



The Third Sector Resilience Fund (TSRF): Analysis of Applications and Awards (March - September 2020)



PEOPLE, COMMUNITIES AND PLACES

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Summary

This report provides an analysis of the data from applications to the Third Sector Resilience Fund (TSRF) and the awards made through the fund. The TSRF was open from March to September 2020 to provide emergency funding for third sector organisations (TSOs) in Scotland which had been affected financially by the inability to generate their usual levels of income as a result of the Covid-19 pandemic and the resulting lockdown restrictions. It provided these TSOs with funding to enable them to pay essential costs such as rent, utilities and the costs of staff who were not furloughed for up to four months. The aim was to enable them to survive the lockdown period so that they could resume operations once restrictions began to be lifted.

This report provides analysis of the distribution of funding across sectors, local authority areas, SIMD categories, and sizes of organisation. It also uses the financial data provided in TSRF applications to comment on the overall financial situation of TSRF applicants and grant recipients.

The key findings in this report are:

- £22,652,823 has been distributed in TSRF grant funding to 1,349 separate organisations, with an average grant size of £16,792
- 2,996 organisations applied for TSRF grants, with an application approval rate of 45 per cent
- TSRF grant funding has supported organisations which collectively employ almost 14,000 members of staff
- £2,900,247 was approved in TSRF loans to 29 TSOs, although not all loans awarded were taken up. The size of the loans approved ranged from £25,000 to £250,000, with an average size of £100,009
- The Health and Social Care sector received the largest share of grant funding (27 per cent), with £6,198,664 distributed to 255 organisations. Physical Activity and Sport received the second largest share of grant funding (13 per cent) with £2,992,896 distributed to 244 organisations
- TSOs which operate across Scotland, rather than in a single local authority area, received the largest share of grant funding (28 per cent), with £6,418,746 distributed to 170 organisations. Glasgow City and the City of Edinburgh were the local authority areas receiving the largest proportion of funding, receiving 12 per cent and 7 per cent of the funding respectively
- TSOs based in SIMD quintile 1, the most deprived 20 per cent of postcodes, received the largest share of grant funding (22 per cent), with £5,078,877

distributed to 316 organisations. Organisations based in SIMD quintile 5, the least deprived 20 per cent of postcodes, received the smallest proportion of funding (15 per cent), with £3,421,375 distributed to 153 organisations

- The majority of grants were awarded to small organisations, with 69 per cent of awards going to TSOs with an annual expenditure/turnover of less than £250,000
- 38 per cent of applicant organisations had financial reserves sufficient for fewer than two weeks expenditure costs at the time of application. 49 per cent had reserves sufficient for less than one month of expenditure

1. Introduction

As part of a range of measures announced by the Scottish Government in March 2020 to support third sector organisations (TSOs) and communities across Scotland, the Third Sector Resilience Fund (TSRF) was created to provide emergency funding to charities, voluntary organisations and social enterprises in Scotland which were struggling financially as a direct result of the Covid-19 pandemic and the subsequent lockdown.

Many TSOs were affected financially by the outbreak of Covid-19 in Scotland in early 2020, and the subsequent restrictions when the country went into lockdown on 23rd March 2020. This was predominantly as a result of being unable to generate their usual levels of income because of the restrictions. A survey of Scottish charities commissioned by The Scottish Charity Regulator (OSCR) in early May showed that 75 per cent of charities reported having seen some impact on their finances.¹

51 per cent of charities responding to the OSCR survey reported losing fundraising income. This was reflected in the information provided by TSRF applicants, who described a range of ways in which their fundraising activities had been affected. For example, many reported loss of income as a result of the inability to undertake fundraising activities reliant on physical interactions such as coffee mornings or organised sports events. Others expected to lose fundraising income as a result of the cancellation or postponement of large sponsored events such as the Kilt Walk and the Edinburgh and London Marathons.

42 percent of charities responding to the OSCR survey reported loss of income through trading and other non-fundraising activities. Again, this was reflected in the TSRF applications, with many organisations ordinarily reliant on trading requesting support to replace the income lost as a result of needing to close up their shops, cafes, bars, tourist attractions, events venues and other sites of trading activity, many of which would not easily transfer online. Organisations also requested support because they had lost out on fees from members or service users. For example, many organisations ordinarily rely on regular payments from members for activities such as sports training, exercise classes, children's groups or educational activities. The lockdown restrictions meant that many of these organisations were not able to continue operating, and therefore lost substantial portions of their regular income.

The aim of the TSRF was to help TSOs through the initial crisis period by supporting them to pay rent, staff costs for workers who could not be put on the furlough scheme, and other essential overheads for a period of either four (phase 1) or three (phase 2) months. The intention was that by helping to pay for essential operating costs, TSRF funding would help many TSOs to remain in business in the short term, so that they could continue operating once the lockdown was lifted.

¹ <https://www.oscr.org.uk/media/3939/impact-of-covid-19-on-scottish-charities-pdf.pdf>

The fund was administered by three funding partners: Firstport, the Corra Foundation, and Social Investments Scotland. Firstport was responsible for managing the Scottish Government grant funding aspect of the fund, with both Firstport and the Corra Foundation distributing grants. Social Investment Scotland (SIS) were responsible for managing the loans.

The TSRF opened for applications on 25th March and closed on 11th September 2020. It consisted of two phases: phase 1 covered the period from 25th March-22nd April, and phase 2 covered the period 23rd April-11th September.

In phase 1, organisations could apply for a grant of up to £100,000 and/or a loan of between £25,000 and £250,000 to cover eligible costs for a period of four months. In phase 2, organisations could apply for a grant of up to £75,000 and/or a loan of between £25,000 and £250,000 to cover eligible costs for a period of three months. While an minimum grant of £5,000 was initially proposed, this was withdrawn in the first phase of the TSRF to support requests from smaller organisations which needed less than this to continue operating.

To be eligible to apply for the TSRF, organisations had to meet the following criteria:

- They must be a constituted group, charity, voluntary organisation or social enterprise based in Scotland and/or primarily delivering services/activities in Scottish communities
- They must have already been in operation before March 2020
- Their need for emergency funding must be directly as a result of the impact of COVID-19 and Scotland's national precautionary measures
- Their need for funding must be to help their short-term cash flow position
- They must be able to clearly articulate their costs and their funding requirements over the four month funding period (phase 1) or three month funding period (in phase 2)
- The organisation must be unable to cover their core costs for the next 12 weeks (phase 1) or four months (phase 2)

Any TSOs meeting the above criteria were eligible to apply for the fund and funding decisions were made on the basis of need as demonstrated in each application.

This report uses TSRF application and awards data to demonstrate the scale and scope of TSRF awards made to TSOs across Scotland to help the third sector through the financial disruption caused by the pandemic. The analysis includes breakdowns of awards made by local authority area, sector, SIMD, organisation size, and financial situation and resilience of both applicants and recipient organisations.

This report does not comment on the efficacy of the TSRF. A separate review of the effectiveness of the TSRF will be conducted in due course. Based primarily on

monitoring reports provided by organisations at the end of the funding period, this future report will examine the effect the TSRF had on the recipient organisations.

Limitations

There are some limitations to this data which should be borne in mind when interpreting the figures. The main limitations are:

- SIMD and Local Authority data is based on the postcode given when an organisation applies for the TSRF. Many organisations operate over multiple sites or in a different location to their headquarters/offices, meaning that SIMD, LA and Vulnerability data presented here will not match precisely with where some organisations are working
- Some applicants submitted more than one application. This affects application approval rates and the financial data, which includes some duplication
- The financial data is variable in quality for several reasons. Organisations were asked slightly different questions about their financial position depending on the route by which they applied to the fund which reduces the comparability of the different data sets, and some organisations were unable to provide all the requested information. The financial picture for many organisations is also much more complex than can be ascertained from the relatively basic data requested via the application form. As a result, the data on financial resilience should be taken to be indicative rather than precise

2. Overall Grant Funding Figures

The TSRF was open from late March to early September 2020. In total there were 2,996 applications for grants, with £22,652,823 distributed to 1,349 organisations.

45 per cent of all applications were successful. Many applicants which were initially unsuccessful were referred to other more suitable funds, or advised to reapply to the TSRF at a later date.

Reflecting the vast range of types of sizes of TSOs applying to the fund, grants ranged from £90 to £100,000, with an average award size of £16,792.

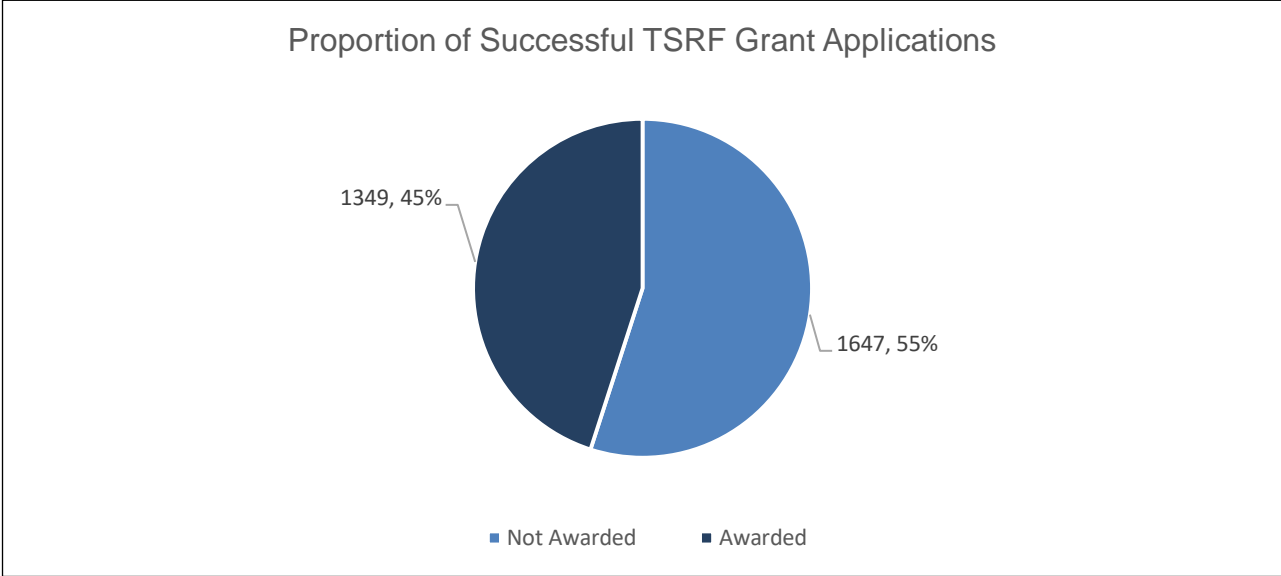


Figure 1: Proportion of Successful TSRF Grant Applications

3. Grant Funding by Sector

Applicants were asked to provide details about the sector in which they operate. This data is summarised in Table 1.

Sector	No. of Applications	No. of Awards	Total Awarded	% of Funding Awarded	Average Award Size	% of Applications Approved
Circular Economy	54	29	725,140	3.2	25,005	53.7
Creative Industries (including Digital)	270	151	2,518,605	11.1	16,680	55.9
Employability	116	53	1,807,976	8.0	34,113	45.7
Energy (Including Renewables)	8	3	87,757	0.4	29,252	37.5
Financial & Business Services	59	32	1,067,185	4.7	33,350	54.2
Food & Drink	67	33	416,705	1.8	12,627	49.3
Health & Social Care	659	255	6,198,664	27.4	24,308	38.7
Life Sciences	11	5	218,306	1.0	43,661	45.5
Retail	47	24	625,180	2.8	26,049	51.1
Sport & Physical Activity	504	244	2,922,896	12.9	11,979	48.4
Tourism & Hospitality	158	74	2,225,006	9.8	30,068	46.8
Travel/transport	15	9	57,170	0.3	6,352	60.0
Not Known	93	46	1,112,842	4.9	24,192	49.5
Other	935	391	2,669,392	11.8	6,827	41.8
Total	2,996	1,349	22,652,823	100	16,792	45.0

Table 1: Grant Awards by Sector

A large number of organisations did not specify a sector from the options provided in the application form. As a result, a wide range of organisations come under the “other” category in this analysis. These include, for example, TSOs focusing on children’s activities, education, religion/faith, community groups, social clubs, training, and animal welfare. “Other” accounts for the largest number of applications (935), the largest number of awards approved (391), and the third-largest share of the funding (£2,669.392). On average, grants awarded to “other” sectors were for £6,827, significantly smaller than the overall average of £16,792.

Excluding “Other”, the sector receiving the largest share of TSRF funding was Health and Social Care, which received 27 per cent of funding awarded, amounting to £6,198,664. This sector also accounts for the largest number of applications (659) and the largest number of awards approved (255) of any single sector. The next-largest share of funding (13 per cent) was awarded to the Sport and Physical Activity sector (£2,992,896). This sector accounted for the second-highest number of applications (504) and awards (244). Applicants in both the Health and Social care and Sport and Physical Activity sectors reported a wide range of causes for the need for financial support. These varied from sudden loss of demand for paid-

for services – such as childcare, training courses, sports clubs, activity groups and care provision – to loss of income from fundraising events and trading with the cancellation of events and the need to close premises such as shops, cafes, halls and sports club houses.

The three sectors receiving the smallest shares of funding – Life Sciences, Energy, and Travel/Transport – submitted the fewest applications and had the fewest awards approved.

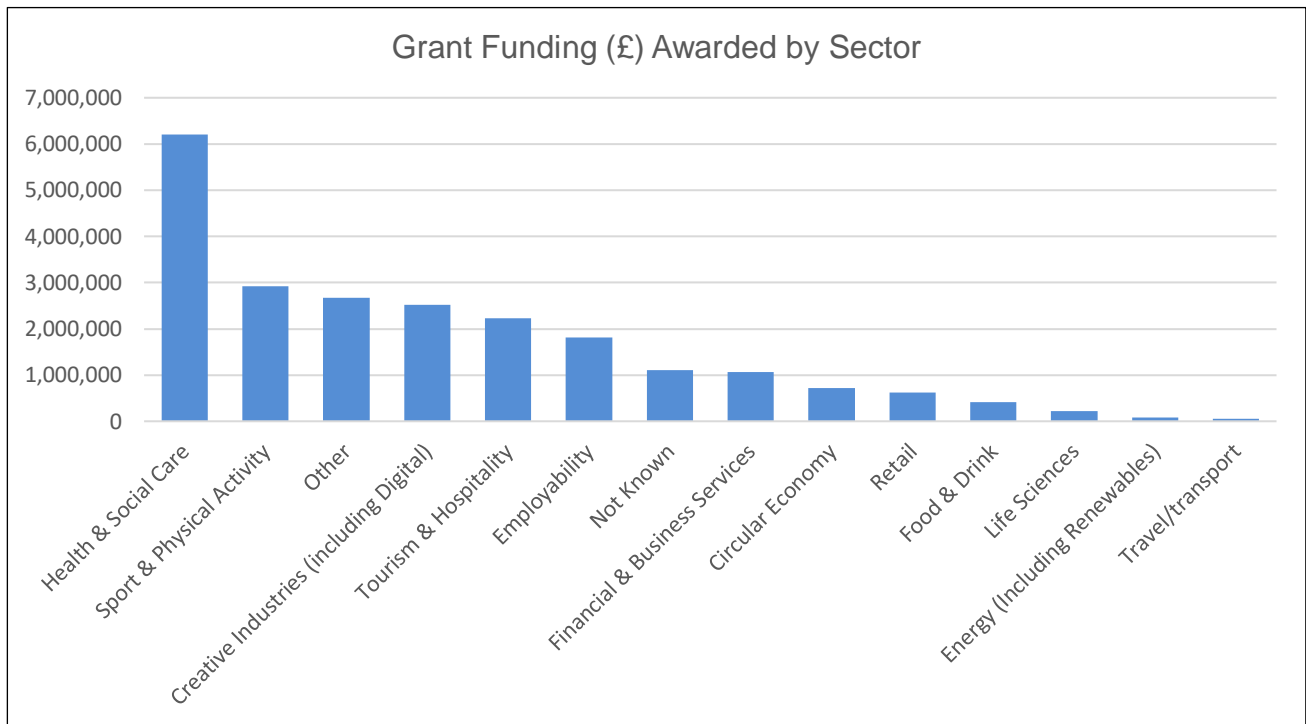


Figure 2: Grants Awarded by Sector

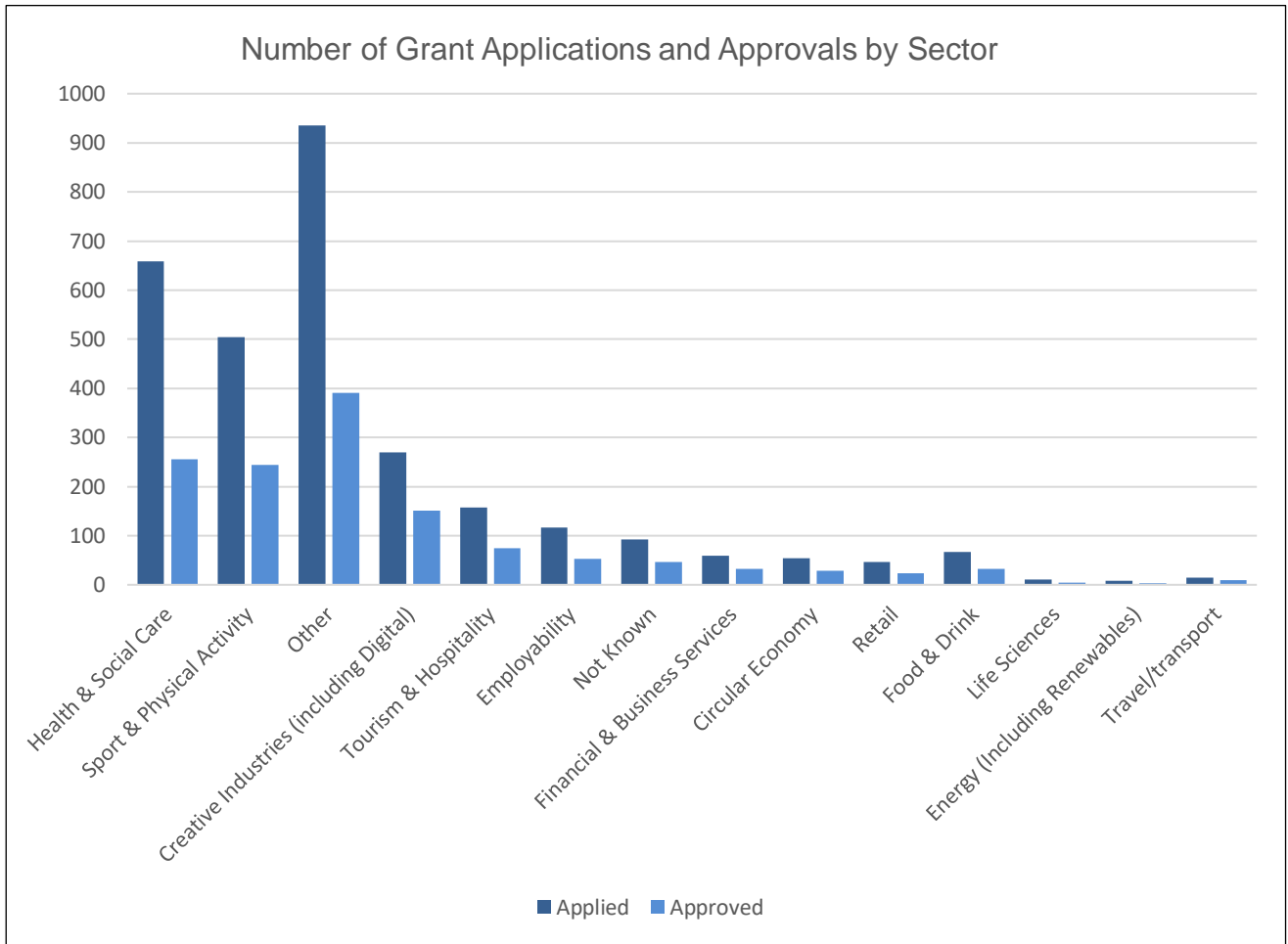


Figure 3: Number of Grant Applications and Approvals by Sector

As Figure 4 shows, the application approval rate between sectors ranged from 37.5 per cent of applications approved to 60 per cent of applications approved. The sector with the highest application approval rate was Travel/Transport, with 60 per cent of applications approved. It should be noted however that this figure is affected by the small number of applications from this sector (15). Creative Industries had the second-highest approval rate (55.9 per cent), followed by Financial and Business Services (54.2 per cent) and Circular Economy (53.7 per cent).

Despite accounting for the largest share of funding, the Health and Social Care sector had the second-lowest application approval rating (38.7 per cent), with Energy having the lowest (37.5 per cent).

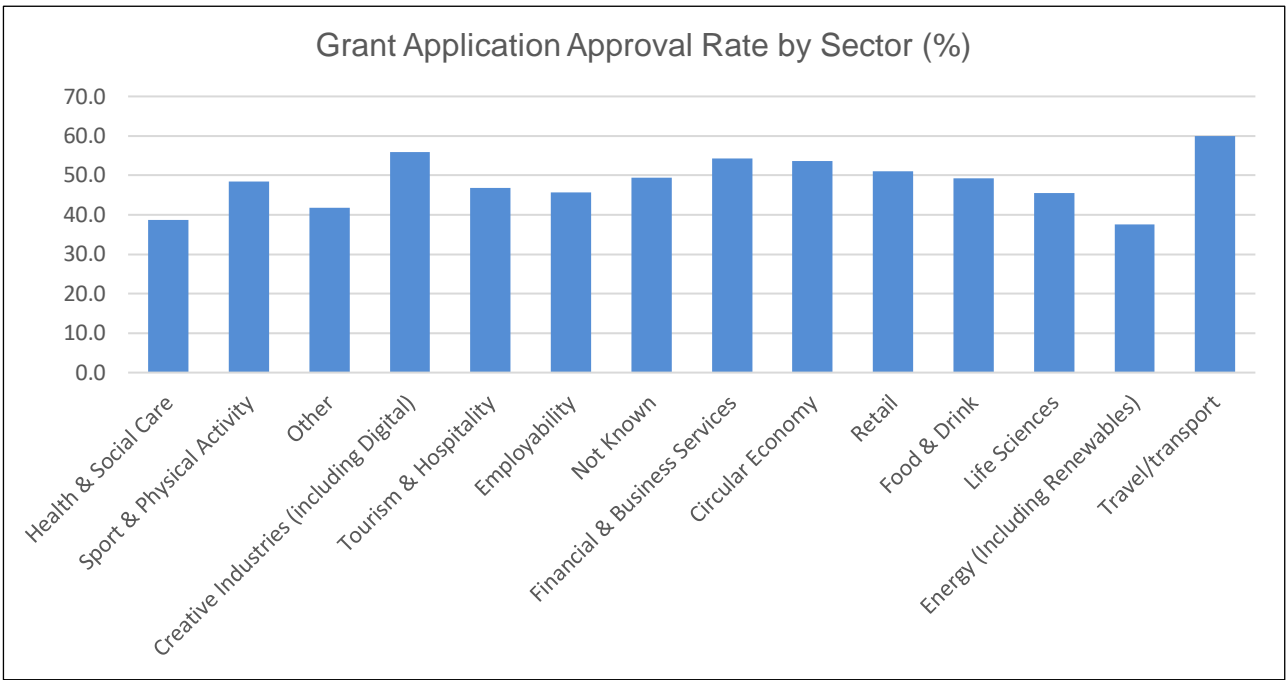


Figure 4: Application Approval Rate by Sector

4. Funding by Geographical Location

Data was collected on the location of the applicant organisations (see Appendix 1 for a summary data table). In most cases, applicants identified where their organisation predominantly operates (either a single local authority area or “Scotland-wide”) during the application process. Where this information was not provided, the primary local authority has been assumed based on the postcode provided in the application form.

The local authority data is limited by the fact that some organisations operating across more than one local authority area will have specified their primary location, whereas others will have identified themselves as “Scotland-wide”. It is also likely that there is some degree of error in the prediction of local authority areas based on postcodes. This data discussed below should therefore be seen as a useful indication of the distribution of funding across local authority areas, but should not be taken to be exact. It is also important to note that the aim of the TSRF was to assist any eligible TSO in need of financial support to continue operating, regardless of their location. It was not, therefore, expected that the funds would necessarily be evenly distributed across local authority areas.

Figure 5 shows the total amount of funding received by organisations based in each local authority area. It shows that the largest share of funding (28 per cent) went to Scotland-wide organisations (£6,418,746). Scotland-wide organisations also accounted for the largest number of applications (431) and the second-largest number of awards (170) (see Appendix 1).

As the data in Appendix 1 shows, of the 32 local authority areas, organisations based in Glasgow City (12 per cent), City of Edinburgh (7 per cent), and Highland (6 per cent) received the largest share of funding. Glasgow, Edinburgh and Highland also accounted for the highest number of applications from all organisations which specified a particular local authority area (352, 230 and 182 applications respectively), and the highest number of awards (188, 95 and 83 respectively). This is unsurprising given that, according to 2018 data from the Scottish Council for Voluntary Organisations (SCVO), these three areas have the highest numbers of TSOs of all local authority areas in Scotland.²

TSOs based in East Dunbartonshire (0.2 per cent), East Renfrewshire (0.3 per cent), and Clackmannanshire (0.5 per cent) received the smallest share of grant funding. To a large extent this was because relatively few organisations based in these areas submitted applications to the fund (19, 22 and 25 respectively). This is

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in line with the fact that relatively few TSOs are based in these three local authority areas compared to the rest of the country.³

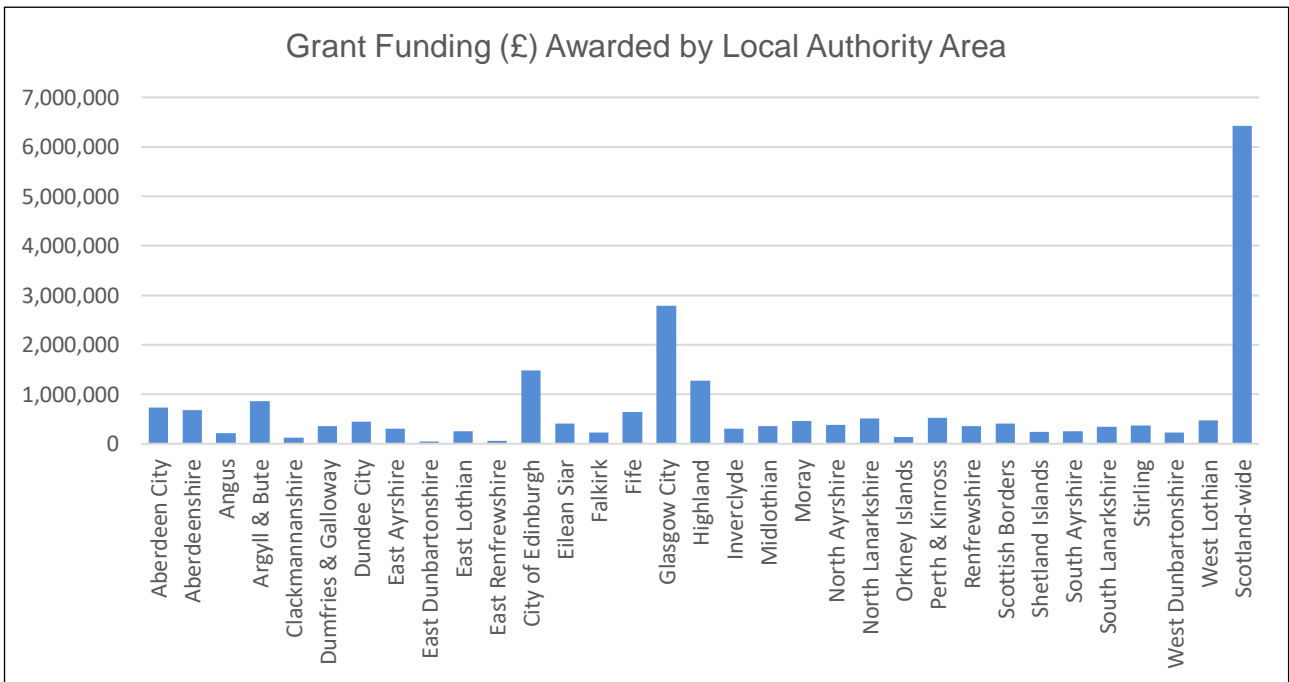


Figure 5: Grants Awarded by Local Authority

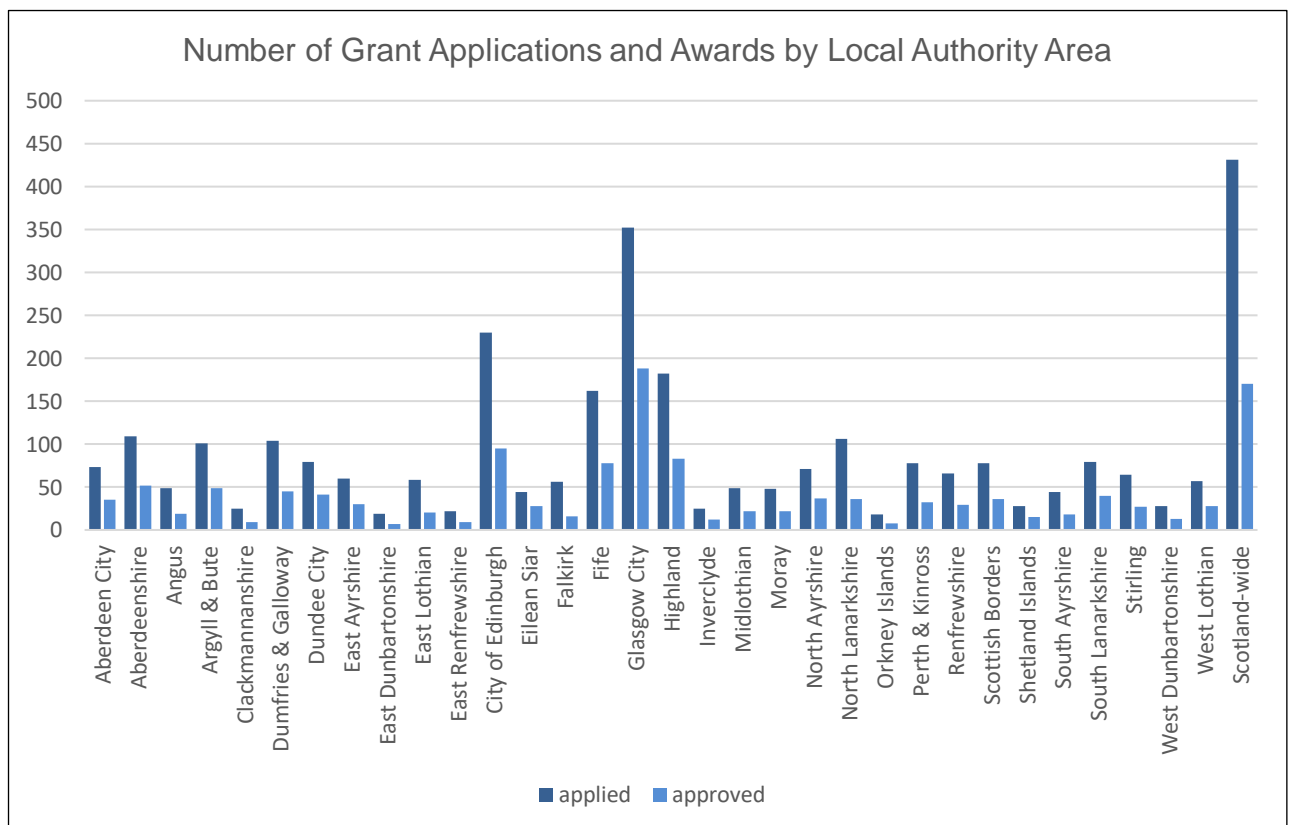


Figure 6: Grant Applications and Awards by Local Authority

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When weighted to account for the population size of each local authority, on average £3.65 was distributed to organisations based in each local authority area per person living in that area. As shown in the Figure 7, organisations in Na h-Eileanan Siar (£15.03), the Shetland Islands (£10.20) and Argyll and Bute (£10.07) received the highest amounts of funding by this measure. Organisations in East Dunbartonshire (£0.44), East Renfrewshire (£0.61) and South Lanarkshire (£1.05) received the lowest amount of funding per person living in the local authority area.

To a large extent, these figures reflect the differing numbers of voluntary organisations in comparison to the population size in each local authority area. For example, according to SCVO data from 2018, the number of charities per 1000 people was particularly high in the three areas where TSOs received the most funding per person living in the area: Na h-Eileanan Siar (10.4); the Shetland Islands (10.1); and Argyll and Bute (8.1). Meanwhile this ratio was relatively low in East Dunbartonshire (2.0), East Renfrewshire (2.5) and South Lanarkshire (1.7), the three local authority areas where TSOs received the least amount of funding per person living in the area.⁴

These average amounts should also be treated with caution because in some cases the data is skewed by the awarding of large grants to large organisations in areas with small populations. In the case of Na h-Eileanan Siar, for example, 28 organisations were awarded grants, with an average award size of £14,242 – lower than the overall average of £16,792 – but a single large organisation accounted for almost one quarter of the funding awarded to TSOs in this local authority area. Similar patterns are evident in the data for the Shetland Islands, Argyll and Bute, and the Orkney Islands.

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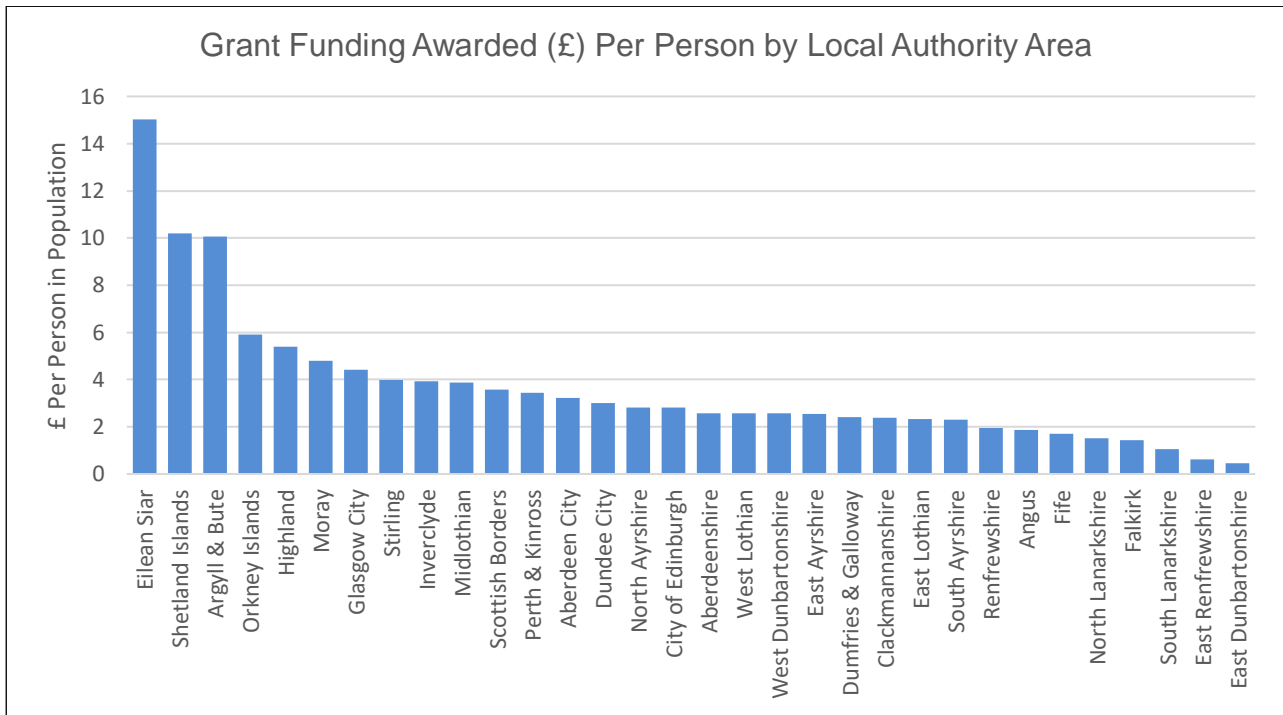


Figure 7: Amount of Grant Funding Awarded by Local Authority per Person

The application approval rate varied significantly across local authorities, ranging from a 64 per cent approval rate for organisations based in Na h-Eileanan Siar to 29 per cent for organisations based in Falkirk. It is not clear why the application approval rate varied so widely across the country, but possible influencing factors include organisations in some areas being disproportionately affected by the pandemic and lockdown, organisations in some areas being more likely to meet the eligibility criteria, or the TSRF being more widely promoted in some areas than others.

5. Funding Awarded by Scottish Index of Multiple Deprivation (SIMD)

Data was collected on Scottish Index of Multiple Deprivation (SIMD)⁵ quintile of each applicant organisation. This is summarised in the Table 2.

As with the local authority data, the data on SIMD is limited by the fact that it is based on the postcode given by the organisation on the application form. In some cases, particularly for organisations not delivering their services primarily in close proximity to their offices, this will not always correspond directly to the area that an organisation is predominantly working in.

SIMD Quintile	Number of Applications	Number of Awards	Amount Awarded (£)	% of Funding Awarded	% of Applications Approved
SIMD 1 (20% most deprived areas)	631	316	5,078,877	22	50
SIMD 2	594	280	4,766,030	21	47
SIMD 3	750	320	4,359,129	19	43
SIMD 4	622	280	5,027,412	22	45
SIMD 5 (20% least deprived areas)	399	153	3,421,375	15	38
Total	2,996	1,349	22,652,823	100	45

Table 2: Grants Awarded by SIMD Quintile

As Figure 8 shows, with the exception of SIMD 4, the amount of funding increases with the level of deprivation. The largest share of funding (£5,078,877) went to organisations based in SIMD 1 (areas within the 20 per cent most deprived postcodes in Scotland), while the smallest share of funding (£3,421,375) was awarded to organisations based in SIMD 5 (areas within the 20 per cent least deprived postcodes).

⁵ The SIMD splits Scotland into 6,976 equal areas of roughly the same population size. It uses 38 indicators to measure different aspects of deprivation, including unemployment, crime and travel times to local GP surgeries. It then uses these to rank each data zone depending on its level of deprivation. For more information, see here:

<https://www2.gov.scot/Topics/Statistics/SIMD/#:-:text=The%20Scottish%20Index%20of%20Multiple%20Deprivation%20%28SIMD%29%20identifies,take%20account%20of%20area%20concentrations%20of%20multiple%20deprivation.>

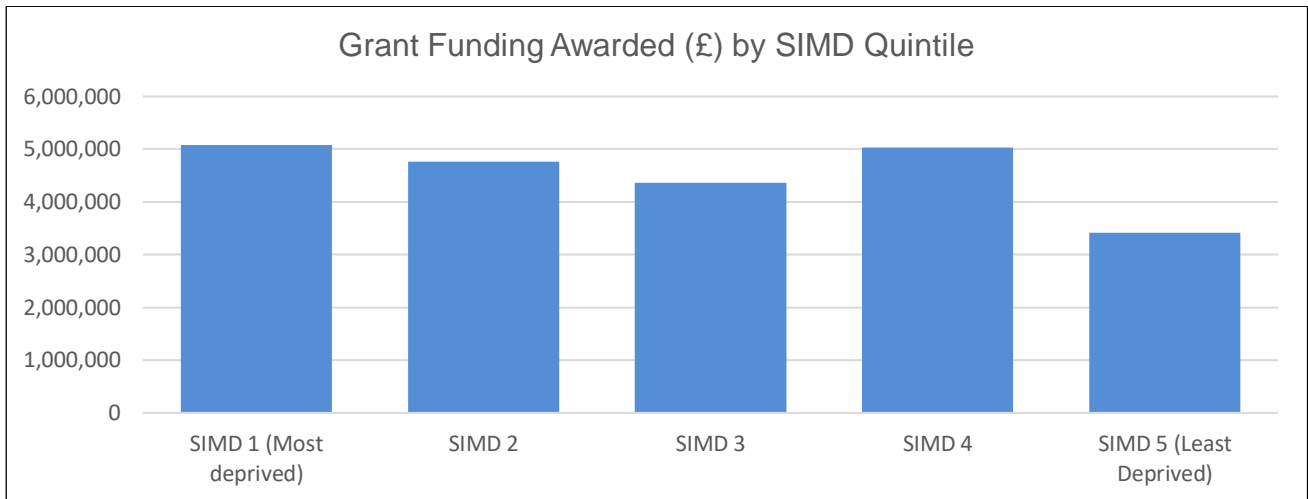


Figure 8: Grants Awarded by SIMD Quintile

There are two probable explanations for the fact that SIMD 4 does not fit the wider pattern. Firstly, as SCVO’s State of the Sector 2020 data shows, organisations based in SIMD 4 account for the largest share of third sector organisations (25 per cent).⁶ Secondly, it is likely that a number of larger regional and national charities have their main headquarters in more affluent areas than the areas in which their services are generally targeted.

Organisations based in the most deprived quintile (SIMD 1) had the highest application approval rate (50 per cent), while those based in the least deprived quintile (SIMD 5) had the lowest approval rate (38 per cent). The largest number of applications came from organisations based in SIMD 3 (750 applications) while the smallest number came from those based in SIMD 5 (399).

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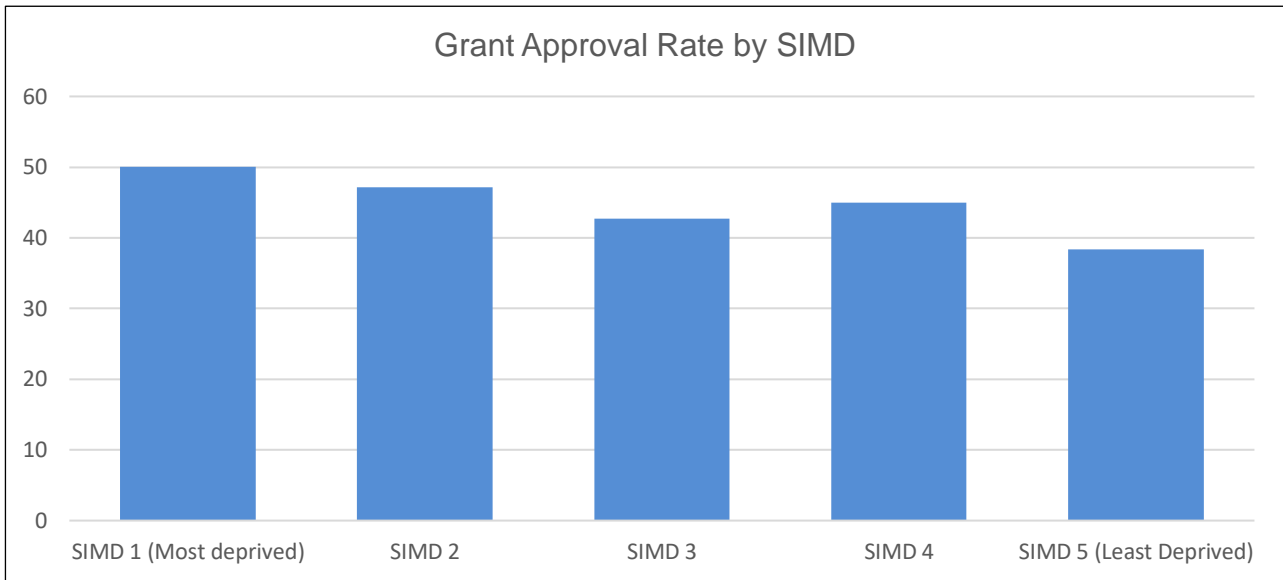


Figure 9: Grant Application Approval Rate by SIMD Quintile

6. Funding Awarded by Organisation Size (Expenditure/Turnover)

Depending on the amount of funding organisations were applying for, applicant organisations were asked to provide information on their previous year's turnover or expenditure.⁷ Table 3 summarises this data.

Annual Expenditure/Turnover	No. of Applications	No. of Awards	Total Amount Awarded	% of Funding Awarded	Average Award (in £s)	% of Applications Approved
Less than £50,000	1040	422	2,361,243	10	5,595	41
£50,000 to £100,000	483	227	1,610,416	7	7,094	47
£100,000 to £250,000	606	276	3,661,675	16	13,267	45.5
£250,000 to £400,000	278	145	3,441,706	15	23,736	52.2
£400,000 to £600,000	149	71	2,630,843	12	37,054	47.7
£600,000 to £1.5m	165	87	3,856,611	17	44,329	52.7
More than £1.5m	145	63	3,946,527	17	62,643	43.4
Not Known	130	58	1,143,803	5	19,721	44.4
Total	2,996	1,349	22,652,823	100	£16,792	45.0

Table 3: Grants Awarded by Size of Organisation (Annual Expenditure/Turnover)

The data show that the majority of grants went to relatively small organisations, with 69 per cent of awards going to organisations with an annual expenditure/turnover of less than £250,000. This accounted for 34 per cent of the overall spending. The smallest category of TSOs represented in the data – those with an annual expenditure/turnover of less than £50,000 – accounted for the largest number of applications (422) and awards (227), with an average award size of £5,595.

However, the largest share of funding (£3,946,527) was distributed to TSOs with the highest levels of annual expenditure/turnover (over £1.5 million). Those with expenditure/turnover higher than £1.5 million and those with expenditure/turnover between £600,000 and £1.5 million accounted for 17 per cent of the total funding each. The overall pattern, then, is that the majority of awards were made to smaller TSOs, while a small number of large grants were made to much bigger TSOs.

On average, successful applicants with an expenditure/turnover lower than £50,000 received slightly more funding than those with expenditure/turnover between

⁷ Depending on the application route, some applicants were asked to provide their 'annual expenditure' while others were asked to provide 'annual turnover', from their last financial year. It is possible that some organisations may have provided income information for turnover, while others provided expenditure. For many third sector organisations, expenditure and income levels tend to match closely, and the data indicated that this was the case overall for the applicant organisations. Accordingly, we have presented these two measures together as the best way to give the overall picture of the size of the full set of organisations applying to the fund.

£50,000-100,000 (£7,302 and £7,094 received respectively). However, among organisations with expenditure/turnover higher than £50,000, the average award size rose in line with the size of the organisation, with organisations with an annual size rose in line with the size of the organisation, with organisations with an annual expenditure/turnover over £1.5 million receiving an average of £62,643 each.

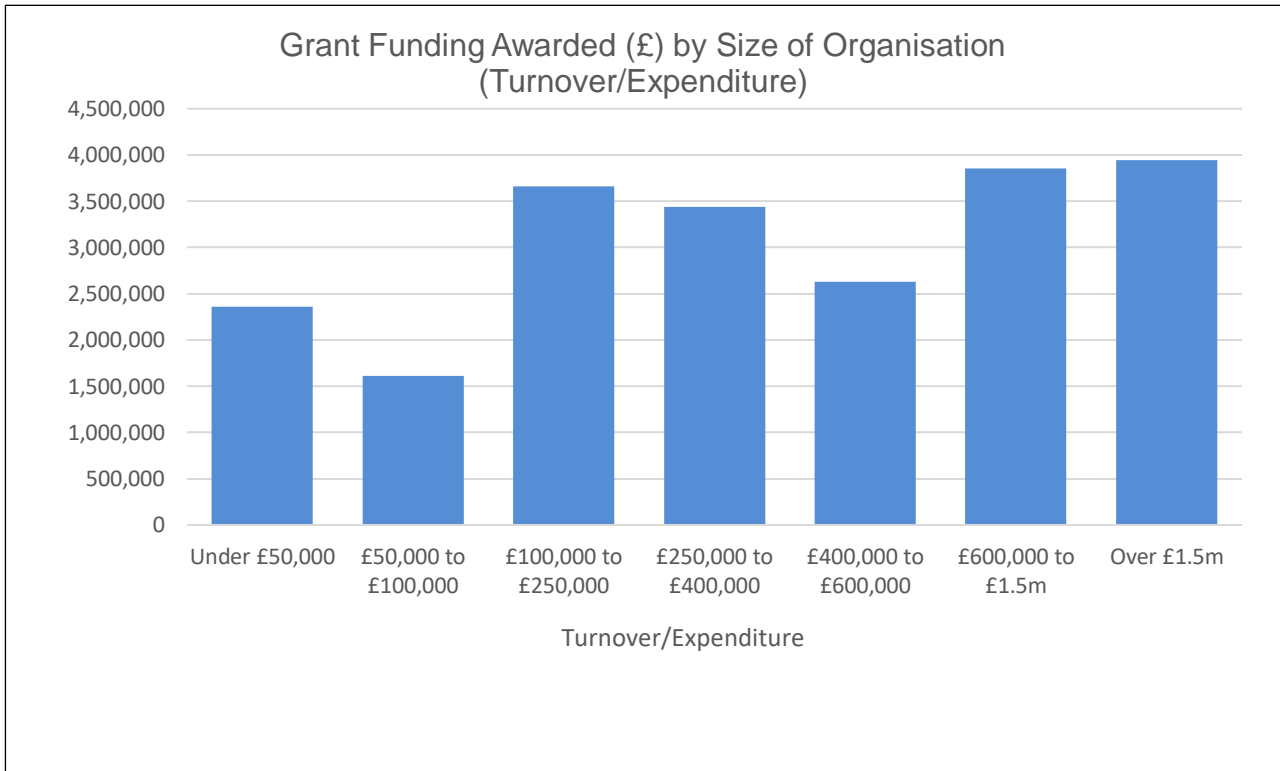


Figure 10: Grants Awarded by Size of Organisation (Annual Expenditure/Turnover)

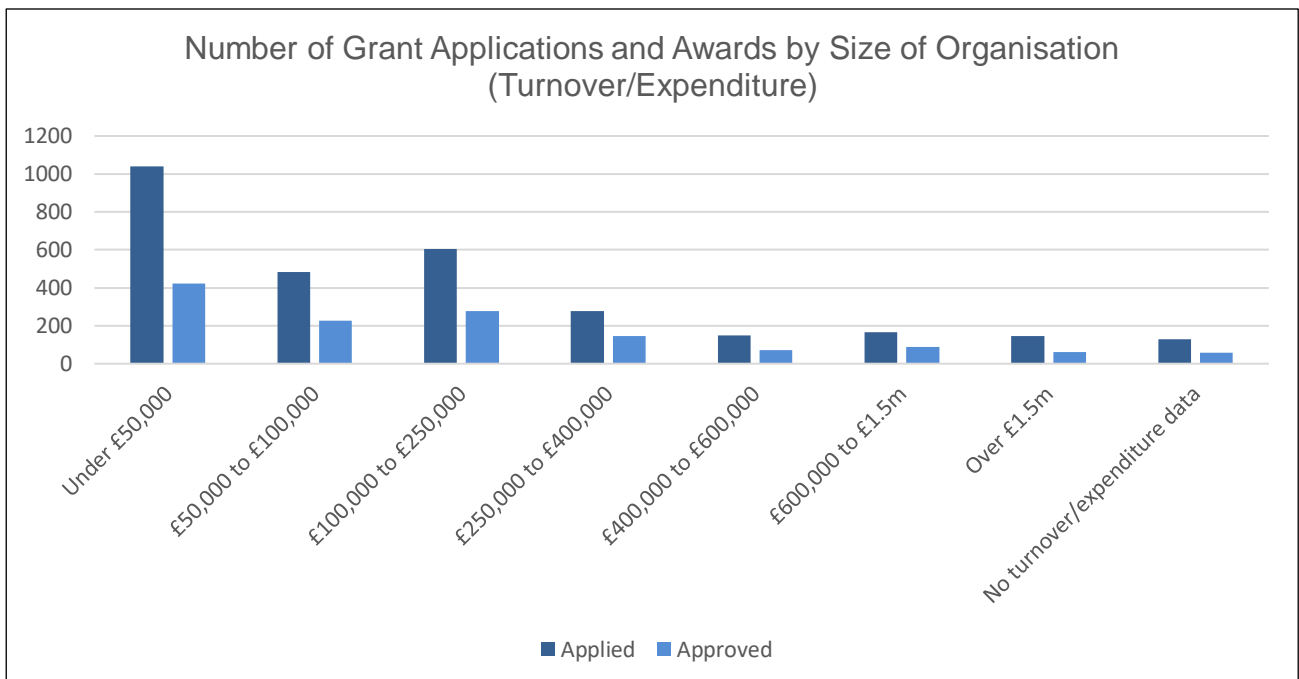


Figure 11: Grant Applications and Awards by Size of Organisation

The application success rate varied from 41 per cent among organisations with an expenditure/turnover of less than £50,000 to 52.7 per cent among organisations with an expenditure/turnover between £600,000 and £1.5 million.

7. Funding Awarded by Number of Employees

Organisations were asked how many staff members they employed. The data is summarised in Table 4. These figures were provided as total number of staff members, rather than number of full-time equivalent staff.

Overall at least 1,098 TSOs with paid employees were awarded grants from the TSRF. Between them, these organisations employed 13,989 people at the time of application. 189 of the organisations that were awarded TSRF funding reported that they did not employ any staff, and 62 awards were made to organisations where data on staff numbers is not available.

Staff Numbers	No. of Applications	No. of Awards	Total Amount (£) Awarded	% of Funding Awarded	Average Award (in £s)	% of Applications Approved
None	486	189	690,151	3	3,652	38.9
1 or 2	641	275	1,857,108	8	6,753	42.9
3 to 10	1099	510	6,720,001	30	13,176	46.4
11 to 25	407	205	5,886,671	26	28,715	50.4
26 to 50	111	58	2,683,557	12	46,268	52.3
51 to 100	52	27	1,371,435	6	50,794	51.9
101 to 300	51	22	1,733,834	8	78,811	43.1
Over 300	11	1	75,000	0	75,000	9.1
Not Known	138	62	1,635,065	7	26,372	44.9
Total	2,996	1,349	22,652,823	100	16,792	45.0

Table 4: Grants Awarded by Number of Staff in Organisation

As the Figure 12 shows, the largest share of funding (£6,720,001) was awarded to small organisations with 3-25 employees. The largest number of applications came from organisations with 3-10 employees (1,099), and this category accounted for the largest number of awards (510), with an application success rate of 46.4 per cent, just above the average of 45 per cent.

The smallest share of funding was provided to organisations with over 300 employees (£75,000), with only one award made out of 11 applications.

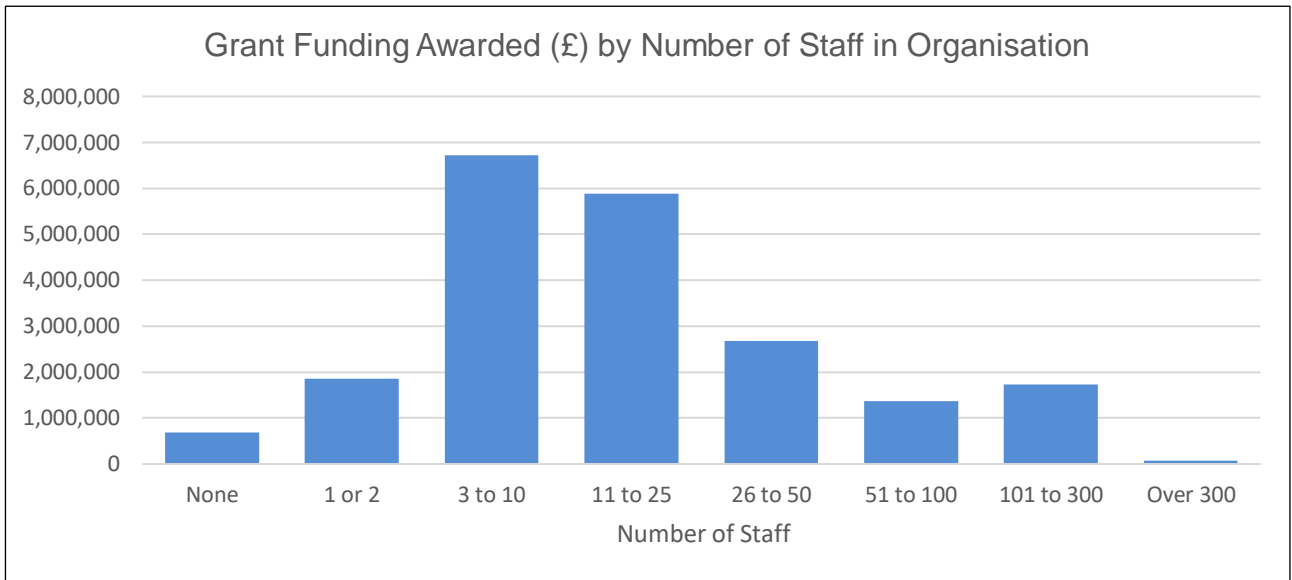


Figure 12: Grants Funding Awarded by Number of Staff

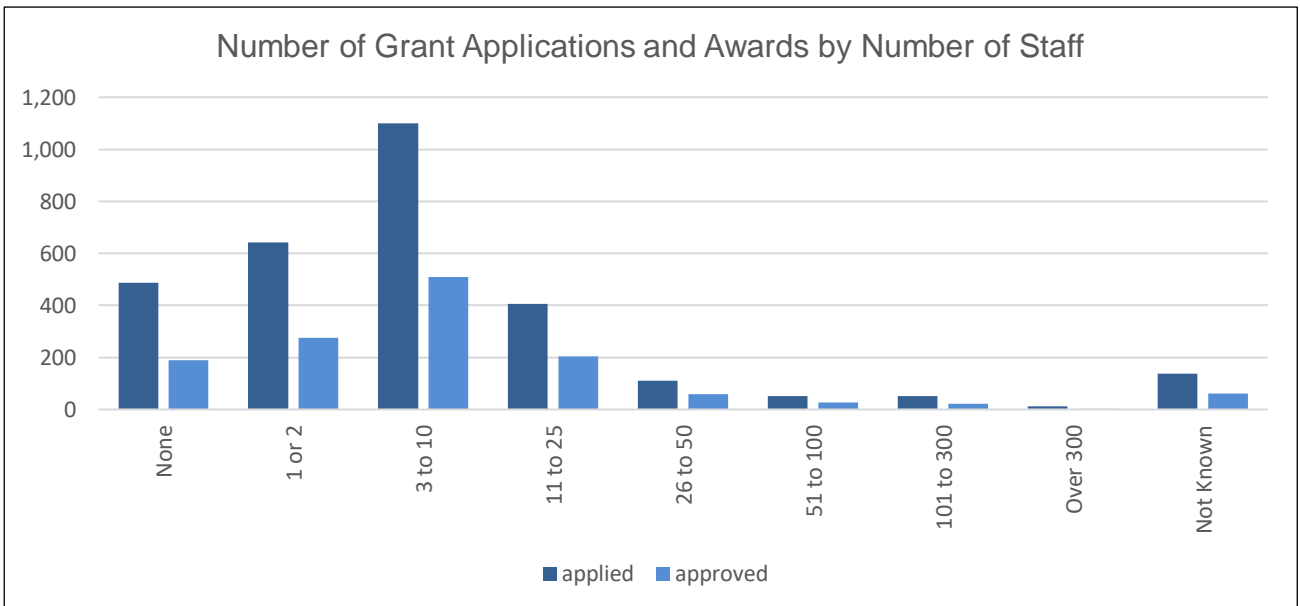


Figure 13: Grants Awarded by Number of Staff

8. Financial Resilience

The TSRF application process asked organisations to submit data about their accounts and financial status. In this section, this information is used to examine the financial situation of TSOs seeking emergency funding through the TSRF by focusing on applicants' levels of reserves, and their reserve levels in relation to operating costs.⁸ The quality of data is variable, as different organisations were asked to provide different financial information depending on the application route they used, and full data was not available for all organisations. This analysis therefore provides indicative findings only on the financial resilience of organisations applying for TSRF funding.

These results are not representative of the third sector more widely as organisations were not eligible for TSRF funding if their current reserves could cover more than four months (phase 1) or 12 weeks (phase 2) of operating costs. TSRF applicants were therefore organisations with lower financial resilience than the sector as a whole.

Reserve Levels of TSRF Applicants

The data show that 25 per cent of all the applicant organisations had zero reserves, and in some cases reserves were negative. Overall, 56 per cent of organisations had £10,000 or less in reserves. 12 per cent of all applicants had reserves of over £100,000.

⁸ Applicants were asked to give information about either their 'unrestricted reserves' or their 'reserves' depending on which application route they took. Both sets of responses are included in this analysis.

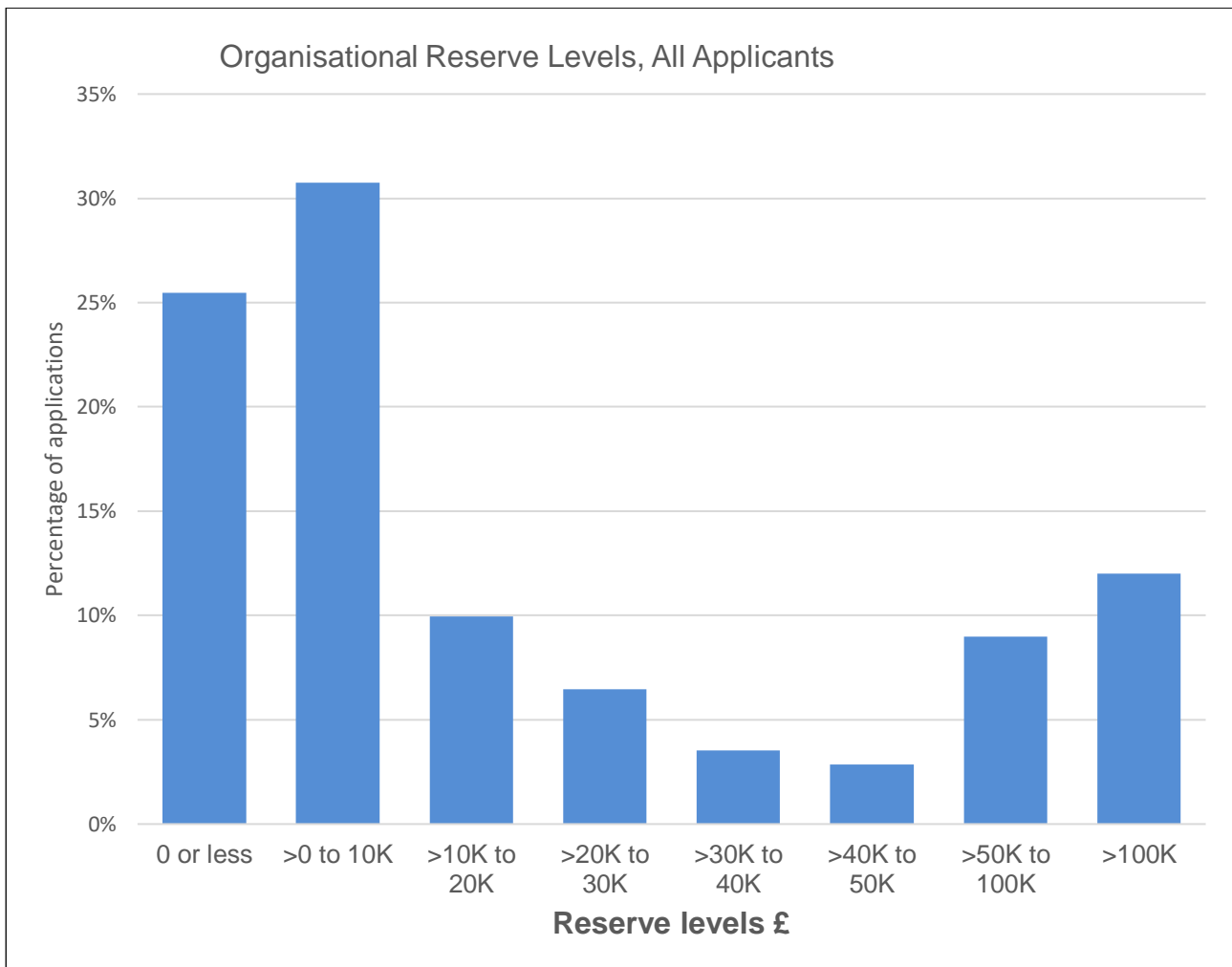


Figure 14: Organisational Reserve Levels (All Applicants)

The data suggest that the majority of third sector organisations represented here are operating with a minimal financial buffer.

Reserve Levels of Awarded Organisations

Of the organisations receiving awards from the fund, 70 per cent had at least some reserves. Nevertheless, the overall level of reserves among awarded organisations was low, with 30 per cent stating that they had no reserves at all, and a further 36 per cent stating that they had reserves of up to £10,000. Overall 66 per cent had reserves of £10,000 or less. Only 7 per cent of awarded organisations had reserves greater than £100,000.

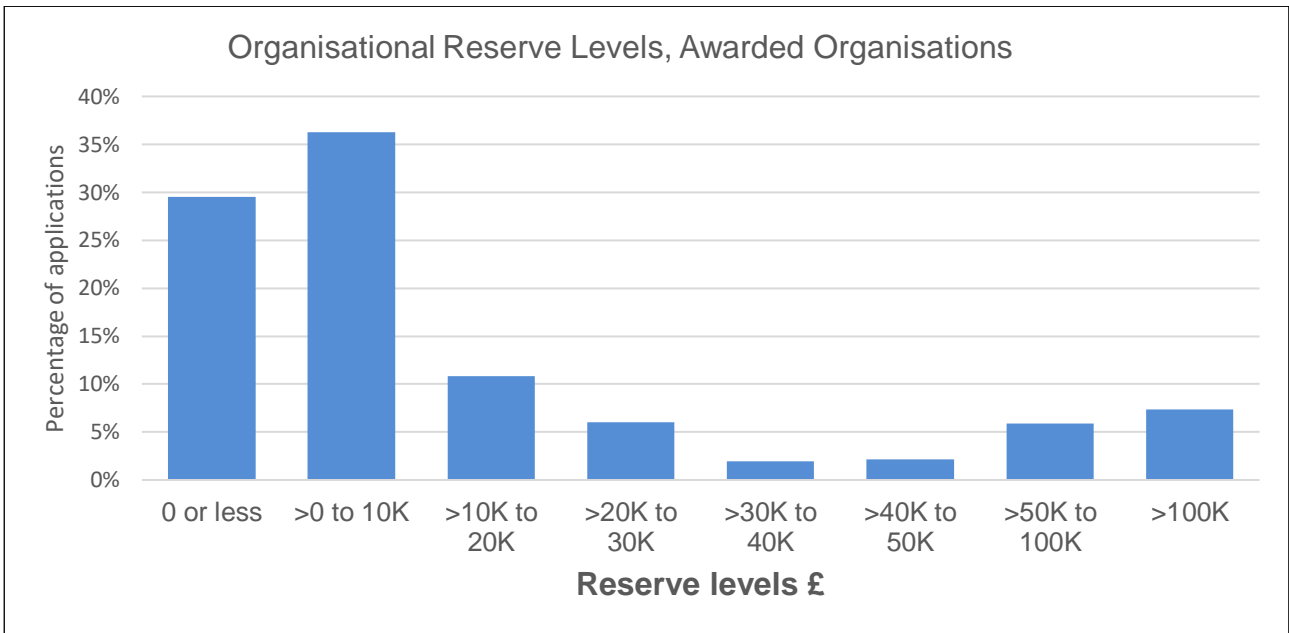


Figure 15: Organisational Reserve Levels (Awarded Organisations)

Reserves in relation to operating costs

Reserves alone are a limited indication of the financial resilience of an organisation. The above analysis of reserves does not account for the varying sizes of the TSOs applying for the TSRF, or their varying operational costs. Here, the available data on organisational expenditure/turnover is used to derive daily expenditure rates – the average cost of an operating day based on reported annual expenditure. These rates of expenditure are then compared with reported data on reserves to give an understanding of reserves in relation to operating costs.⁹

Based on the reserves data submitted by applicant organisations, 38 per cent of all applicants had reserves sufficient for less than two weeks of (notional) expenditure costs at the time of application. Almost half (49 per cent) percent of applicants had reserves sufficient for less than one month of expenditure.

Analysis conducted on the first month of applications to the fund found a similar pattern, with 37 per cent of all applicants having reserves that would meet less than two weeks of expenditure, and 47 per cent having reserves sufficient for under one month of expenditure. This suggests that the overall financial strength of TSRF applications was relatively similar across the whole life of the fund.

⁹ The daily expenditure cost was derived by dividing the total expenditure/turnover reported for the last financial year by 365. As such it is only a crude indication of organisational operating costs, since annual expenditure may vary significantly from year to year and may include one-off or special costs in any given year.

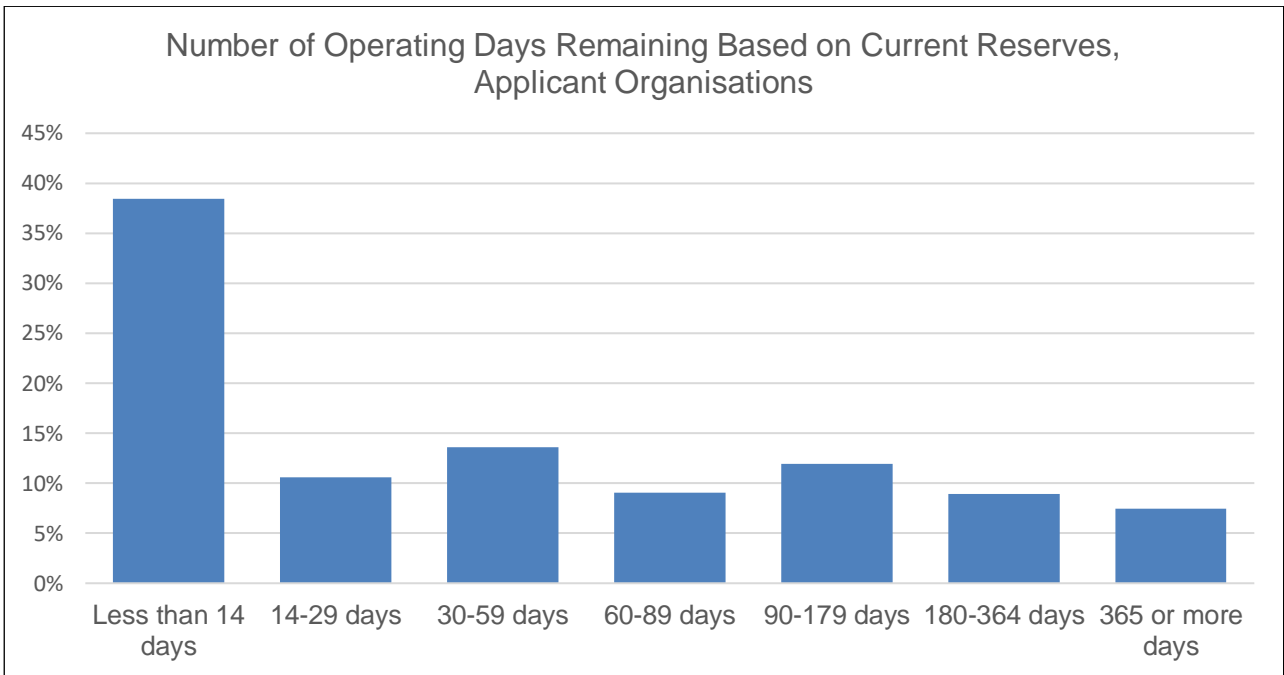


Figure 16: Number of Operating Days Remaining Based on Current Reserves, Applicant Organisations

While this picture does not take into account the levels of cash that organisations held in their accounts, it does suggest that many of the applicant organisations would have been unable to operate for more than a few days or weeks in the absence of their normal income stream, and that the TSRF may have played an essential role in helping organisations to remain operational.

9. Loans

Interest-free loans with repayment holidays were offered to TSOs which required more than the maximum grant amount and could demonstrate the ability to repay the loan. The provision of these loans aimed to ensure that more finance and a greater overall level of support was available to the sector than that which would be available through grant funding alone.

In total, £3,062,247 was approved in TSRF loans to 29 TSOs. The size of the loans awarded ranged from £25,000 to £270,000, with an average size of £105,595. However, not all of these loans were taken up in full.

As at 12 October 2020, 24 TSOs had had their loans approved and received the loan funds. One further TSO was awaiting completion of paperwork before receiving their funds.

One TSO chose not to accept their loan offer in full, while four TSOs chose not to take up their loans at all after the loans were approved. Securing other funding was the main reason for organisations deciding not to take up their loan offers.

Loan Status	Number of Loans Approved	Loan Amount Approved	Loan Amount Drawn
Loans Approved – Drawn in Full	23	£2,354,000	£2,354,000
Loans Approved – Undrawn ¹⁰	1	£96,247	0
Loans Approved – Partially Drawn	1	£192,000	£30,000
Loans Approved – Cancelled by TSO	4	£420,000	0
Total Loans Approved	29	£3,062,247	£2,384,000

Table 5: Loan Status (12 October 2020)

Excluding the three TSOs that did not take up their loan awards, loans were awarded to 26 organisations operating in 8 different sectors. Organisations operating in Health and Social Care (7) were the most common loan recipients, followed by those operating in Creative industries (7), and Tourism and Hospitality (5).

¹⁰ This loan is expected to be approved

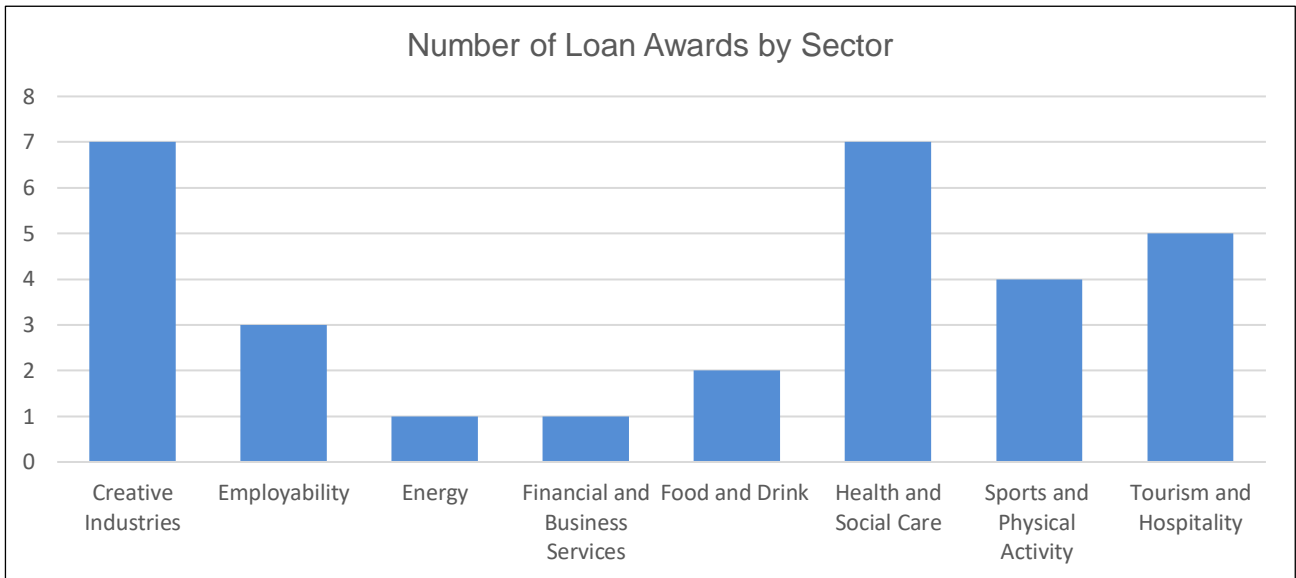


Figure 17: Sectors Supported by Loan Awards. Note: Some organisations indicated working in more than one sector, thus the total adds up to more than 26.

Excluding the three TSOs that did not take up their loan awards, loans were awarded to 26 organisations based across 13 local authority areas as well as one Scotland-wide organisation. Glasgow City accounted for the largest number of loan awards (9), followed by City of Edinburgh (3). As discussed in relation to TSRF grants, it is not surprising Glasgow and Edinburgh account for the largest numbers of loans awarded, given more voluntary organisations are based in these two cities than in any other local authority area.

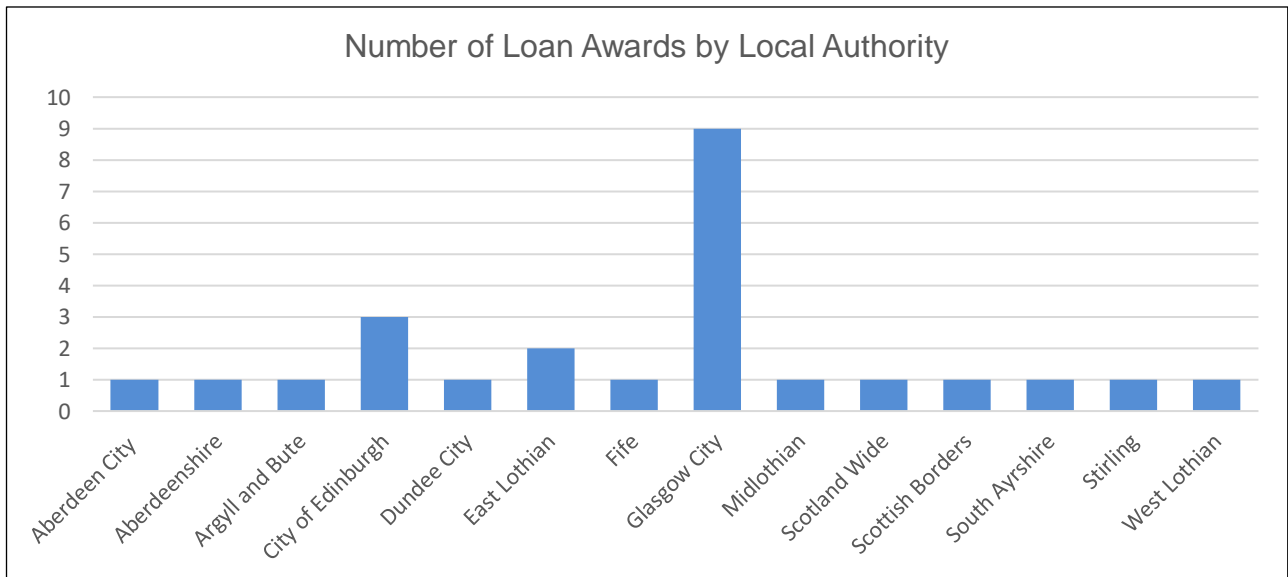


Figure 18: Number of Loan Awards by Local Authority

Appendix 1: TSRF Grant Funding by Local Authority Summary Table

	No. of Applications	No. of Awards	Total Amount (£) Awarded	% of Funding Awarded	Amount Awarded (£) per Person	% of Applications Approved
Aberdeen City	73	35	734,591	3.2	3.21	48%
Aberdeenshire	109	52	674,062	3.0	2.58	48%
Angus	49	19	217,876	1.0	1.88	39%
Argyll & Bute	101	49	864,369	3.8	10.07	49%
Clackmannanshire	25	9	123,374	0.5	2.39	36%
Dumfries & Galloway	104	45	357,211	1.6	2.40	43%
Dundee City	79	41	447,531	2.0	3.00	52%
East Ayrshire	60	30	309,186	1.4	2.53	50%
East Dunbartonshire	19	7	48,145	0.2	0.44	37%
East Lothian	58	20	248,505	1.1	2.32	34%
East Renfrewshire	22	9	58,140	0.3	0.61	41%
City of Edinburgh	230	95	1,478,938	6.5	2.82	41%
Falkirk	56	16	232,346	1.0	1.44	29%
Fife	162	78	637,493	2.8	1.71	48%
Glasgow City	352	188	2,789,672	12.3	4.41	53%
Highland	182	83	1,273,121	5.6	5.40	46%
Inverclyde	25	12	304,841	1.3	3.92	48%
Midlothian	49	22	357,929	1.6	3.87	45%
Moray	48	22	458,617	2.0	4.79	46%
Na h-Eileanan Siar	44	28	401,614	1.8	15.03	64%
North Ayrshire	71	37	381,061	1.7	2.83	52%
North Lanarkshire	106	36	515,416	2.3	1.51	34%
Orkney Islands	18	8	131,641	0.6	5.91	44%
Perth & Kinross	78	32	523,830	2.3	3.45	41%
Renfrewshire	66	29	350,636	1.5	1.96	44%
Scottish Borders	78	36	412,792	1.8	3.57	46%
Shetland Islands	28	15	233,711	1.0	10.20	54%
South Ayrshire	44	18	258,235	1.1	2.29	41%
South Lanarkshire	79	40	337,881	1.5	1.05	51%
Stirling	64	27	374,075	1.7	3.97	42%
West Dunbartonshire	28	13	227,553	1.0	2.56	46%
West Lothian	57	28	469,684	2.1	2.57	49%
Scotland-wide	431	170	6,418,746	28.3	n/a	46%
Not Known	1	0	0	0	n/a	0%

How to access background or source data

The data collected for this social research publication:

- are available in more detail through Scottish Neighbourhood Statistics
- are available via an alternative route
- may be made available on request, subject to consideration of legal and ethical factors.
- cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.



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