go to our projects.
- Social distancing and the ban on indoor meetings and gatherings has resulted in much reduced demands on our services and grant funding which we provide. The result could be greater food and fuel poverty, loneliness among the elderly and missed opportunities for social mixing in the young.
- Our Rotary Club generally raises cash by hold fund raising events and general public donations this is currently impossible. The time scale needed for events to organise is too long between winds of lockdown. Therefore raising funds in that way is impossible. Businesses are not in a position to help local charities financially.
- We expect the fall in the UK economy will have a dramatic effect on the overall charitable giving when household budgets are tight and small and large businesses are fighting to survive. The drop in the charitable economy will be 3-4x greater than the UK economy as a whole and take longer to recover.

Impact on application to grant awarding charities

- Our sole function is to provide grants to local sports clubs. The restrictions on sport activity has significantly reduced applications.
- We provide salaries for PhD students within hospital/university settings and they have been adversely affected as their research has been interrupted by the pandemic. We also fund travelling and conference fees for Medical staff which again have been significantly affected by Covid-19.
- We receive funds from a bequest that was invested to provide small grants. We have been unable to issue grants as the potential recipients have been unable to travel or to carry out surveys or field work for training purposes due to travel restrictions and social distancing guidelines.
- We support young people to attend residential outdoor learning weeks at the councils own centre in the Cairngorms. As the centre is closed due to COVID we have had no requests. We ceased meetings as we are from all over and no point as no request. We had amassed funds which would support requests for a couple of years so have not fundraised. We are all volunteers so no wages to cover. Frustrated that young people are missing out and concerned for future of our beloved outdoor centre and the wonderful staff.

What charities learned about grant funding

- We used, for a short time, Grantsonline.co.uk to find out about funds across the UK that we could apply to. However, to keep accessing this information requires payment of a monthly fee and in the current climate that's not sustainable. Something like this should be free to use for all Scottish charities. Perhaps OSCR could buy a membership that could then be passed out to registered charities? I suspect there's a lot of unclaimed money out there but it can be hard and very time consuming to find.
- I have learned about grant systems that can help us in the future.
- There are some good funding streams out there for local communities.
- The HMRC webinars on how to apply for government grants were very helpful
- There are quite a few routes to be explored in ways of getting support from local authorities.

continued

- Key features that have been helpful have included current funders being flexible with reporting. The pandemic has generated a large amount of additional fundraising requirements and the ones that have been kept simple and straightforward have been the most helpful. This allows for more effort to go towards service delivery. Reporting requirements can cause additional administration and work at a time when pressure on agencies has increased. Minimum reporting has been helpful.
- The most crucial factor has been the decision by our two key funders, Creative Scotland and HIE, to enable us to use our annual funding to keep afloat, and keep people employed, regardless of how much or how little of our planned activity we were able to deliver.
- I was unaware of the government/LA funding being available to charities such as ours until an expert told me by chance. This gave us a very comfortable cushion that will hopefully allow us to maintain our premises until we can re-open and start trading / receive donations again.
- The most useful assistance is core funding or service contracts with non-restricted funds
- Small Business Grant, administered through local authority has been particularly useful
- We had to reconfigure our small SG grant and had invaluable support from the Corra Foundation. This is our first ever grant so have had a very steep learning curve but have found the extra time we had due to the lockdown was a bonus. The Scottish development alliance has also been a great support and learning resource.

Staffing and core costs need to be met

- We have learned that financial support for staffing and other costs must be in place to support viability for when this challenging time ends. Rebuilding a whole childcare sector would cost much more, than sustaining it through the hard times.

Know your funders

- ❏ The importance of good relationships with funders.
- ❏ DO ask, and keep on asking your funders for help
- ❏ Bigger organisation with longer track records with funders got funding much more easily than our structure being so young and not yet recognised or should I say known to funders which makes us weaker to obtain funds but not so much weaker to deliver. Bigger organisations than us had to go through more loops to understand how to act safely whereas because of our more grass root approach we could put in place policies and adequate measures to act within days.

Working together

- ❏ Before the pandemic I worried a lot about the charity's financial stability and when the pandemic hit discovered that the corporations we work with were exceedingly vulnerable too - the global economy, not just the charity sector, are all reliant on constant cash flow, last minute supply and delivery, it's lacking in resilience as the money flows away from local communities. Having commercial customers was where we thought we'd have some stability but instead we had to seek that from government - mainly local and Scottish.
- ❏ We learned that a medium charity like ours and local authorities were not in a position to be as responsive as quickly as we should have been to address severe need in the community - it took a couple of months to stabilise financially and get funding in place to get covid response projects up and running. The reason people didn't starve was that small volunteer groups of furloughed people were formed and sprang into action, this really makes the case for 1. local mutual aid and 2. the public and third sectors working together to plan for future crises.

Charities asked for help with sources of funding

One of the most frequent requests for help from charities was for finding funding sources, a central point/hub that identifies possible sources of funding, including new sources of funding; and working in partnership to develop a funding strategy for charities to survive and thrive. A number of charities in remote areas said they suffered badly from extremely poor broadband, struggling to share information and to submit funding applications.

- 🗨️ Continue to provide information and guidance on advice and funding available
- 🗨️ More publicity on the support available for charities
- 🗨️ One off grants to assist small charities
- 🗨️ An easy updated guide to where to look for appropriate grants and conditions of opening under Covid restrictions would be helpful
- 🗨️ Provide clearer guidance on how we can access external funding.
- 🗨️ Provide information on especially new funding sources and in general how to develop income
- 🗨️ Some charities, like ourselves, fall through the cracks when it comes to certain types of funding so more info on what is out there might be good
- 🗨️ Grants for overseas help
- 🗨️ Support for possible sources of funding to tide us over the complete loss of income, other than members' donations.
- 🗨️ We need help with funding (most paramount), staffing and training
- 🗨️ A list of local available grant funders would be helpful
- 🗨️ Advice and signposting to benefit small and medium charities would be helpful. We missed a fund that would have helped us with the rent costs on our building because it was not made clear that it applied to us.
- 🗨️ Keep updating on sector funding and changes, which can be difficult to keep up to date on.
- 🗨️ We need a simple database of grants and extra support that can be used during this period. And how to apply for them without spending two weeks writing an application form.
- 🗨️ Create a centralised funding portal
- 🗨️ Also, access to funding in the coming two or three years - all the charities are worried right now about being able to get grant funding, which everyone is forecasting will be scarce due to all the COVID spending.
- 🗨️ More access to funding for specific areas- children, more local funding, more details and support for Youth work

continued

- ☞ Workshops on applying for grants
- ☞ Continued publishing of funding opportunities from charities and trusts, is a valuable service irrespective of C-19
- ☞ The Supporting Communities fund was so beneficial to get support to the communities when we needed, it would have been useful to have this grant longer than 6 months
- ☞ Encourage more Trusts and Foundations to provide funding for more than 1 year

2. Fundraising: Generating income

Impact of restrictions on fundraising

Fundraising activities and events were almost at a complete standstill due to COVID-19 restrictions, and was a major worry to a many charities who rely on generating all or part of their income.

- ☞ We decided to STOP all fundraising until the pandemic is over and we will run the ongoing projects with the finances we have in hand.
- ☞ Our main issue is how much, if any, face-to-face interaction we can have in 2021, both with clients and in fund-raising, where we meet the public.

Some charities said there was an urgent need for clear guidance around fundraising and income generating activities. Others asked for support to raise awareness and lobby for restrictions to be relaxed, or better still ended. Charities that usually generate their own income asked OSCR and charity sector supporting organisations to press Scottish Government and Local Authorities on this.

The impact of loss of income on charities varied across types and sizes of charity. Whether they had kept going or had been inactive, were large or small, in November, there were concerns being expressed about the viability of a number of charities without financial support to replace the loss of fundraising income.

Most of these usually self-supporting charities were run by volunteers who were asking for help to identify and access funding sources. They said they did not have the time to keep the charity operating and find funds; nor did they feel they had the skills to apply for grants. Several charities said the wide range of funding bodies can be confusing, particularly those which were being used by the government to distribute government funding.

Other charities who would usually generate their own income from donations; membership subscriptions; fees for classes and activities; sales from cafes and tickets; activities; and events were also impacted.

Membership subscriptions

Charities that generated income from membership subscriptions reported having taken different approaches: some are unable to deliver their usual activities and most of these have opted to suspend the payment of subscriptions until such time as they are running again, for example one said. my charity has suspended subscriptions from our members as we cannot fulfil our full programme of activities, we are financing our work from our reserves; some were delivering none or reduced activities had reduced the membership subscription until they were back to the usual level; and a few delivering none or reduced activities have increased subscriptions in an attempt to keep the charity 'afloat'.

Donations

A number of charities told us that their beneficiaries, and/or local businesses and/or other members of their communities had increased donations (of money and goods) to help keep their charity running. Charities running foodbanks, providing meals to vulnerable people who were shielding, collecting and delivering shopping and prescriptions all reported that they had received generous levels of support from their local communities and businesses. However in November there were also a few who had noted a dropping away of donations and were worried that they were feeling the impact of loss of income within their communities due to furlough, redundancies and the length of the restrictions.

Fees

Financial support was requested for small charities that rely on parents paying fees to be able to run. Their income was reduced both by restrictions on meetings and parents not being able to pay fees due to loss of jobs or furlough, of particular concern in vulnerable families and families with vulnerable beneficiaries.

Trading

The November survey showed a dramatic loss of income to charities from trading. Some of the comments about loss of income from trading referred to charity shops but there were many charities that generate income from running cafes, teashops, gift shops; delivering services; providing activities; and selling tickets. All of the loss of income from trading was attributed to the COVID-19 restrictions in particular the restrictions that prevent people gathering together.

Most of the shops said that closure of non-essential shops cut off their only source of income and at the same time they had to continue to pay for rent, electricity, water and insurance. one said they benefited from a local authority small business grant which would help them through the period when their trading income has been significantly reduced; another that their outlet was open again but trading was down because many of their users were elderly and/or vulnerable so they were not coming

in - they benefitted from furlough and a business support grant and would have been insolvent by now without that support; and another had to close the shop for the duration of lockdown but since it was a canine charity, not being able to feed the dogs was a worry.

One charity said they were fortunate to have resources in hand which they used rather than apply for any available government/council grants; another charity that rented out units to charity shops suspended the rent payments and this helped the charities running the shops to avoid insolvency.

Other types of trading were less clear but undoubtedly their activities had been impacted.

- ❏ Trading more or less ceased at the end of March, since then, other than a few pockets of business, we have not brought in any income. Until a few weeks ago we thought we might have to close and had issued the necessary paperwork to staff. Government Support has allowed us to continue for now - although we don't yet know levels of funding available.
- ❏ Before Covid we were always told that it was a strength to be earning almost 50% of our income from trading and to have a business model of income from several different sources. However, our dependence upon trading income has in fact turned out to be a liability. At the moment we can see no return to pre-Covid levels of trading and are having to adapt and plan accordingly. This will mean having to continue to reduce headcount and operating costs, probably over the next few years.
- ❏ Our trading income depends on our services being used by public bodies and NHS and Local Authorities. All of these have stopped or drastically reduced face to face contact with service users, therefore our income has been drastically reduced.
- ❏ Covid19 has removed our fundraising ability and our trading has been cut by 70%. There are no funds for core costs 21-22.

However there were a small number of charities that had managed to transfer their sales online. For example, a garden charity had moved their sales online and was hand delivering produce to garden gates; they hoped this would transfer to increased sales next year when they hope to be able to open to the public again; their main frustration has been the inability to run their small cafe and not being able to meet as a group to support service users and volunteers.

What charities learned about fundraising

Adapting income generation

- ☞ We have devoted more time and focus to online fundraising, including raffles/prize draws which might otherwise have been held at events.
- ☞ Cash is no longer king - contactless payment facility is essential.
- ☞ The value of community involvement and the importance of donations.
- ☞ We have focused fund raising on the Trust sector.
- ☞ We found a great generosity in our gift aiders who donated much more than usual this year.

The importance of communication to generate income

- ☞ We have learnt to keep in contact with parishioners by being sure that everyone is contacted regularly by phone. Our income has stayed steady as people have either sent in their church envelopes, paid standing orders or paid into the bank directly.
- ☞ We have communicated openly and more frequently with core/repeat donors to deepen engagement with them and ensure they remain aware of our continuing operations and any additional areas where we have need their support.
- ☞ I have found that people can be persuaded (sometimes against their better judgement) to donate electronically and regularly.

Charities asked for help with fundraising

- ☞ Clear guidance around fundraising and income generating activities
- ☞ Provide more information on how to raise funds without relying on people having to meet up
- ☞ How can we raise funds online? A course would be good or similar
- ☞ Raise awareness and lobby for restrictions to be relaxed, or better still ended

3. Reserves

Charities that have been using or have used up their reserves to keep going through 2020 were worried that once the reserves had been used up they will not be able to continue to operate. These charities are also concerned that the sources of funding will have been exhausted by that time, or that it will only be made available to particular types of 'corporate' charity providing support to the NHS and emergency service in the COVID crisis.

☞ The pattern in the past has indicated that grant and local authority support is sporadic and unreliable to the extent it threatened the charity's existence. The expressed disappointment of users galvanised the volunteers to work to raise funds to go it alone and even build a modest nest egg which often is a disincentive to grant makers but has yet again proved invaluable in providing funding to deal with drop in income and extra necessary costs incurred because of the pandemic.

More than one charity said they had used much of their unrestricted reserves to support people during the crisis. They went on to say there needs to be an acceptance from funders that they now need to be less robust in their list of restrictions or allow charities the opportunity to rebuild reserves.

What charities learned about reserves

- ☞ We have learned that we cannot function under the various restrictions on travel and public meetings and it is only our past cautious approach to protecting our resources that has kept us afloat.
- ☞ It has been useful to have built up substantial reserves in our unrestricted account, which has enabled us to keep all staff on full pay during the long furlough period. So we have learned to try to maintain this reserve by applying for additional unrestricted funding where possible
- ☞ Whenever possible, saving for a rainy day is crucial.
- ☞ The lesson of all this is to have a good 'business' plan and money put aside for a 'rainy day'.

And a request for a stronger defence from OSCR

- ☞ We call on OSCR to be more robust with its stance on reserves. Well run charities should NOT be penalised for having reserves. I am not talking about excessive reserves but a stronger defence from OSCR to government and to funders about the importance of strong reserves underpinning the sustainability of the sector would be welcomed.

4. Diversity of charities and variation of experience

There was variation in experience and impact of the pandemic not just across the sector broadly but even across particular types of charity. It was possible to identify some types of charities' activities which help to underline the diversity of the sector and from what they told us to show that even within types of charity there were different experiences.

Ethnic minorities

It is difficult to get funding especially for ethnic minority community charity such as ours who run their charity relying 100% on volunteers from their community which are struggling with so many issues. Our experience in the pandemic and lockdown expose the lack of preparedness, resilience lack of preparedness. People did not know where to turn to, who to turn to as we did not have staff or office and volunteers were lockdown too. It took months before we could gather information on who needed help and the kind of help they needed. Even when we had the information we did not know who will fund such needs especially those that have lost their part-time work, single parents that could not work and they are not entitled to public funds. People are coming to us for baby food, diapers, food, bills, rent, school uniform etc needing shopping made and prescription picked up etc. and we have no staff or the resources to meet the needs of the community. The pandemic was too big for a charity group such as ours have no funding whatsoever to handle and yet we are all they know to contact us. I think your organisation have to look into how resources were distributed and how much went ethnic minority community groups and how to improve access. We have no access to big grant-awarding bodies neither access to people or business with corporate funding. This is a big problem for our organisation and others across Scotland. Because difficulty in funding our volunteers was overworked. We were left out from the initial funding went to staff salary and office space or ICT equipment and so we could not apply and yet we had families that were going through great difficulties. This is something that should be looked into because we support our community but no one support us. Another thing I noticed and discourage small charity looking for funding is the obstacles that are on the part of small charities, big funders seem to have contract out their charity to professional who insist you have to register with them before you can access information about the funders and this registration can range from £100 to 300 a month which is something that small charity can't afford such access fees.

Our Charity provide services across our council to minority ethnic women and families. Most of our service users live in remote area and isolated. We provided many activities at the Community centre which was closed from 2nd week in March 2020. A majority of our service user women were not only digital illiterate however some were even illiterate in their own language. We provided sessions and helped them to learn how to use zoom platform. Some used their children's smart phone. They were mentored in their own language re various digital platform. We then started English language classes and social skill sessions on Zoom which are currently going on since June 2020. We feel it has made a big difference to ME women in engaging through social media and increased their confidence.

Mental Health

- As well as demonstrating the deficit in appropriate mental health provision, COVID-19 has led to an increased need for these services. Therefore, it is increasingly important to provide funding to charities providing effective, evidence-based services.
- As a group of churches one of our major activities supports those in the community with mental health and addiction issues as well as helping to support their families has been impacted in terms of a sharp rise in the costs of offering such support. We are very grateful for the support offered to our charity from local government and other organisations.
- The pandemic has highlighted social isolation as a huge problem so, unlike previous years, we have found it easier to access the funding available, as much of it has been targeted at those who are vulnerable, often lonely and least able to help themselves. It has given both staff and trustees a boost to have the work we do recognised as vital and funded
- We lost our statutory funding in the summer. This has had a huge effect on the service, not knowing if there is a future or not. Everyone is working extremely hard to try to secure some kind of future, but it is really difficult, especially at this time. We are a mental health charity (counselling) and due to demands on the service we have had to close our waiting lists. We are turning away people who are in desperate need of help. It is heartbreaking.
- As a provider of specialist mental health services, COVID-19 has thrown into sharp relief the lack of sustainable mental health stability provided by many services. Our experience has been that they do not resource their beneficiaries with independent coping techniques, and when these services were withdrawn due to lockdown restrictions beneficiaries were ill prepared to cope independently, which led to a significant negative impact on their mental health. As well as demonstrating the deficit in appropriate mental health provision, COVID-19 has led to an increased need for these services. Therefore, it is increasingly important to provide funding to charities providing effective, evidence-based services.

Animal welfare

We have done limited fundraising through a virtual sponsored walk, however, have missed out on donations from the corporate sector through the inability to provide our sessions for their staff mental health and wellbeing sessions. We are eating into our investments and if the situation does not improve, we will have to decrease staff in early 2021 with risk to charity of not existing through to 2022.

continued

- ❏ There has not been enough support or guidance from the Scottish government for animal charities. Due to being the main person running our kennels and having to shield I have now been working for 365 days without a day off. With kennels you cannot use volunteers the way you can with other charities they need training and you have to be sure they can safely manage the care of the dogs. A much harder challenge than people realise and with covid also not really an option for us. As I work for free for my charity (7 days a week) this means I was not entitled to any income support or furlough of any kind making the pandemic even harder for us. We did successfully apply for a grant however this took almost 150 hours of work between three trustees and two [years of] accounts just on one grant submission to get all the information they needed. It would be helpful if grants were more accessible and easier to apply for. This is the tip of the iceberg. This does not cover the other pressures that have come with covid or the challenges in Rehoming dogs at this time. Our donations have been close to zero with the exception of the grant we have received. We have continued to seek donations but until our grant we were selling goods at a loss just to Generate funds for dog food. Our reserves we have previously had have always been more than enough until now.

- ❏ We have had to stop all educational courses, a major source of income, much to the frustration of students, but we have been pleased with the response to our free helpline opened up to the public and on all issues (horse welfare, care and safety around horses) and found remote working very useful, although our members are somewhat frustrated with our strict advice on professional conduct to keep to Govt guidelines and 'rules' and on maintaining biosecurity. We trust that most understand this is for the greater good of all and that the crisis will pass. We anticipate that the longer term effects on animal care and welfare may result in greater need for our services a year or two after the crisis is over and any advice or financial assistance in meeting that would be appreciated.

- ❏ Although money was made available to zoos, including Edinburgh Zoo, the Scottish Government refused our request to provide financial support for animal rescue charities which still had to provide food, veterinary treatment and sanctuary for many animals while their main sources of income (sponsored events, coffee mornings, jumble sales etc) could not take place. There was also a breakdown in services provided by some of the bigger animal charities including the need to provide fostering/adoption of pets belonging to Covid 19 patients and victims. Charities opted to suspend these services at a time when they were most needed. Clearer Government advice could have avoided this instead of putting a vital service into lockdown. I think the pandemic has also shown the folly of relying on a myriad of charities and large numbers of unpaid volunteers to provide essential social and health services.

Sport

- ❏ We have no requirement for assistance presently. Our Governing Body are doing their best to represent us and other Clubs in our sport to get safe & compliant activities up and running in 2021.
- ❏ Charities and in particular sport can help everyone get back to fitness and into society. Without support and funding to help these sessions we are unable to support our local communities to full potential physically and mentally in unprecedented times.
- ❏ The small groups are not catered for the main - sports clubs paying rates get automatically £10K: if we could have paid rates albeit with exemptions - we would have gained. Instead we lose out. The forms we have had to complete are horrendous - taking more time than we can afford, all to receive nothing.
- ❏ As a gymnastics club our source of funding stopped completely. Government grants were applied for but were turned down with no explanation. We used up all of our reserves just keeping the club going and preparing for reopening.
- ❏ As a football community trust, we have benefitted through the James Anderson donation which has been distributed through the SPFL Trust. This has been very helpful but the reporting on use and spend is too frequent and onerous, especially for 100% volunteer run organisation.
- ❏ As a volunteer sports rowing club with a boat house in a public park we get NO funding assistance at all! We are key to small group and single folks of all ages meeting up and getting exercise - yet we receive and are NOT categorised to benefit from any core funding support to offset our loss of around £2500 per annum in event / charity shop income.

Outdoor and environment

- ❏ Our main fundraiser for 2020 was cancelled. We anticipate that 2021 will also not take place. We work with the local council to ensure a local park is kept as good as it can be for the enjoyment of all. Parks and green spaces were much used during lockdown and took a bit of a battering with regard to anti-social behaviour such as increased litter. Happily local people volunteered to help keep the park tidy. Very much appreciated! I worry that funding for parks and green spaces will be reduced in future but they are soooo important. Any chance of additional funding for this critical support for mental health being given extra support via the Scottish Government?

continued

- ☐ We haven't had any help from any of the funds from the government. We've been recognised by the Maritime Coastguard Agency as key workers as we have been helping out keeping people on our beaches safe all year, and they have been extra busy.
- ☐ We have just won an award from Scottish Land and Estates 2020 'Helping it Happen Award Scheme' in the Enhancing our Environment Award Section for our project to eradicate dangerous invasive plant species on rivers in our area, so work continues but not in groups, individual volunteers.
- ☐ The simple fact is that we cannot carry out our activities at all and will be not be able to unless government restrictions on people meeting outdoors are relaxed. The Six: Two rule makes our operations impossible; even the Fifteen: Five rule made it difficult, but could have been made to work. These regulations have materially impacted our direct activities and have made direct fundraising impossible.

Religious organisations

- ☐ We rely heavily on fund raising and donations as a church. Both sources are severely affected by covid & related restrictions. Individuals do not have surplus funds available to donate and we cannot meet for our usual fundraising activities. Even when we've discovered grants were available, they were very difficult to navigate towards and apply for.
- ☐ We have used our reserves and are uncertain of the future.
- ☐ Our open plate donations have all but disappeared but we are currently addressing this with instructions for the various donating options available on our website. We now use PayPal and Facebook Donation page for online Fundraising with some success but we are still significantly below our expected income from Fundraising and Open plate.
- ☐ We hoped we would be eligible for the Scottish Government's £10,000 Small Business Grant, as we have a separate church hall which we let out to a mixture of community groups and commercial groups, to generate an income stream for the church. The hall's rateable value falls within the limits for the grant scheme. However we were not eligible for the grant, despite being a registered charity. Only charities which receive "Charitable Relief" in respect of their rates bill were eligible. We receive "Religious Establishment Relief", not "Charitable Relief". This seems like a technicality, resulting in discrimination against churches and other religious groups, and I would hope this is not what the Scottish Government intended. Even a reduced level of grant would have been extremely helpful.





Young People

- ❏ Difficulty in replacing lost income by obtaining funding for a youth organisation which has had its income through hire of premises for meetings, hire of its Outdoor Centre for residential activities and rental income from investment property stopped.
- ❏ Girlguiding UK, Girlguiding Scotland and all the Rainbow, Brownie, Guide, Senior Section are experiencing financial hardship. Not all units have been able to meet and it is difficult to ask girls for subscriptions when this is the case. The annual census is collected to fund the organisation and there is real concern that units might not be able to pay this and fold as a result. Girlguiding Scotland's outdoor centre (Netherrud) was not financially viable and a decision was made to sell this. Scottish girls now have no outdoor centre for camps. If there was funding to help units pay overheads (hall costs) and pay this year's census that would go a long way to easing pressure on units.
- ❏ Government grant meant we were able to reduce rental costs for struggling local organisations such as After School and Breakfast Clubs so they were able to continue supporting parents with schoolchildren. Grant helped to provide PPE and sanitizer for use in hall and community
- ❏ We are very concerned regarding the mental health of our young service users. They have lost their normal supported activity routines, which is especially concerning for those service users who are mentally challenged and for those whom are autistic. We have a small social enterprise shop, which we are restricted from using with our service users, because of social distancing. We are allowed one customer at a time into the shop, and so our sales have been seriously reduced. Our online website is dysfunctional and needs to be rebranded and remediated. On a positive note, although we had every thought that we were going to have to fold, new volunteers joined as trustees with renewed hope and ideas. Our community needs our charity as a local service provider for our challenged young people.





Specific health support

- ❏ Our charity provides support for older people and those with a disability, especially those who, for whatever reason, are socially isolated. The main effect of our services is on the wellbeing and health of our members. The pandemic has highlighted social isolation as a huge problem so, unlike previous years, we have found it easier to access the funding available, as much of it has been targeted at those who are vulnerable, often lonely and least able to help themselves. It has given both staff and trustees a boost to have the work we do recognised as vital and funded, albeit delivered in a different way.

continued

-  I think support around the core costs of a charity would be incredibly helpful. Maintaining a helpline for people with a life ending disease is having an impact on our finances and is not particularly what our grant funders wish to provide money for.
-  We stage large fundraising events which cannot happen with the current social distancing conditions and until these are relaxed our income will be £200K less than pre Covid conditions. Clearly this has a massive impact on our viability and the viability of the hospice we support.
-  Day Centre closed, so no source of income, but continuing to support older service users alternatively without charging them. It would be unfair and unethical to charge service users for receiving a befriending phone call or a 1-2-1 home visit to provide some company and mental health support.
-  Our charity supports adults with learning disabilities. We have learned that our beneficiaries really have been forgotten and abandoned. Other than our own charity, no other organisation at all has done anything to try to help and support our young people and their families. They have in particular, been totally abandoned by our local authority. Families are struggling to cope and the mental health of our beneficiaries has been severely affected.

Overseas

-  For us it comes down to funding. It is difficult for us to know who has funds available to help us - if anyone. We are a charity that does International work and it appears that the emphasis is on supporting charities that focus on local needs.
-  We are a small charity helping the poor in Southeast European country. We are run by volunteers. We embraced Facebook for the first time and set up a Virtual Journey from here to there – fundraising for a prosthetic limb clinic. It was a great success. Then Facebook invitations to 10 people to walk 10,000 steps, make a donation and nominate 10 friends to do the same. It snowballed.
-  Our donors are veering strongly towards supporting local need in preference to international activity.
-  Successes: Scottish government/CORRA Foundation has been flexible regarding redeployment of grant funding to COVID-19 response. Frustrations: The International Development sector was excluded from Scottish government or other support for loss of fundraising potential.

Arts and Culture

- ❏ Theatre and the performance Arts are seriously undermined. Freelance workers struggle daily and smaller charities have been mothballed.
- ❏ Our theatre has been closed since March 2020 and we have no way of forecasting when it will re-open. Any grants applied for require us to have an employee which we don't have as we are all volunteers.
- ❏ We are a small community drama group so have been unable to perform this year therefore no income but also no expenditure
- ❏ As an art club we have been unable to meet thus removing the social aspect which affects many of our older members especially those who live on their own. Our income is mostly from subscriptions which we cannot justify at present. On the plus side, our expenditure is now minimal so our financial reserves can keep us going for some time yet.

5. Charities asked for help and support with raising awareness

Requests for help and support from OSCR and charity sector supporting organisations also included lobbying and influencing of funders and grant giving organisations.

Raise awareness, recognition and working together

- ❏ Recognition of the services provided by faith based charities currently excluded from the £10,000 support grant available to non-faith based charities delivering similar services
- ❏ Highlighting to Govt and local authorities the invaluable work and support we all provide within communities, and how this flexibility has ensured that support to our most vulnerable has continued. Asking that we receive guaranteed funding of 3 years, to ensure sustainability and allow us to focus on delivery
- ❏ Engage with Scottish Government to highlight where the support is best directed
- ❏ Continue reminding government and grant givers of the need for flexibility in fund usage and project deadlines

continued

Raise awareness, recognition and working together

- Encouraging grant-giving trusts to maintain their giving and not restrict their objectives or charities that they support.
- Help to let us show funders that it is not just the now we need to look at but the future too and funding being made available for this
- Continue to push for additional sector support and recognise the diverse nature of charities means that different charities will have very different impacts and requirements.
- Greater lobbying of Government to acknowledge and support the work of charities that has previously just been taken for granted. If our charities don't survive because of lack of funding, now or post pandemic, the cost will not only be to the Government but to lives and quality of life for so many people.
- OSCR and the others should be telling government and all other fund givers that small local charities are just as worthwhile as the large ones. At the moment small local charities are simply being ignored.
- Help from central bodies (education) at local and national level.
- Continue to remind Government that there are charities of all sizes and the small ones are just as important as the large ones.
- Keep talking about funding and how to budget for a still uncertain return to physical events
- Press the Scottish Government to widen the criteria for accessing the small business grant to include charitable organisations which do not qualify due to not having a rateable value.
- Get in contact with all grant givers and agree a pot of money for PCs so they can help support the pupils and their mental wellbeing.
- Charity Sector support organisations could urge charities and government to consider the difficulties of rural area getting funding for activities other than direct response to Covid 19

Financial reporting

- Help charitable organisations to report to funders etc. taking into account the differences in the way their monies have had to be spent

Other help

- ❏ Our difficulties are with EMFF Grant conditions re prepayment of contractors. We require a voice to help in assisting what should be a short term difficulty
- ❏ Tell us how to persuade our private landlord to reduce our rent payments until we are able to use the office.
- ❏ Our food production project is funded by InnovateUK through their Covid Fast-Response strand. However, charities are not eligible to apply directly and we had to use a sister (limited company) organisation to unlock the funding. It would be helpful if this kind of funding did not exclude charities as a matter of principle.

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