

## Executive Summary

### Characteristics of respondents

- In total, 121 respondents took part in the survey, of whom 77% were Cobseo Members and 21% of whom were Associate Cobseo Members.
- Additionally, 2.5% reported being a member of Veterans Scotland, and 1.7% of reported being a member of both Cobseo and Veterans Scotland. 21% of respondents report operating in Scotland.
- The vast majority of respondents (93%) were from registered charities or charitable incorporated organisations (CIOs).
- 'Small income' charities (annual incomes less than £750,000) accounted for the majority (51%) of survey respondents.

### Serving beneficiaries

- Over half of respondents (60%) saw an increase in beneficiary numbers (up 14% since May), while 25% saw a decrease, and only 13% saw no change in beneficiary numbers during the ongoing Covid-19 crisis.
- Members reported large increases in beneficiary demand for mental health support (74%, up 20% since May), loneliness support (70%, up 5% since May); poverty and financial support (55%, up 8% since May). Although lower in overall demand, drug and alcohol support saw the largest increase in demand (up 22% since May).
- One-third (35%) of respondents reported coping with demand 'with difficulty', and a combined 9% with very significant difficulty or an inability to meet the demand from beneficiaries. In contrast, a combined 26% reported being able to cope 'easily' or 'very easily' with demand.
- A significant impact on critical services was most strongly reported in the areas of mental health support (45%), welfare support (39%), and support for the elderly (35%).
- Critical services closing or being undeliverable were reported in six areas, most commonly for Service families support (7%), support to the elderly (4%), and Mental Health support (2%).

### Cash flow

- A decrease in monthly income was experienced by 72% of respondents, of which 32% saw a decrease of between 1% to 24% in income. Only 9% saw an increase in income and 19% saw no change in income (down 7% since May) to pre-Covid levels.
- The most pronounced decrease in income was in fundraising events income, for which 85% of respondents reported seeing a decrease.

- Over two-thirds (68%) of members noticed a decrease in public donations (up 14% since May), and 64% had seen a decrease in trading income.
- A decrease in monthly expenditure was reported by 61% of respondents, of which 40% saw a 1% to 24% decline in expenditure. Conversely, 24% saw an increase in expenditure, and 15% saw no change in expenditure (down 14% since May).
- The most pronounced decrease in expenditure was for 'service delivery', experienced by 45% of respondents. The need for financial support to cover overheads was a common theme in respondent's qualitative answers.
- Staff costs showed no significant difference between May and October 2020. The Government's *Coronavirus Job Retention Scheme* (covering 80% of wages) which launched in March, ended in October. Therefore, the impact of Covid-19 on charity staff may not be fully realised until after quarter-four of 2020. This can be seen in responses, with a combined 25% believing that a reduction in paid staff will become a reality within one year, and 13% of respondents reporting that reduction in paid staff was already a reality.

## Risks

- A reduction in service delivery was highlighted by 25% of Members as likely becoming a reality within one year. In total, 13% stated that reduced service delivery was already a reality. A reduction in critical services within one year was reported by 33% of respondents, of which for 8% of respondents, this was already a reality.
- Reduction in paid staff was either 'already a reality' or expected 'within one month' by a combined 17% of respondents.
- A combined 23% of respondents believed that the financial stability of their organisation would be compromised within one year, with an additional 2% of respondents stating that this was 'already a reality'.
- A combined 15% of respondents estimate their cash reserves would be completely depleted within one year. This is almost half the number from May (31%), which may be indicative of a financial deferral rather than a solution, as more respondents now predict their cash reserves being completely depleted in 2-5 years (48% combined) than they did in May (14%).
- For 5% of respondents, merging with another organisation is already a reality (almost four-times more respondents than in May). Differences in responses between May and October also suggest that more Members are considering mergers in the longer term (3-5 years). Additionally, this question was 'applicable' to 21% more respondents than in May, suggesting that mergers are becoming more commonly considered as a result of Covid-19.
- For one organisation, the threat of closing permanently was 'already a reality'. Additionally, 5% of respondents stated that their organisation risked closure within one year, and a combined 18% within two-years.

## Support

- Just under one-third of respondents (33%) had either not applied for or had been unsuccessful in applying for a service delivery grant from government. Of those who has obtained a grant, the most common use was for welfare support (17%) and mental and physical health support (17%)
- Close to one-fifth (24%) of respondents reported needing 'significant support' in order to sustain or achieve delivery of critical services in the coming year, with 31% requiring 'minimal to moderate support'.
- Over one-third (34%) of respondents reported needing 'minimal to moderate support' to sustain or achieve improvements to the efficiency of service delivery to beneficiaries, with 35% reporting that they require no support. 13% reported needing 'significant support' in this area.

## Conclusions

### Increasing beneficiary numbers

Data presented in this survey showed an overall increase in beneficiary numbers between May and October 2020. Overall, 60% of respondents saw an increase in beneficiaries, while 25% saw a decrease in beneficiary numbers.

While 35% of respondents reported being able to cope 'with difficulty' with beneficiary demand, the data shows that certain services are more significantly impacted than others. This is especially so for critical services such as mental health and wellbeing support, which when viewed in relation to findings on increasing beneficiary numbers, shows the strain of increasing demand.

Mental and physical health was the critical service area to report highest levels of 'significant impact' from Covid-19 (45%). However, it was Service families support that saw the highest levels of 'closed or undeliverable' critical services (7%).

### Decreasing income and expenditure

Survey data showed an overall decrease in income, with 72% of respondents seeing a decrease. In contrast, only 9% saw an increase in income. Decreased income was commonly (68%) seen in public donations (up 14% since May). Additionally, 85% reported a decrease in fundraising events income.

Overall, 61% of respondents reporting a decrease in expenditure, with 56% reporting that expenditure had decreased by up to half. Respondents cited a decrease due to events being cancelled or some service delivery being reduced, with 13% reporting reduction in service delivery was 'already a reality'.

The overall increase in beneficiary demand, combined with decreasing income appears to be placing significant strain on services, most notably for critical services such as mental health and wellbeing support, which has also seen a 20% increase in beneficiary demand since May 2020, with demand for drug and alcohol support also increasing by 22% over the same period.

As income from events and public donations continue to decrease, combined with increasing beneficiary demand and diminishing resources; it will be those individuals and their families who depend upon the work of Cobseo Members that will suffer most in the coming months.