Scottish Government
Riaghaltas na h-Alba

Evaluation of the Third Sector Resilience Fund

People Communities and Places

social research

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Background

This report presents the findings of an evaluation of the Third Sector Resilience Fund (‘TSRF’, or ‘the Fund’), announced by the Scottish Government in March 2020. The TSRF was designed to provide emergency funding to third sector organisations which were struggling financially following the outbreak of the COVID-19 pandemic.

The Fund was administered by three funding partners: Firstport, the Corra Foundation, and Social Investment Scotland. It consisted of two phases: Phase One (March to April 2020), during which organisations could apply for a grant of up to £100,000; and Phase Two (April to September 2020), during which organisations could apply for a grant of up to £75,000. Organisations could also apply for loans for amounts over £100,000.

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 One) or three month funding period (in Phase Two); and
- organisations were not eligible for TSRF funding if their current reserves could cover more than four months (Phase One) or 12 weeks (Phase Two) of operating costs.

This evaluation focuses only on the grant funding provided by the TSRF, and does not include analysis of the loans segment of the fund. This is because most organisations applied for grants, while only a small number applied for loans. A very small number of organisations received blended support incorporating both grants and loans.

The evaluation is based on an analysis of TSRF application and awards data, combined with data from monitoring returns submitted by funding recipients and data from interviews with key stakeholders connected with the Fund. The evaluation was undertaken by Scottish Government analysts.

Distribution of the funding

- A total of 3,466 applications were made for TSRF funding, with these applications coming from 2,906 organisations.
- 39.7% of all applications were successful, with a combined £22,608,610 of funding being distributed amongst 1,371 organisations.
- The maximum value of grants awarded was £100,000, and the average award size was £16,419.
- The largest proportion of funding (£5,144,658, or 22.8%) went to organisations based in the 20% most deprived areas in Scotland, while the smallest share (£3,201,045, or 14.2%) went to organisations based in the 20% least deprived areas.
- When annual expenditure/turnover is taken as a measure of organisational size, the majority of TSRF grants went to relatively small organisations; just over half (50.8%) of all awards were made to organisations with annual expenditure or turnover of less than £100,000.
- Almost three quarters of the Fund applications (73.7%) were from organisations which had at least some financial reserves, while around one quarter (26.3%) were from organisations which had zero reserves. 70.6% of awards were made from organisations which said they had at least some reserves, while 29.4% of awards went to organisations which had zero reserves. Further analysis showed that amongst all applications for which data was available, around half (50.2%) were from organisations which had reserves sufficient for less than one month of (notional) expenditure, while 39.3% were from organisations which had reserves sufficient for less than two weeks of expenditure.

Use and impact of the funding

- The analysis of the use and impact of the funding is based on monitoring forms from 785 funded organisations, or 57.2% of the 1,371 organisations in receipt of funding.
- 60.7% of the organisations that responded said that the funding had prevented their organisation from going out of business.
- Over half (50.6%) of all funding was spent on staffing costs. 80.5% of the responding organisations said that their staffing levels had stayed the same since receiving TSRF funding, while a number of organisations said that without the funding, they would have had to reduce their services and make redundancies.
- 86.3% of the responding organisations said that the funding enabled them to continue paying overheads. The fund enabled organisations to retain operational capacity, premises or – for those that had to cease operations completely – to enable them to avoid closure and maintain readiness to return to full activity in the future.
- The Fund also had a significant impact for service users of organisations in receipt of funding. Several organisations stressed the importance of their work in providing essential services within their communities. 61.5% (479) of the responding organisations said that they provided mental health and

wellbeing services, while over three quarters (77.5%) said they supported people who were marginalised, and 64.7% said they supported people who were financially at risk.
- Several organisations said that the TSRF helped them to adapt and diversify their service delivery at speed, and to continue operating during the lockdown.
- Cash reserves were a challenge for many organisations; this included organisations which – although their cash balance looked relatively healthy – were not able to use reserved funds, as well as organisations that did not want to spend their cash reserves due to concerns about the level of uncertainty ahead.
- Over half of organisations (54.9%) had more reserves at the end of the funding period than they did when they first applied for a TSRF grant. However, increases in reserve levels cannot be solely attributed to the TSRF and may be at least partly the result of other support mechanisms – such as the UK Government furlough scheme – and funding that were available to third sector organisations at the time.
- Despite the importance of the TSRF in supporting organisations to remain viable during the early stages of the pandemic, many organisations remained uncertain about their future viability at the point when they completed their monitoring forms, in Autumn 2020. These organisations were also reliant on the relaxation of lockdown restrictions to aid their financial recovery.

Stakeholders' views on Fund management and implementation

- Stakeholders stressed the collaborative and fast-paced nature of the process of setting up the fund.
- Stakeholders generally agreed that the TSRF's eligibility criteria were clear and a good reflection of the Fund's aims, although challenging discussions often emerged – particularly in relation to the eligibility criteria relating to cash reserves. Stakeholder interviewees had some concerns as to whether cash reserves were the best way of determining which organisations were in greatest need of funding.
- Stakeholders generally felt that the application process was relatively fast and that organisations typically received funding quickly. Although many said that the TSRF application form was short and clear, stakeholders noted that some organisations nevertheless needed help and support with the application process. A few stakeholders also felt that greater efforts should have been made to provide unsuccessful applicants with feedback.
- Stakeholders largely agreed that their approach to risk management was a successful one, with enough due diligence being carried out to ensure the funds were used in the manner for which they were intended.
- Stakeholders were of the view that the TSRF largely achieved its aims of helping third sector organisations to remain operational or to avoid going out of business during the early stages of the pandemic. However, some felt that certain aspects of the Fund could have been improved or rolled out in a

different way – for example, by widening the eligibility criteria to include organisations with greater cash reserves.

- Stakeholders provided suggestions for how future funds could be administered, based on learning from the Fund – in particular, it was felt that future funds should replicate the Fund’s principles and have short, clear application forms, with minimal monitoring requirements and clear eligibility criteria. There were also suggestions for future funds to have more guidance prepared to aid applicant organisations, and to enable greater involvement of Third Sector Interface organisations (TSIs) in the process of making decisions about – and distributing – funding.

1. Introduction and background

1.1 Background

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', or 'the Fund') 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 in March 2020. This was predominantly as a result of being unable to generate their usual levels of income because of restrictions on their activities. A survey of Scottish charities – commissioned by The Scottish Charity Regulator (OSCR) in May 2020 – showed that 75% of charities reported having seen some impact on their finances.

Fifty-one per cent of charities responding to the OSCR survey reported having lost 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.

Forty-two per cent of charities responding to the 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 being required to close their shops, cafes, 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 reduced income from 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 third sector organisations 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 (in Phase One) or three (Phase Two) months. The intention was that by helping to pay for essential operating costs, TSRF funding would help many third sector organisations to remain in business in the short term, so that they could continue operating once the lockdown was lifted. TSRF funding was provided as both grants and loans.

The Fund was administered by three funding partners: Firstport, the Corra Foundation, and Social Investment Scotland (SIS). Firstport was responsible for managing the Fund, while they shared responsibilities for distributing the grants with the Corra Foundation. Firstport distributed higher-value grants, with Corra Foundation distributing smaller grants. SIS was responsible for managing the TSRF loans.

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

In Phase One, 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 Two, 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 a 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.

In order to triage applications between funders, applications were sorted into three groups or 'Tiers', based on the amount of grant funding requested. Requests for up to £25,000 were assigned to Tier One and were assessed by Corra Foundation. Firstport assessed requests for grants of £25,000 and above, with these applications being assigned to either Tier Two or Tier Three depending on the amount requested.

Interest-free loans with repayment holidays were offered to organisations requiring more than the maximum grant amount, where these 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.[1]

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;

[1] The funding for these loans was made available by recycling income from a previous loan programme managed by SIS. The loans were therefore not funded through a portion of the overall funds allocated to the TSRF.

- 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 One) or three-month funding period (in Phase Two); and
- organisations were not eligible for TSRF funding if their current reserves could cover more than four months (Phase One) or 12 weeks (Phase Two) of operating costs.

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.

Organisations were entitled to submit more than one application for a grant, which several did, but they could generally receive no more than one award. In a small number of cases where there were exceptional circumstances, an additional 'top-up' grant was awarded to organisations in addition to their main award – for example, in cases where an organisation had mistakenly submitted an original grant request that was too low.

1.2 Evaluation of the Third Sector Resilience Fund

This evaluation of the TSRF aimed to provide an understanding of the outcomes of the Fund, and the extent to which it achieved its aims. The evaluation also sought to support learning about the effectiveness of the Fund, and the processes and relationships that underpinned it, in order to inform the planning and design of future interventions.

This report uses TSRF application, awards and monitoring 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. To evaluate how the TSRF funding was used, the funding organisations and Scottish Government developed a monitoring form which was distributed to all award recipients. Recipients were requested to submit a light-touch end of project report within a few weeks of the end of the funding period. Organisations were asked for information about how they had spent the funds; their organisation's current financial situation; the likelihood that they would remain operational for at least the next 6 months; and what impact the funding from the TSRF had had for the organisation.

The analysis includes breakdowns of awards made by local authority area, sector, Scottish Index of Multiple Deprivation (SIMD) quintile, organisation size, and financial situation and resilience of both applicants and recipient organisations.
The evaluation focuses on the grant aspect of the TSRF and not on the loans. This is because most organisations applied for grants, while only a small number applied

for loans. A small number of organisations received blended support in the form of grants and loans.

The evaluation is structured as follows. Section Two sets out information about the distribution of the funding awarded – for example, how the funding was distributed across different local authorities and across organisations of different sizes and sectors.

Section Three explores how successful organisations used the funding and the impact of the funding received.

Section Four sets out stakeholders' views on the management and implementation of the Fund.

Section Five provides a summary of the key issues and conclusions emerging from the evaluation.

1.3 Methodology

This evaluation report, written by Scottish Government analysts, brings together analysis from three main data sources: applications data for all Third Sector Resilience Fund applicants; monitoring returns data submitted by funding recipients; and interviews with key stakeholders.

Applications data submitted by all fund applicants as part of the application process from all 3,466 applications was used in the analysis. This data included organisational information; [2] information about the impact of the pandemic on the organisation and its financial situation; and details of how much funding was required and how any funding would be spent. This data was collected by the funding organisations (Firstport and Corra Foundation) and supplied to the Scottish Government. The questions that applicants were asked varied slightly, depending on which application route (via Firstport or via Corra Foundation) applicants used.

Monitoring returns data was collected by the funding partners, with all organisations in receipt of TSRF funding being asked to complete an end-of-project monitoring form. Seven hundred and eighty-eight monitoring forms were completed by organisations in receipt of TSRF funding and were thus included in this analysis. The monitoring forms included both closed- and open-ended questions requesting information about what the funding was used for, how much was spent, and what difference the funding made. The monitoring form that awarded organisations were asked to fill out varied slightly, based on which organisation (Firstport or Corra Foundation) had administered the award.

[2] The organisational information collected included the organisations' sector of activity, location, financial information relating to reserves, cash holdings and annual turnover, and staffing information. Note that neither the applications data nor the monitoring returns data sought to gather organisational information relating to Diversity, Equity and Inclusion (DEI). As such, it is not possible to provide any further analysis in this regard.

Scottish Government analysts undertook **interviews** with eight key stakeholders between June and September 2022. Interviewees included funding partners, representatives of Third Sector Interfaces, and representatives of other national third sector organisations. These were semi-structured interviews conducted individually. They explored how the Fund was designed, set up and implemented, how well the funding process worked, how effective the TSRF was and what could be learned from this experience to improve future similar initiatives.

1.3.1 Limitations

There are some important limitations to this evaluation. First, it is beyond the scope of this project to make any definitive claims regarding the overall impact of the Third Sector Resilience Fund. In particular, it was not possible to conduct direct evaluation with the individuals, groups or communities supported by funded organisations. Similarly, it is important to note that the TSRF existed within a wider context of numerous other emergency funds and other forms of support which were put in place to support third sector organisations through the COVID-19 pandemic. This fund therefore represents one part of a much wider response. Many organisations benefited from more than one type of support through the pandemic, and it is not possible to assess the relative contributions of different interventions in supporting organisational operations or survival.

There were a number of inconsistencies and gaps in the applications data. For example, a significant number of organisations submitted more than one application to the fund, but with small inconsistencies in the formatting of organisation names meaning it was not always easy to identify multiple applicants from the data. While the data cleaning process has endeavoured to identify and fix these and other inconsistencies, it is likely that some remain.

The financial data provided through the application forms varied in quality, and for several reasons. Organisations were asked slightly different questions about their financial position depending on the route by which they applied to the Fund. This reduced the comparability of the different data sets. In addition, some organisations were unable to provide all the requested information. The financial picture for many organisations was also much more complex than could 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 only.

The analysis of the applications data according to the geographical and SIMD distribution of applicant organisations was based on the registered address of the applicant organisation. Since many organisations operated over multiple sites and/or in a different location to their headquarters/offices, the SIMD and local authority data presented here are a reflection of where organisations were based but not necessarily where they were working.

A relatively low rate of monitoring form returns (57.2%) was received by the funding partners. This may in part be explained by the fact that TSRF recipients were only contacted once with the request to complete the monitoring report, without any follow-up requests. This was in part due to an agreement to keep the monitoring approach as light as possible, and not create additional burden on organisations that had received the funding; and partly a result of lack of staff resource within the funding partners' organisations.

There are some differences between the data presented here and the early analysis of applications that was published in November 2020.[3] This is the result of extensive checks and data cleaning that have taken place to ensure that the final data are as accurate as possible.

[3] For the earlier analysis report, see the Scottish Government website.

2. Distribution of the funding

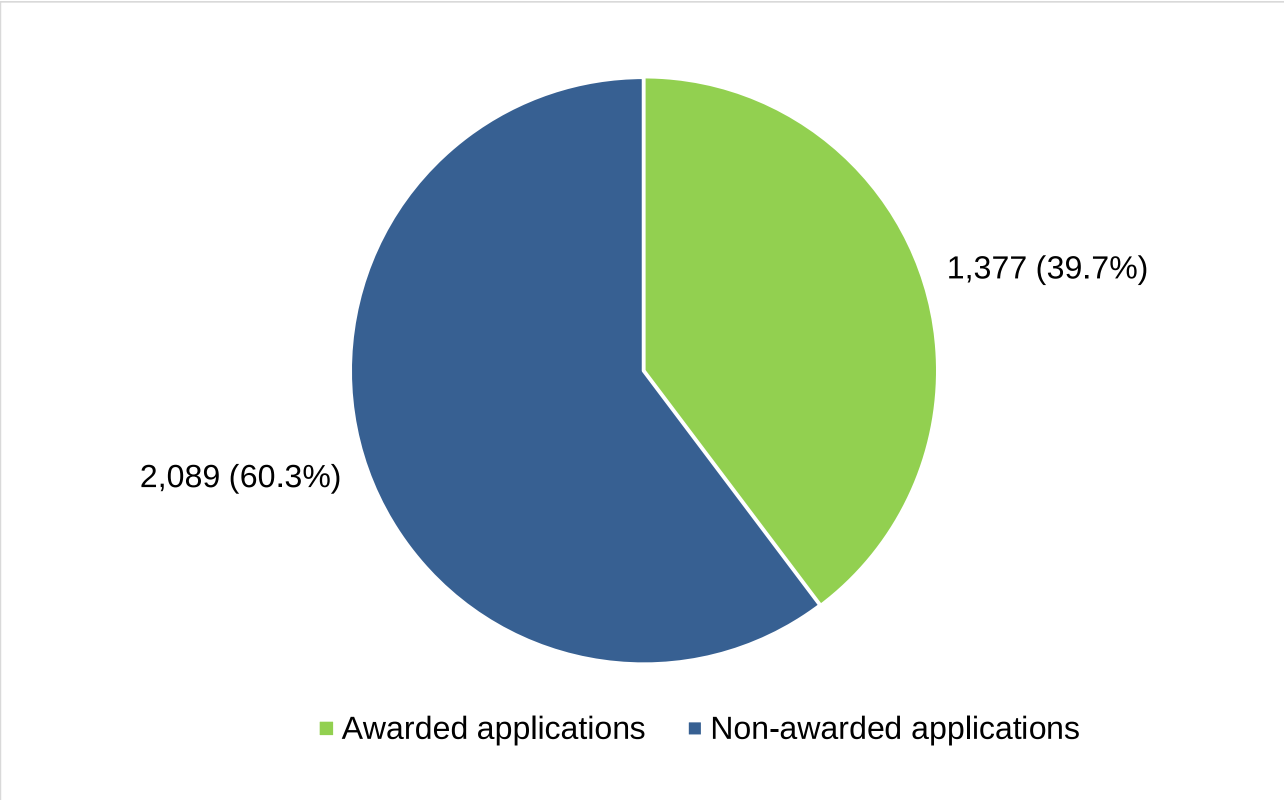
2.1 Overall funding summary

In total, 3,466 applications were made for TSRF funding, with these applications coming from 2,906 organisations.

A total of 1,377 applications were approved for funding, with an overall £22,608,610 being distributed amongst 1,371 organisations. Six organisations received two awards.

As Figure 1 illustrates, 39.7% of all applications were approved for funding. While the maximum value of grants awarded was £100,000, the average award size was much lower (£16,419), reflecting the large number of smaller organisations applying to the Fund.

Figure 1: TSRF awards as a proportion of all applications (n=3,466)



A comparison of the number of organisations applying to the Fund (2,906) with the number that were awarded funding (1,371) indicates that 47.2% of all applicant organisations received funding.

Four hundred and sixty-seven organisations (16.1% of all organisations submitting applications) applied more than once to the Fund, with some submitting subsequent applications on the basis of feedback and support following an initially unsuccessful application. Of these 467 organisations:

- four organisations applied for funding five times
- 11 organisations applied four times
- 59 organisations applied three times
- 393 organisations applied twice.

Three hundred and eleven organisations that submitted multiple applications to the fund had at least one application approved for funding.[4] This represents two thirds (66.6%) of all 467 organisations submitting multiple applications. When compared with the overall success rate for all organisations applying to the Fund (which, as mentioned previously, was 47.2%), it is clear that organisations were more likely to be successful if they applied more than once.

2.2 Grant funding by sector

Applicants were asked to provide details about the sector in which they operate. This data is summarised in Table 1, alongside a breakdown of the applications and awards made within each sector.[5]

The Health and Social Care sector received the largest share (£6,217,314, or 29.6%) of all TSRF funding awarded. This sector also accounted for the second-largest numbers of applications (777) and awards (263).

The second-largest share of funding (£3,052,632, or 14.5%) was awarded to the Sport and Physical Activity sector. This sector accounted for the third-highest numbers of applications (610) and awards (255).

The largest number of applications (939) and also the largest number of awards approved (358) were from organisations that did not select a specific sector from the options provided in the application form and instead classified their sector as "Other". These organisations included a significant number of TSOs that defined themselves as working on community development or as community groups and social clubs; other types of organisations that chose the 'other' category included some focusing on children's activities, education, religion/faith, training and animal welfare. "Other" organisations also accounted for the fifth-largest share of the funding (£2,071,531). On average, grants awarded to organisations that said they worked in "other" sectors were for £5,786, significantly smaller than the overall average of £16,169.

[4] While organisations could receive feedback from funding partners on unsuccessful applications to aid future applications, it is not possible to confirm the number of instances in which such feedback was provided.

[5] Note that 173 out of 3,466 applications (5.0%) did not provide any information on the sector of the applicant organisation. As such, these applications have been removed from this part of the analysis.

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.

Table 1: Grant awards by sector

Sector	No. of applications	No. of awards	% of applications approved	Amount awarded	% of funding awarded	Average award size
Circular Economy	69	30	43.5%	£763,393	3.6%	£25,446
Creative Industries (incl. Digital)	323	153	47.4%	£2,527,230	12.0%	£16,518
Employability	141	55	39.0%	£1,830,130	8.7%	£33,275
Energy (Including Renewables)	12	3	25.0%	£87,757	0.4%	£29,252
Financial & Business Services	77	32	41.6%	£1,067,185	5.1%	£33,350
Food & Drink	77	34	44.2%	£428,705	2.0%	£12,609
Health & Social Care	777	263	33.8%	£6,217,314	29.6%	£23,640
Life Sciences	12	6	50.0%	£228,391	1.1%	£38,065
Retail	52	26	50.0%	£608,218	2.9%	£23,393
Sport & Physical Activity	610	255	41.8%	£3,052,632	14.5%	£11,971
Tourism & Hospitality	188	77	41.0%	£2,095,581	10.0%	£27,215
Travel/transport	16	9	56.3%	£57,170	0.3%	£6,352
Other	939	358	38.1%	£2,071,531	9.8%	£5,786
Total	**3,293**	**1,301**	**39.5%**	**£21,035,236**	**100.0%**	**£16,169**

Figure 2: Third Sector Resilience Fund funding awarded by sector (n=1,301)

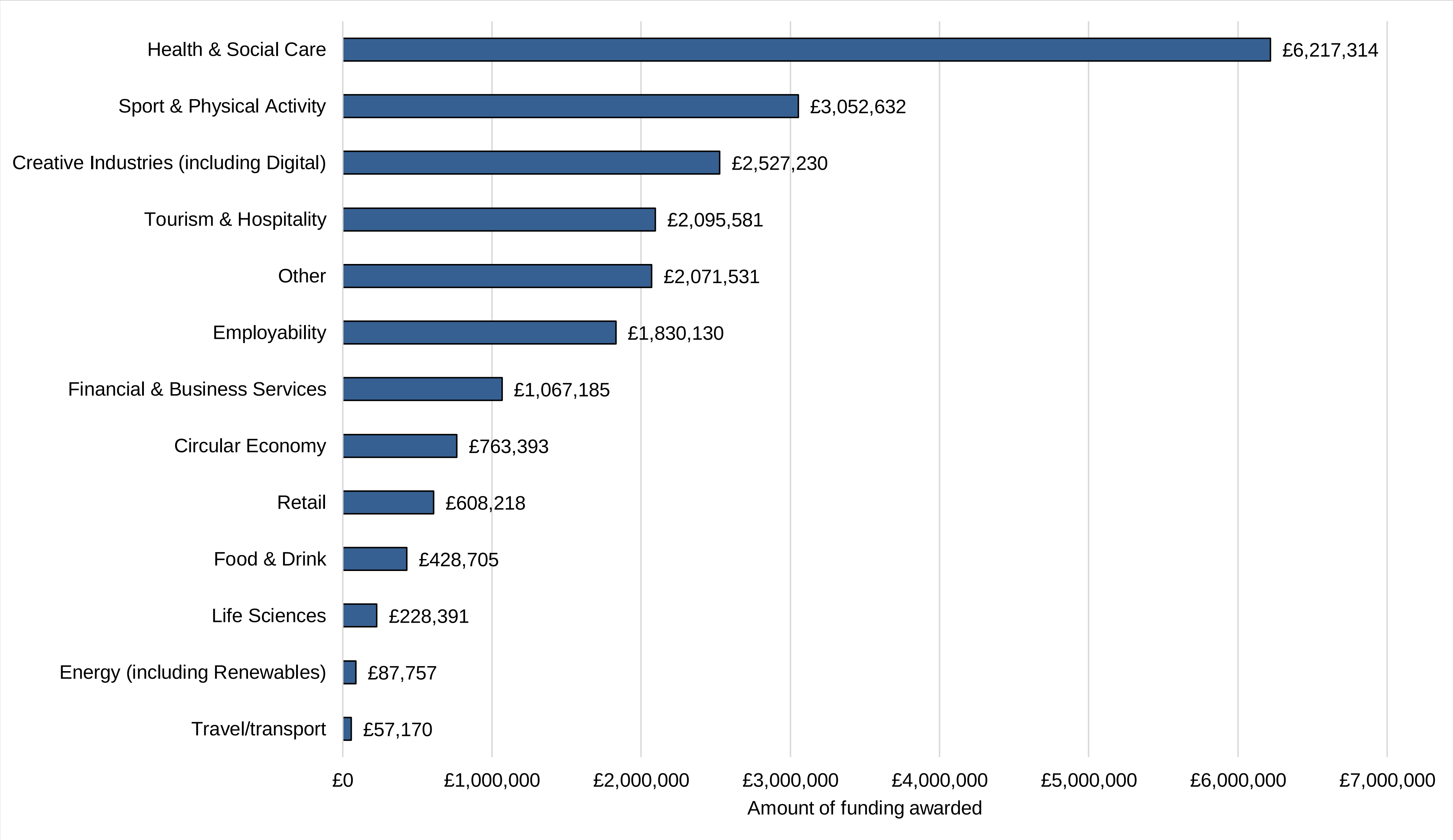
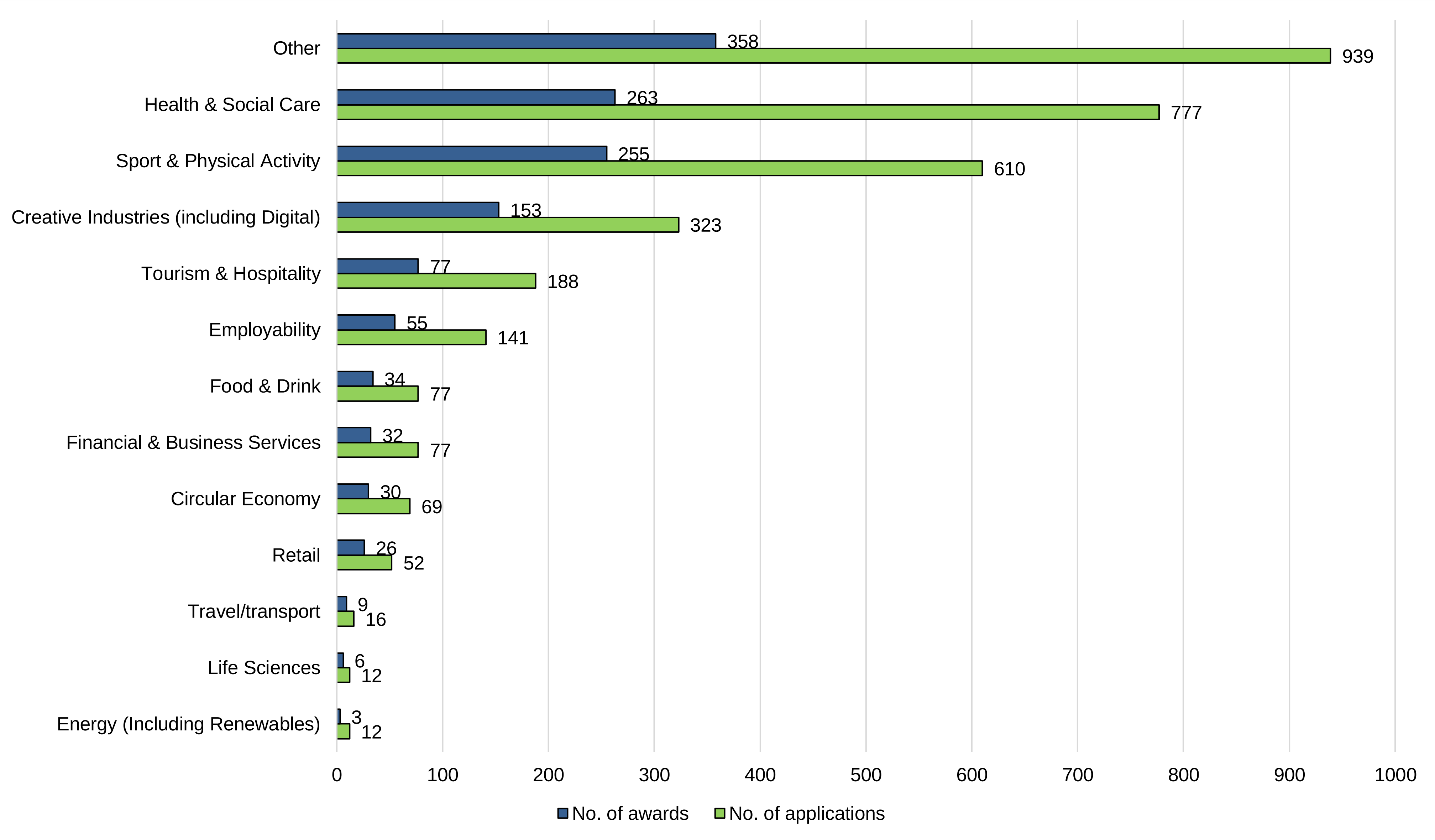


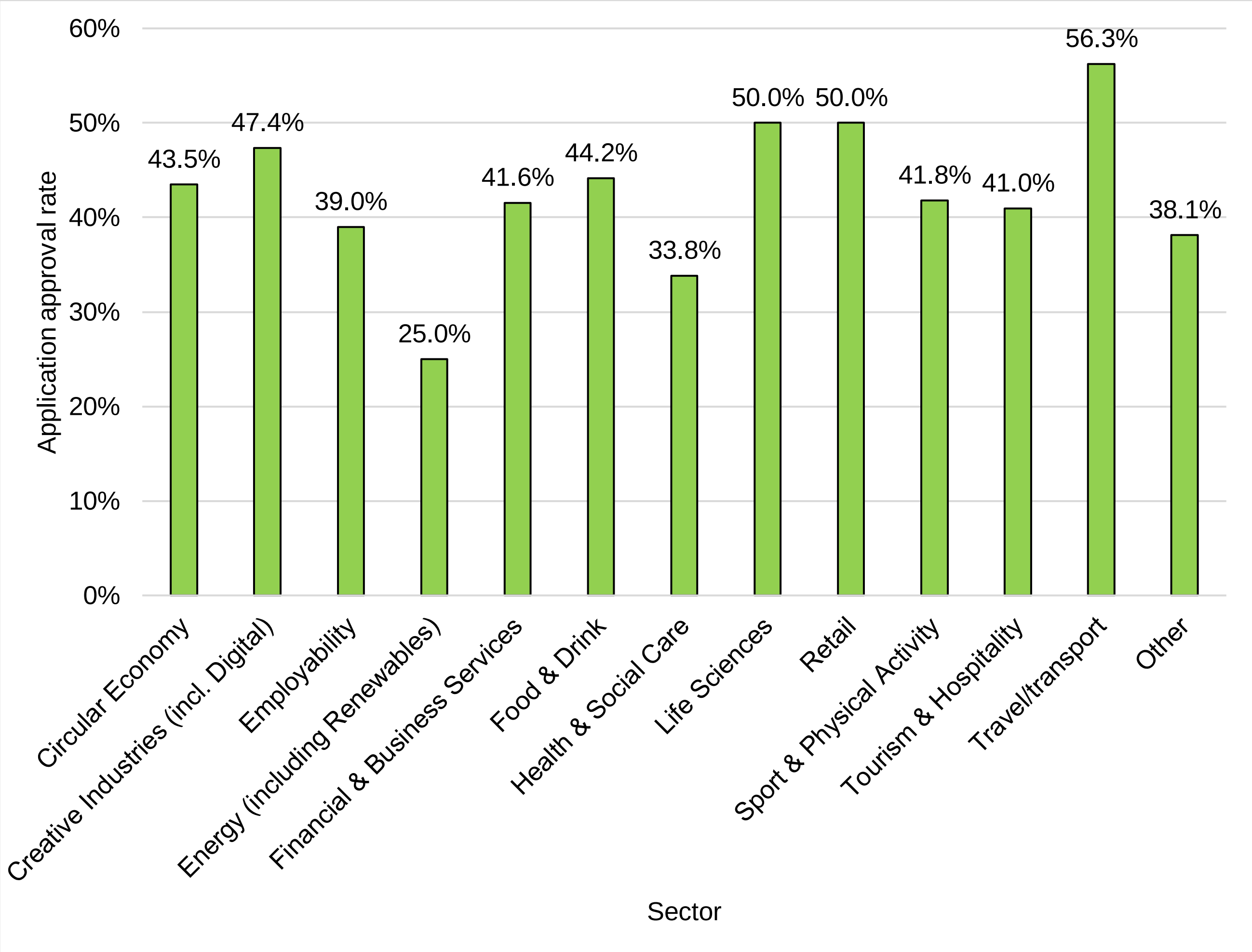
Figure 3: Number of Third Sector Resilience Fund applications and awards by sector (n=3,293)



As Figure 4 shows, the application approval rate for organisations working in different sectors ranged from 25.0% of applications approved to 56.3% of applications approved. The sector with the highest application approval rate was Travel/transport with 56.3% of applications approved – however, it is important to note the relatively small numbers of applications (16) and awards (9) within this sector.

Despite accounting for the largest share of funding, the Health and Social Care sector had the second-lowest application approval rating (33.8%), with Energy having the lowest (25.0%).

Figure 4: Third Sector Resilience Fund application approval rate by sector (n=3,293)



2.3 Funding by geographical location

As part of the application process, applicants were asked to identify where their organisation predominantly operates; applicants could either identify a single local authority area or indicate that they operated across Scotland. In some cases where applicants did not provide this information, postcode data provided elsewhere on the form was used to assume a primary local authority location.

There may be some error in the location data arising from two factors:

1. The possibility that some organisations operating across more than one local authority area may have specified one particular local authority as their primary location, whereas others will have identified themselves as “Scotland-wide”.
2. For organisations where the analysis has used the postcode of the organisational address to derive the local authority area, this is only an assumption about the area of operations of the organisation.

Accordingly, the data presented in this section should be seen as an indication of the distribution of funding across local authority areas.[6]

The largest share of funding (27.3%) went to organisations that were operating across Scotland (£6,175,942).

The remaining 72.7% of funding that went to organisations indicating that they operated in a specific local authority area. Figure 5 provides a breakdown of the funding awarded to organisations operating in each local authority. Figure 6 provides similar information in relation to the number of applications and awards in each local authority.

Figures 5 and 6 show that applications from organisations indicating that they operated in Glasgow City (£2,807,451, or 17.1%), City of Edinburgh (£1,486,608; 9.0%), and Highland (£1,308,803; 8.0%) accounted for the largest shares of TSRF funding. These areas also accounted for the highest numbers of applications (409, 264 and 204 applications respectively) and the highest numbers of awards (190, 95 and 86). This is not particularly surprising 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.

Applications from TSOs indicating that they operated in East Dunbartonshire (£48,145, or 0.3%), East Renfrewshire (£58,140; 0.4%), and Clackmannanshire (£123,374; 0.8%) accounted for the smallest shares of grant funding. This reflected the fact that relatively few applications were received from organisations indicating that they operated in these areas (23, 25 and 34 applications respectively). Moreover, according to the SCVO data, relatively few TSOs are based in these three local authority areas compared with the rest of Scotland.

[6] One application did not provide information on their geographical location (neither local authority information nor postcode data) and has therefore been excluded from this part of the analysis.

Figure 5: Grant funding awarded by local authority area (excluding organisations indicating that they operated across Scotland) (n=1,200)

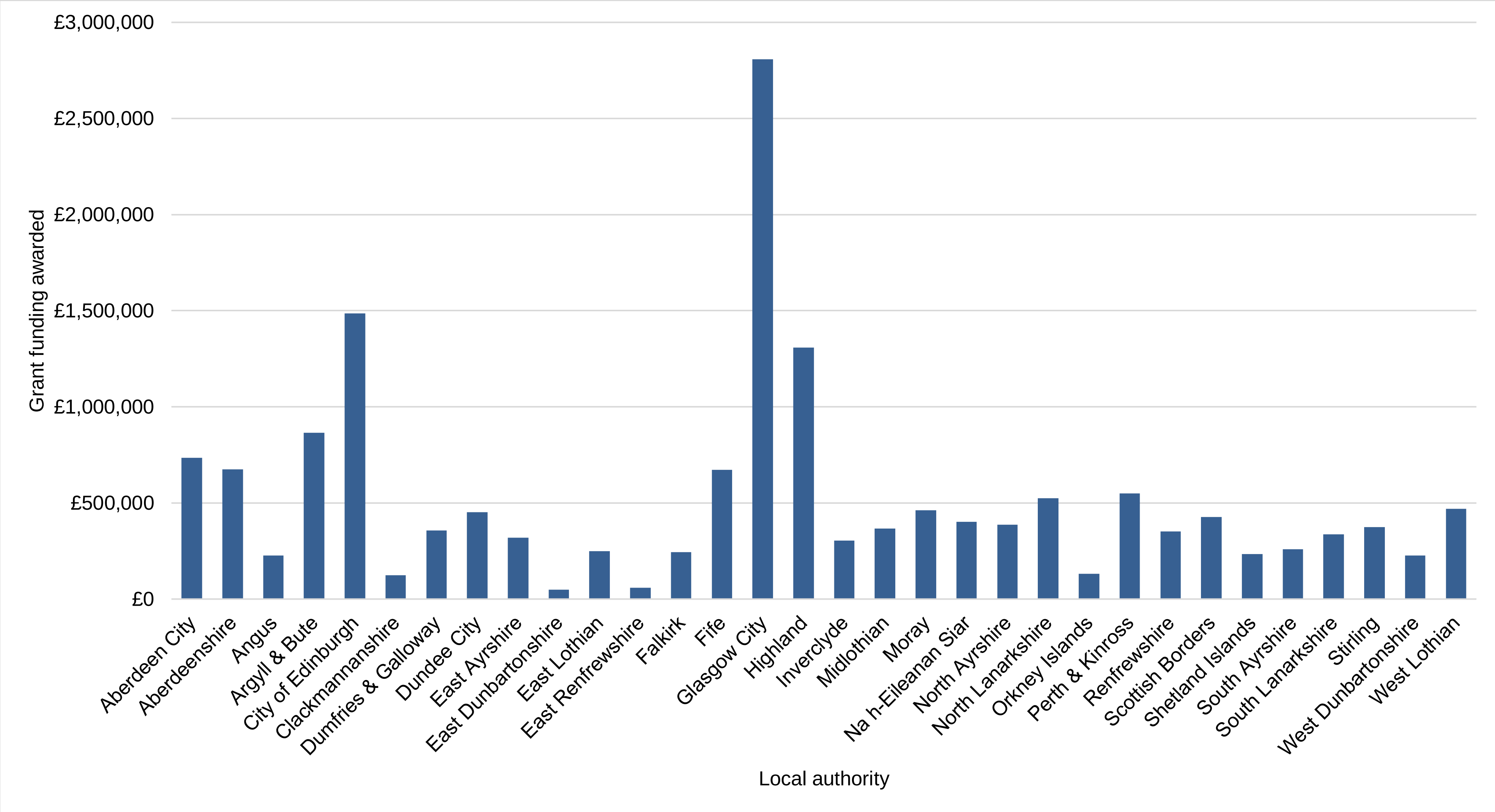
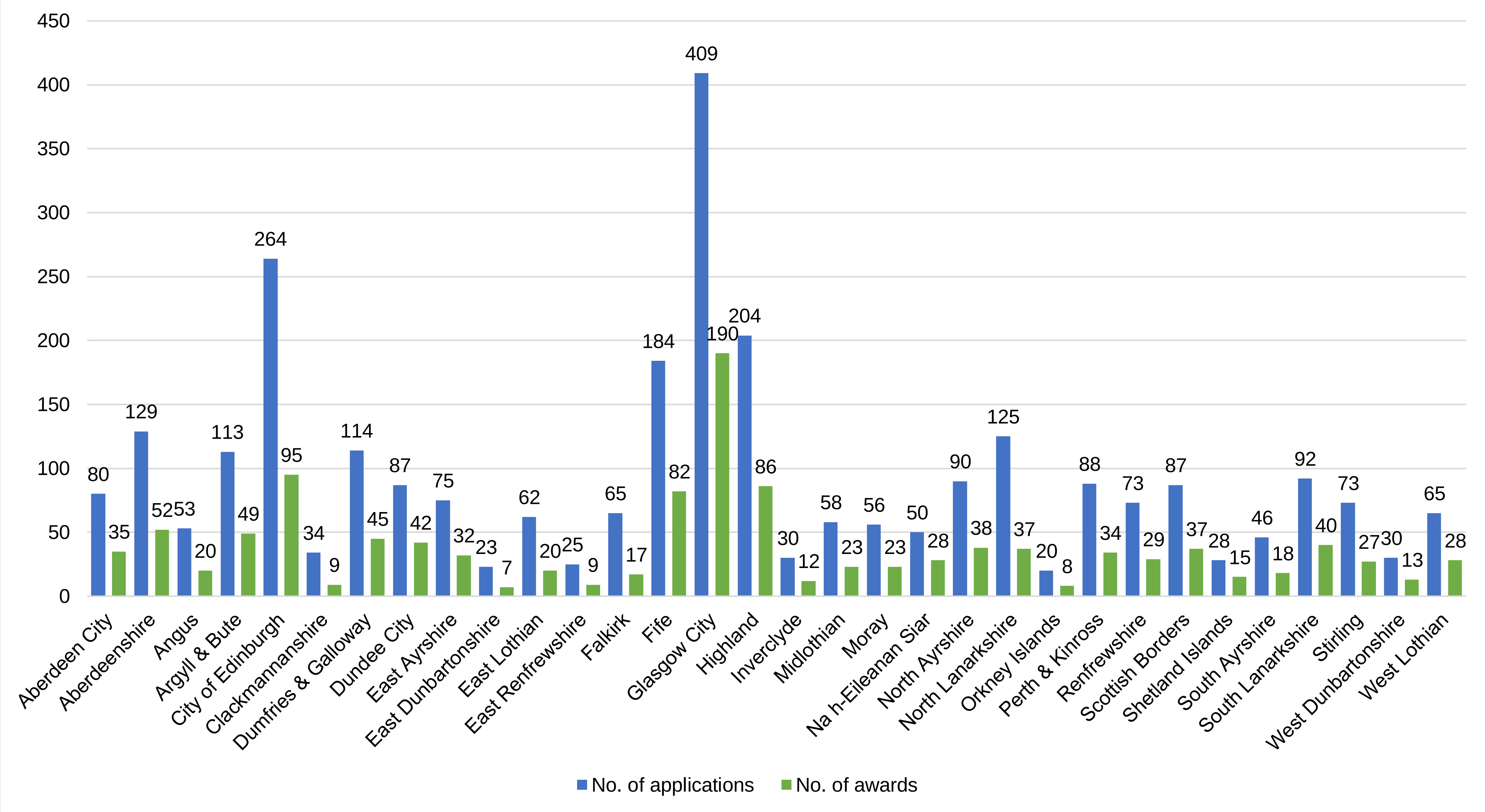


Figure 6: Number of grant applications and awards by local authority (excluding organisations indicating that they operated across Scotland) (n=2,932)

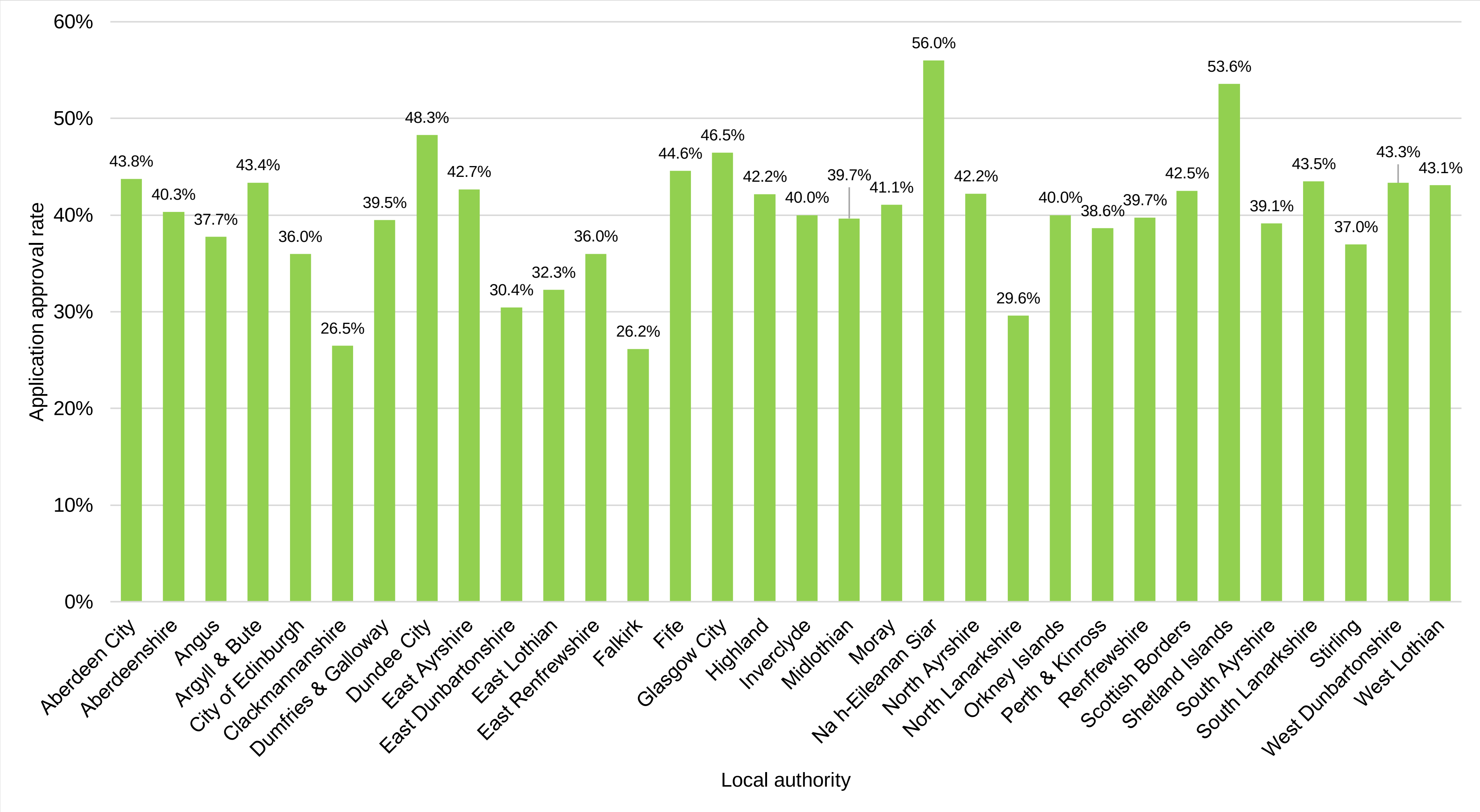


Amongst the organisations indicating that they operated in a particular local authority area, the application approval rate varied significantly across different areas. Approval rates ranged from a 26.2% approval rate for applications from organisations indicating that they operated in Falkirk, to 56.0% for applications from organisations indicating that they operated in Na h-Eileanan Siar (Figure 7).

It is not clear why the application approval rate varied so widely across the country. However, it is 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. As such, it was not expected that the funds would necessarily be distributed evenly across local authority areas. In any case, possible factors influencing application approval rates in different parts of the country may have included:

- organisations in some areas potentially being disproportionately affected by the pandemic and lockdown;
- the possibility that the fund was more widely or actively promoted in some areas than others meaning that organisations in some areas were more likely to be aware of the Fund;
- relatedly, that there may have been varying levels of support available for organisations seeking to apply in different local areas.

Figure 7: Application approval rate by local authority (excluding organisations indicating that they operated across Scotland) (n=2,932)



2.4 Funding awarded by Scottish Index of Multiple Deprivation (SIMD) quintile

As part of the application process, all organisations applying for funding were asked to provide their postcode. As part of the analysis, applications were then grouped into one of the five Scottish Index of Multiple Deprivation (SIMD) quintiles.[7]

As with the local authority analysis, there are some inherent limitations in the SIMD analysis since it is based on the postcode given by the organisation on the application form. In cases where organisations mainly deliver their services in areas which are not in close proximity to their main base, the organisation's SIMD quintile may not reflect the areas that they predominantly work in. Nevertheless, the SIMD analysis provides some insight into the extent to which funded organisations were based in areas of deprivation.

Table 2 provides a breakdown of the applications and grants awarded by SIMD quintile. Figure 8 breaks down the funding awarded to organisations based in each SIMD quintile as a percentage of the total funding awarded.[8]

Table 2: Numbers of applications and awards in each SIMD quintile

SIMD quintile	No. of applications	No. of awards	% of applications approved	Amount awarded	% of funding awarded
1 (20% most deprived areas)	740	324	43.8%	£5,144,658	22.8%
2	687	285	41.5%	£4,730,983	20.9%
3	864	329	38.1%	£4,427,160	19.6%
4	703	287	40.8%	£5,104,764	22.6%
5 (20% least deprived areas)	471	152	32.3%	£3,201,045	14.2%
Total	**3,465**	**1,377**	**39.7%**	**£22,608,610**	**100.0%**

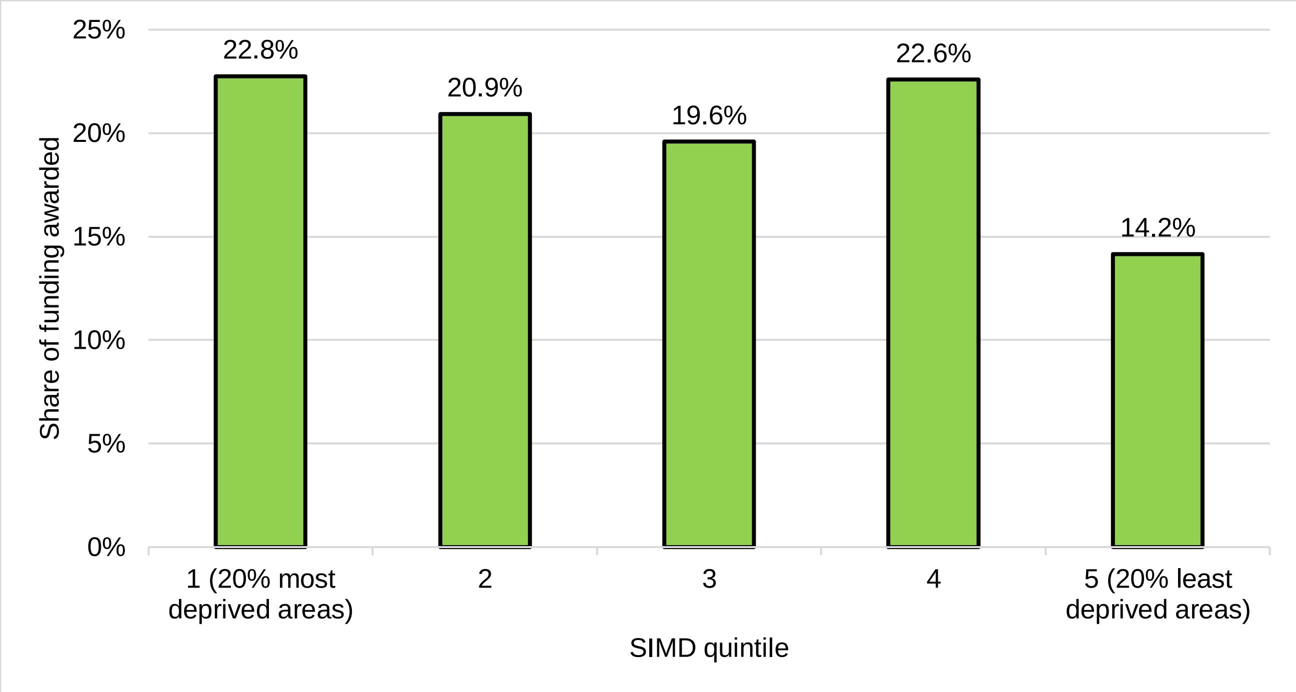
With the exception of applications from organisations operating in SIMD 4 areas, as the level of deprivation increases, the amount of funding awarded to organisations in each quintile also increases. The largest share of funding (£5,144,658, or 22.8% of the funding awarded) went to organisations based in SIMD 1 (i.e. the 20% most deprived areas in Scotland). The smallest share of funding (£3,201,045, 14.2%)

[7] Using postcode data for 6,976 data zones across Scotland, SIMD measures the level of deprivation in an area across seven domains – income, employment, education, health, access to services, crime and housing – and each data zone is then assigned to one of five quintiles. Those areas that are assigned to the first quintile are classed as the 20% most deprived areas in Scotland, and those in the fifth quintile are classed as the 20% least deprived. For more information, see the Scottish Government website.

[8] Note that one application was excluded from this part of the analysis, due to a lack of information on the location of the relevant organisation.

was awarded to organisations based in SIMD 5 (i.e. the 20% least deprived areas in Scotland).

Figure 8: Breakdown of funding awarded to organisations based in each SIMD quintile (as a % of total funding awarded) (n=1,377)



Organisations based in the fourth SIMD quintile were awarded a combined £5,104,764, amounting to 22.6% of all funding awarded. That organisations in this quintile were awarded a relatively high level of funding can likely be explained in two ways. First, as SCVO's State of the Sector 2020 data shows, the largest share of charities (24.9%) are based in the fourth SIMD quintile. Second, it is likely that many larger charities will have their main headquarters in central urban areas, with postcodes that will often be in higher SIMD quintiles than the areas where their services are generally targeted. Indeed, the SCVO data shows that the largest share of charities (34.5%) are based in large urban areas.

Applications from organisations based in the most deprived quintile (SIMD 1) had the highest application approval rate (43.8%), while applications from organisations based in the least deprived quintile (SIMD 5) had the lowest approval rate (32.3%). The largest number of applications came from organisations based in SIMD 3 (864 applications) while the smallest number came from those based in SIMD 5 (471).

Overall, the data suggest that the Funding was successful in reaching and supporting organisations working in more deprived areas of Scotland.

2.5 Funding awarded by organisation size (expenditure/turnover)

Depending on the amount of funding that organisations were applying for, applicant organisations were asked to provide information on either their turnover or expenditure during the previous financial year.[9] This information can be used as a proxy for the size of the applicant organisations.

Table 3 summarises the data on the applications from (and awards to) organisations of different sizes, when using expenditure or turnover as an indicator of size. Breakdowns of the total value of grants awarded to – and the total numbers of applications from and awarded to – organisations of different sizes are also provided in Figures 9 and 10 respectively.[10]

Table 3: Grants awarded by size of organisation (annual expenditure/turnover)

Annual expenditure/ turnover	No. of applications	No. of awards	% of applications approved	Amount awarded	Average amount awarded	% of funding awarded
Under £10,000	297	93	31.3%	£899,891	£9,676	4.2%
£10,000 - £49,999	876	342	39.0%	£1,517,173	£4,436	7.0%
£50,000 - £99,999	590	243	41.2%	£1,737,835	£7,152	8.1%
£100,000 - £249,999	688	279	40.6%	£3,693,786	£13,239	17.1%
£250,000 - £499,999	462	203	43.9%	£5,312,389	£26,169	24.7%
£500,000 - £749,999	131	52	39.7%	£1,960,810	£37,708	9.1%
£750,000 - £999,999	69	31	44.9%	£1,489,622	£48,052	6.9%
£1,000,000 - £2,499,999	124	57	46.0%	£2,770,069	£48,598	12.9%
£2,500,000 or more	115	34	29.6%	£2,158,583	£63,488	10.0%
Total	**3,352**	**1,334**	**39.8%**	**£21,540,159**	**£16,147**	**100.0%**

[9] 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.

[10] Note that the analysis excludes 114 applications (3.3% of all 3,466 applications) where organisations provided no information on expenditure or turnover.

Figure 9: Breakdown of total value of grants awarded by size of organisation (annual expenditure/turnover) (n=1,334)

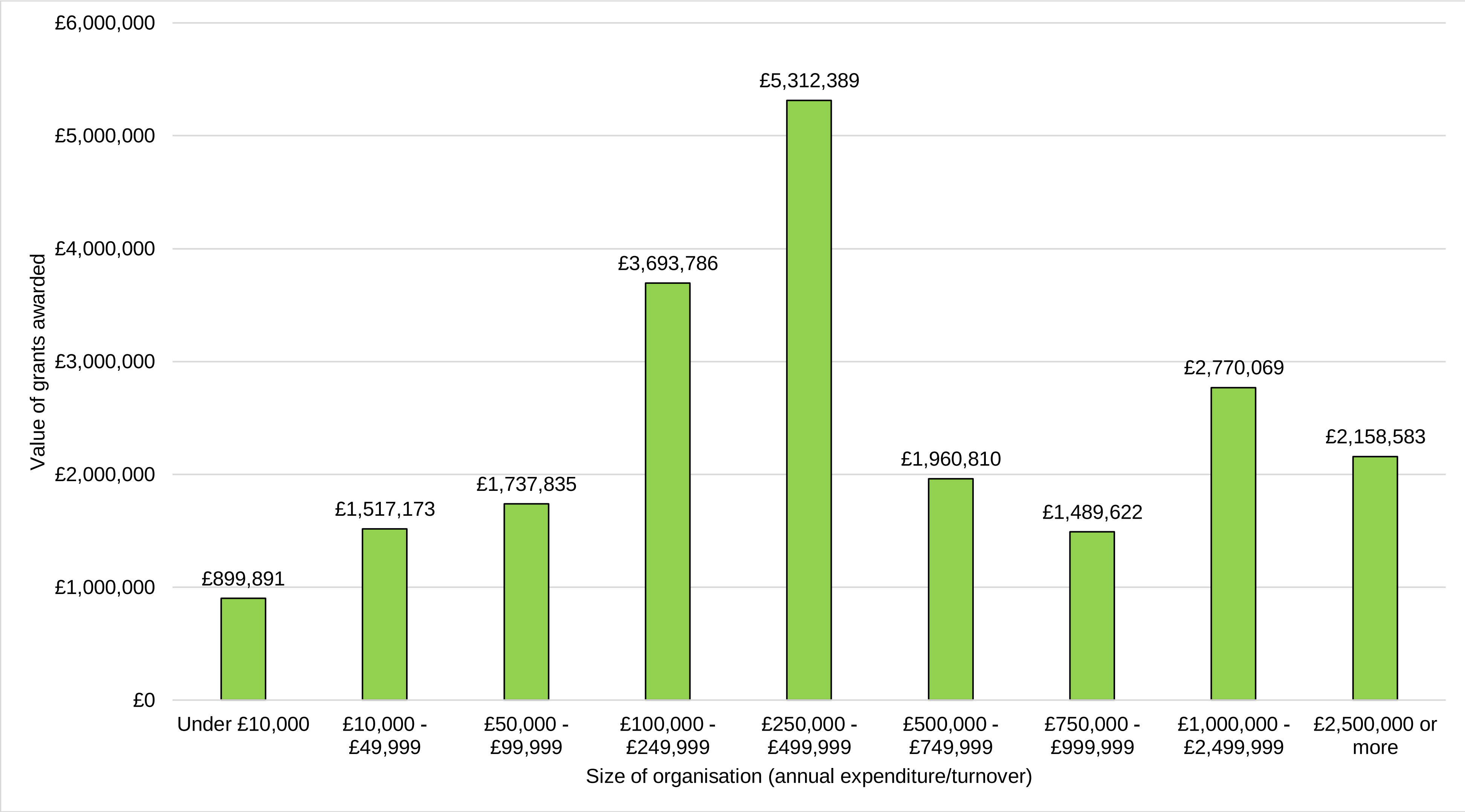
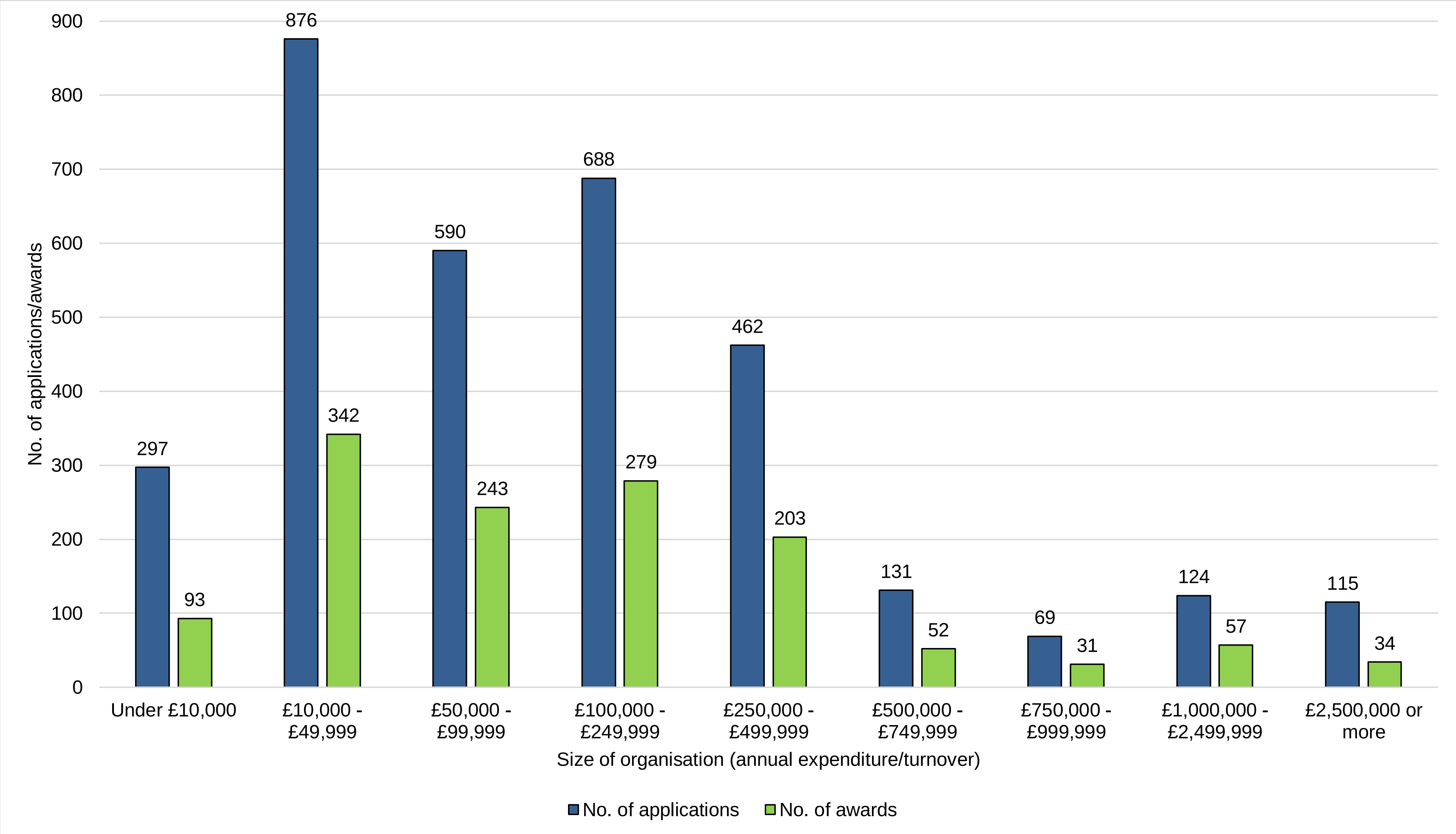


Figure 10: Breakdown of total numbers of grant applications and awards by size of organisation (annual expenditure/turnover) (n=3,352)



As the data show, the majority of grants went to relatively small organisations. Just over half (50.8%) of all awards were made to organisations with annual expenditure or turnover of less than £100,000. The second-smallest organisations represented in the data – those with an annual expenditure/turnover of between £10,000 and £49,999 – accounted for the largest number of applications (876) and awards (342), and received a combined total of £1,517,173.

However, the largest share of funding (£5,312,389, or 24.7% of the funding awarded) was distributed to organisations with annual expenditure/turnover of between £250,000 and £499,999. This was followed by organisations with an annual expenditure/turnover of between £100,000 and £249,999 (£3,693,786, or 17.1% of all funding awarded).

While the majority of awards were made to smaller organisations, larger organisations typically received larger grants, as might be expected given their higher liabilities and operating costs. With the exception of the awards made to organisations with an expenditure/turnover of less than £10,000 (which received £9,676 each, on average), the average amount of funding awarded rose in line with the size of the applicant organisation. The average award size for organisations with an annual expenditure/turnover of £2.5 million or more was £63,488.

2.6 Funding awarded by organisation size (number of employees)

Employee numbers are another way of measuring the size of an organisation. In addition to gathering information on annual expenditure and turnover, organisations applying for TSRF grants were also asked how many staff members they employed. These figures were provided as total number of staff members, rather than number of full-time equivalent staff.

Table 4 provides an overview of the number of applications from – and awards to – organisations of different sizes, when using employee numbers as an indicator of size. Breakdowns of the total value of grants awarded to – and the total numbers of applications from and awarded to – organisations of different sizes are also provided in Figures 11 and 12 respectively.[11]

[11] Note that this analysis excludes the 167 applications (4.8%) where no information on employee numbers was provided.

Table 4: Grants awarded by size of organisation (number of employees)

No. of employees	No. of applications	No. of awards	% of applications awarded	Amount awarded	Average amount awarded	% of funding awarded
None	537	191	35.6%	£696,576	£3,647	3.3%
1 or 2	725	280	38.6%	£1,897,506	£6,777	9.0%
3 to 10	1,268	523	41.2%	£6,838,662	£13,076	32.6%
11 to 25	492	213	43.3%	£5,995,789	£28,149	28.5%
26 to 50	140	60	42.9%	£2,704,132	£45,069	12.9%
51 to 100	64	27	42.2%	£1,371,435	£50,794	6.5%
101 to 300	61	20	32.8%	£1,405,834	£70,292	6.7%
Over 300	12	2	16.7%	£93,610	£46,805	0.4%
Total	**3,299**	**1,316**	**39.9%**	**£21,003,545**	**£15,960**	**100.0%**

Figure 11: Breakdown of total value of grants awarded by size of organisation (number of employees) (n=1,316)

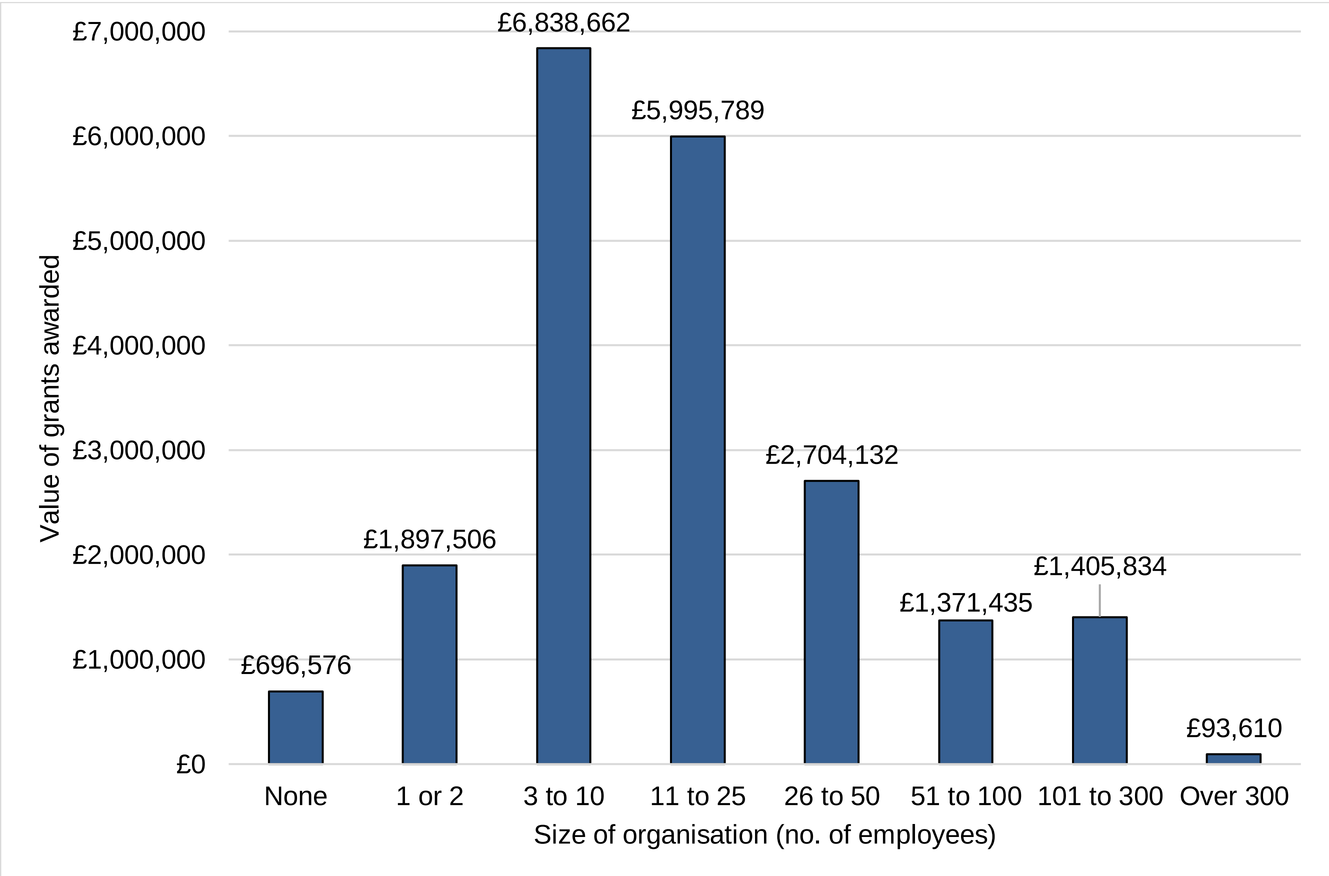
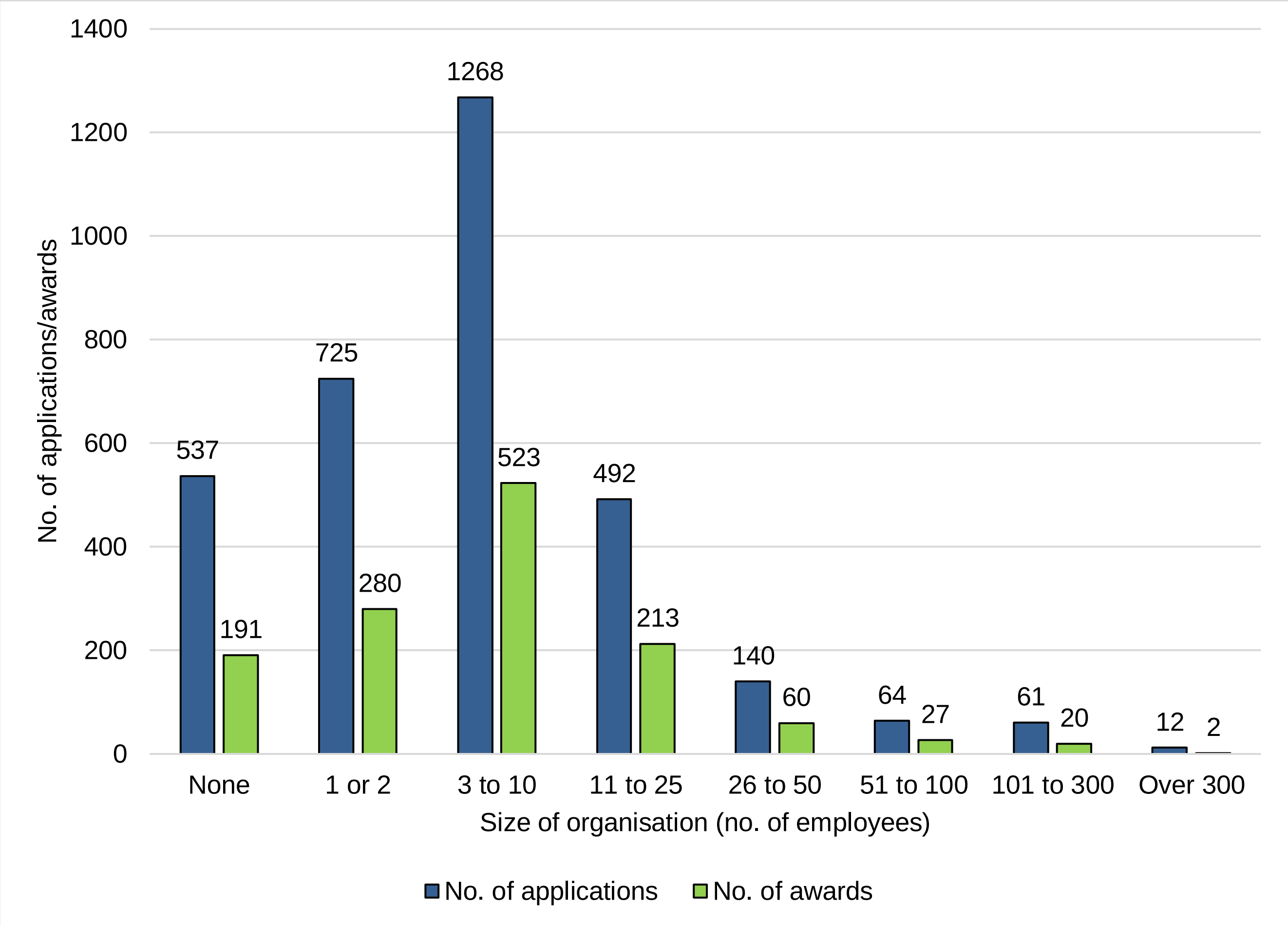


Figure 12: Breakdown of total numbers of grant applications and awards by size of organisation (number of employees) (n=3,299)



Overall, 1,125 awards were made to organisations with at least one employee (amounting to 85.5% of all awards). One hundred and ninety-one awards were made to organisations which did not employ any staff (representing 14.5% of awards).

As the data show, the largest share of funding (£6,838,662, or 32.6% of all funding awarded) was awarded to small organisations with three to 10 employees. Organisations of this size submitted the largest number of applications (1,268) and received the largest number of awards (523), with an application success rate of 41.2%.

The smallest share of funding (0.4%) was provided to organisations with over 300 employees. Organisations of this size submitted the fewest applications (12) and received the smallest number of awards (2). Given the upper limit on awards that could be made via the TSRF, it was designed to be more relevant to smaller and medium-sized organisations rather than larger ones.

2.7 Financial resilience

The TSRF application process asked organisations to submit data about their accounts and financial status. For the purposes of the evaluation, this information was 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.[12] As noted above, the level of organisational reserves was one of the main eligibility criteria for the Fund, with organisations only being eligible if their current reserves would not cover more than four months (during Phase One) or 12 weeks (Phase Two) of operating costs.

Again, there are limitations to the data in question. The quality of the data varied. The financial data submitted by some organisations did not appear to be realistic, but it was not possible to check the data that organisations had provided. Organisations were asked to provide slightly different financial information depending on the application route they used. Full data was not available for all organisations. Accordingly findings presented here should therefore only be seen as a broad or approximate indicator the financial resilience of organisations applying for TSRF funding.

Finally, these results are not representative of the third sector more widely as organisations with current reserves above the thresholds set within the eligibility criteria were not eligible for funding. TSRF applicants were therefore likely to be organisations with lower reserve levels than average for the sector as a whole.[13]

2.7.1 Reserve levels of TSRF applicants and awarded organisations

As shown in Figure 13, around one quarter of all applications (26.3%, or 881 applications) were from organisations which said they had zero reserves; in some cases, applicants reported having negative reserves. Conversely, almost three quarters of applications (73.7%, or 2,464) were from organisations which had at least some reserves. Overall, the data suggest that the majority of third sector organisations represented here were operating with a minimal financial buffer at the outset of the pandemic.

Figure 13 shows that 70.6% of awards went to organisations which had at least some reserves. Nevertheless, the overall level of reserves among awarded organisations was low, with 29.4% of awards going to organisations which stated that they had no reserves at all.[14]

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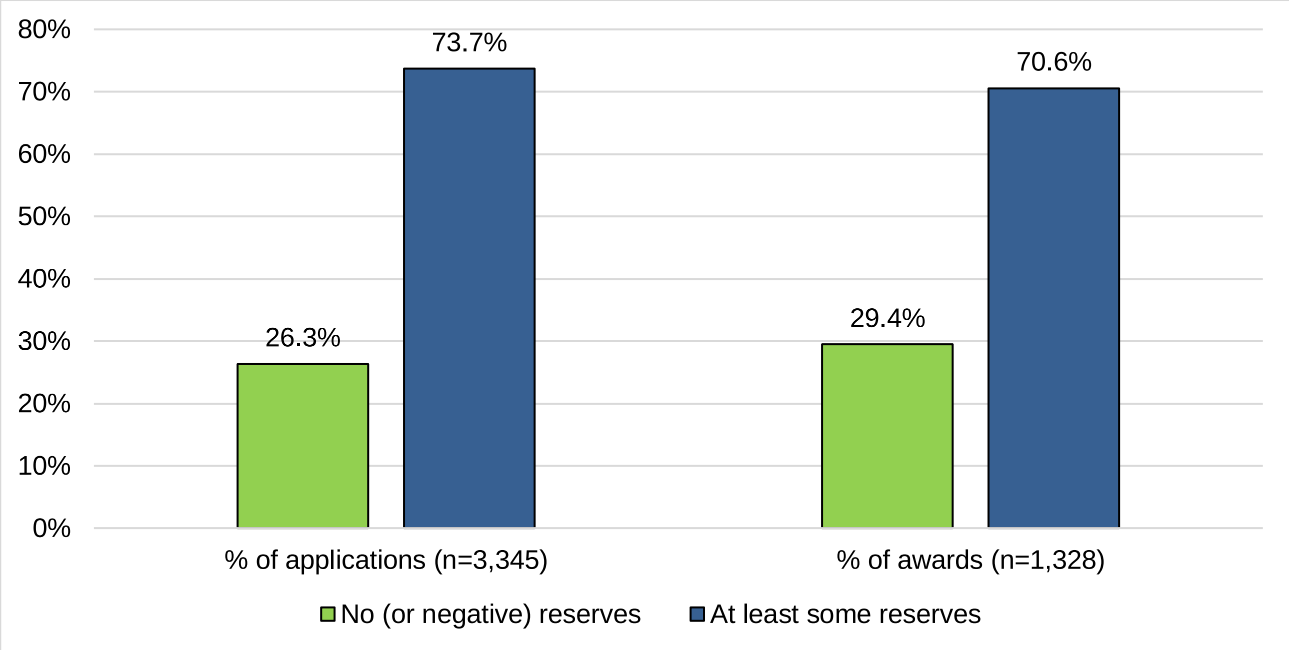
[12] Applicants were asked to give information about either their 'unrestricted reserves' or their 'reserves' depending on which application route they took. Both sets of responses are included in this analysis.

[13] Note that a more in-depth analysis of financial resilience based on the application data can be found in a separate analysis of applications and awards through the TSRF.

[14] This analysis excludes the 121 applications (3.5%) where information about reserve levels was not provided.

Figure 13: Reserve levels of TSRF applicants and awarded organisations



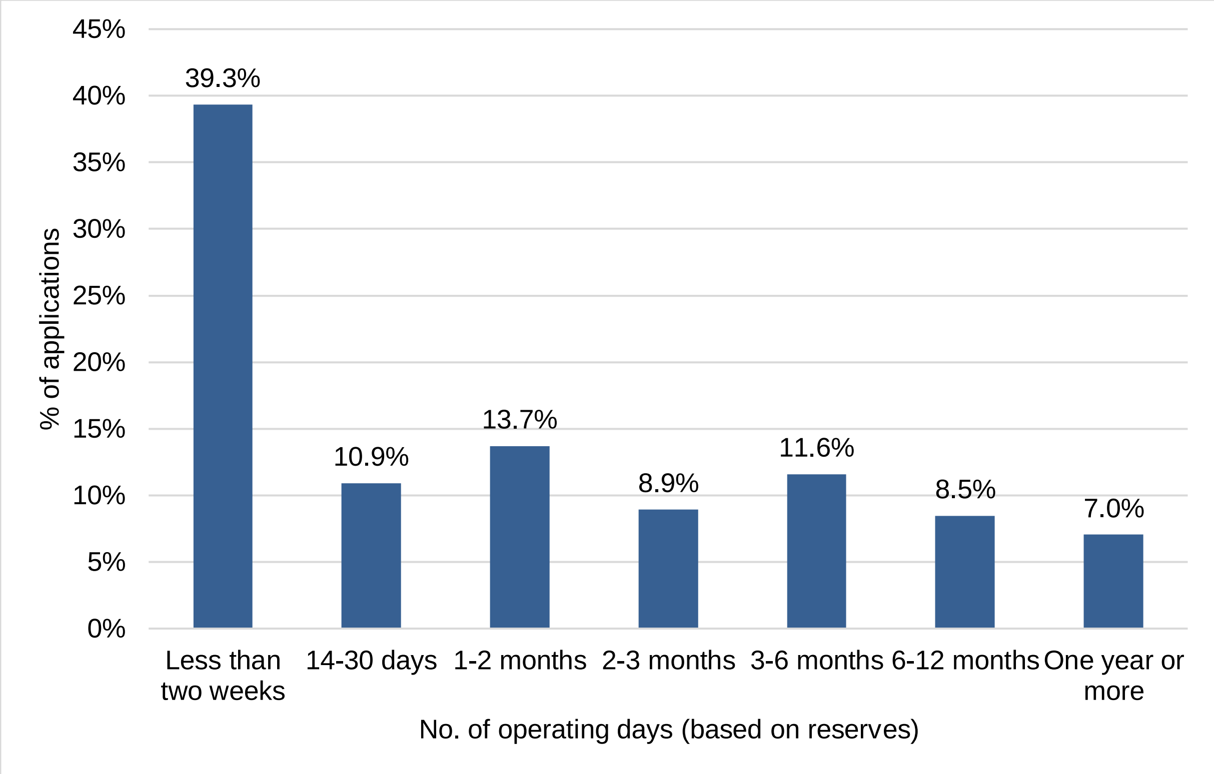
2.7.2 Reserves in relation to operating costs

Reserves alone are a limited indication of the financial resilience of an organisation. The amount of reserves that an organisation requires depends on its size and operational costs. Reserves can also be influenced by the business model of the organisation (for example, its throughput rate), or by seasonal fluctuations (particularly in the tourism and hospitality sector).

The available data on organisational expenditure/turnover was used to derive daily expenditure rates – the average cost of an operating day based on reported annual expenditure. These rates of expenditure were then compared with reported data on reserves to give an understanding of reserves in relation to operating costs.[15] The results are shown in Figure 14.

[15] Note that 241 applications (7.0%) were removed from this part of the analysis because of a lack of relevant information. 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 14: Number of operating days (based on reserves) amongst TSRF applicants (n=3,224)



Based on the reserves data submitted by applicant organisations, 1,268 applications (39.3% of all applications) were from organisations which had reserves sufficient for less than two weeks of (notional) expenditure costs at the time of application. Around half (1,620, or 50.2%) of applications were from organisations which had reserves sufficient for less than one month of expenditure. When combined, almost three quarters (2,350, or 72.9%) of applications were from organisations which had reserves sufficient for no more than 3 months of expenditure.

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. In this sense, the TSRF generally succeeded in attracting applications from organisations which were in greatest need of support given their limited financial reserves.

3. Use and impact of the funding

All organisations that received TSRF funding were asked to complete a monitoring form at the end of the funding period. The purpose of this form was to gauge how the funds were used and what difference the funding made to the recipient organisations.

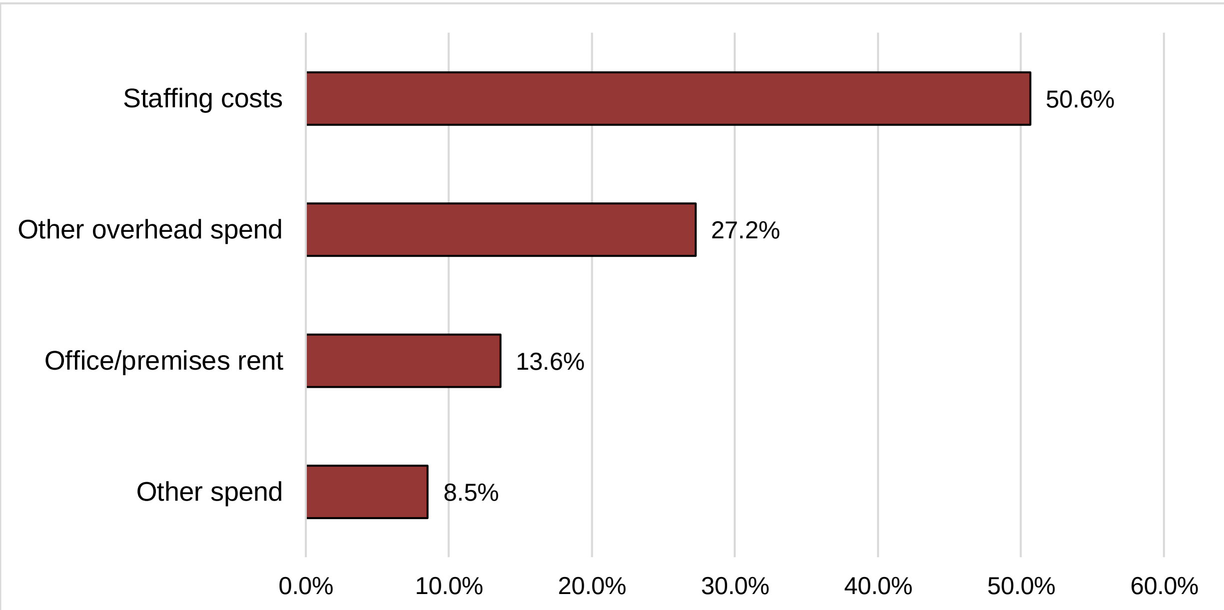
Seven hundred and eighty-eight monitoring forms were completed by organisations in receipt of TSRF funding. A total of 785 organisations returned a monitoring form – this amounts to 57.2% of the 1,371 organisations in receipt of funding.[16] Most of the monitoring returns (79%) were returned between June and September 2020.

3.1 How the awarded organisations used the funding

Of all 788 returned monitoring forms, 571 included data that was deemed to be complete and robust enough to enable an analysis of how the organisations in receipt of funding used that funding.[17]

These 571 forms accounted for fund expenditure of £6,890,423. As Figure 15 shows, the majority of this funding was reported as being used for the three main purposes intended by the Fund. These were: to support the costs of staff who had not been furloughed; to make rent payments; and to pay other overhead costs.

Figure 15: How Third Sector Resilience Fund recipients spent the grants (n=571)



[16] Note that 788 monitoring forms does not equal 788 organisations because three organisations submitted two monitoring forms.

[17] The 571 monitoring forms include organisations that said they spent the amount that they were awarded, as well as organisations that said they had spent less than they were awarded at the point when they returned the form. It excludes organisations that said they spent more than they were awarded.

Slightly more than half of funding (50.6%) was spent on staff costs, while 27.2% was spent on other overheads. Although the monitoring forms did not gather detailed information on the nature of spend on other overheads, when asked if they had any further comments, some organisations mentioned overheads such as insurance, membership affiliation fees, utilities and accounting. An additional 13.6% of funds were spent on rent payments.

As also shown in Figure 15, ‘other’ expenditure accounted for 8.5% of the spending. For organisations funded by Firstport, the data provide an insight into the types of spending that were classed as "other” spend on the monitoring forms. Based on the monitoring data collected by Firstport, 56 organisations recorded expenditure classed as ‘other’. Table 5 shows a breakdown of how this ‘other’ expenditure was used. The most common types of expenditure here were general running costs (as reported in 27.3% of monitoring forms), remote working and/or IT costs (17.9%), costs associated with buildings, sites, and construction (12.5%), costs associated with COVID-19 (8.9%) and supplier payments (8.9%).

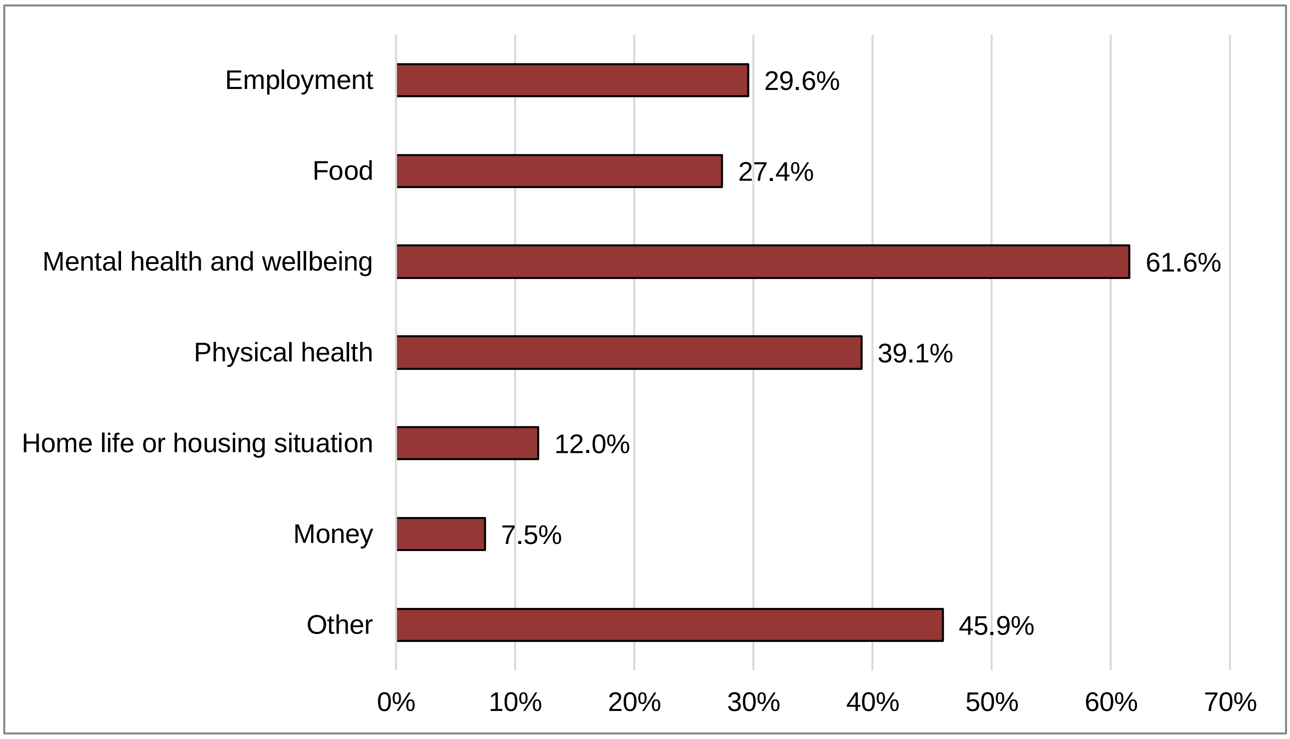
Table 5: Breakdown of ‘other’ spending from monitoring forms (n=56)

Type of "other" spending	No. of monitoring forms reporting each type of spend	% of monitoring forms reporting each type of spend
General running costs	15	27.3
Remote working costs/IT equipment	10	17.9
Building/site/construction costs	7	12.5
COVID-19-related spending (e.g. PPE, cleaning)	5	8.9
Supplier payments	5	8.9
Debt repayment	2	3.4
Subscriptions	1	1.8
Future-proofing	1	1.8
Refunds	1	1.8
Re-opening costs	1	1.8
Supporting volunteers	1	1.8
Unclear/unknown/other	7	12.5
Total	**56**	**100.0**

3.2 Types of service provided and groups supported

All of the organisations that completed monitoring forms were asked about the types of services that they provide and about the groups that they support. Using data provided on 778 returns, Figure 16 summarises the types of services the monitoring forms said that funded organisations provided.[18]

Figure 16: Types of services provided by TSRF-funded organisations (n=778)



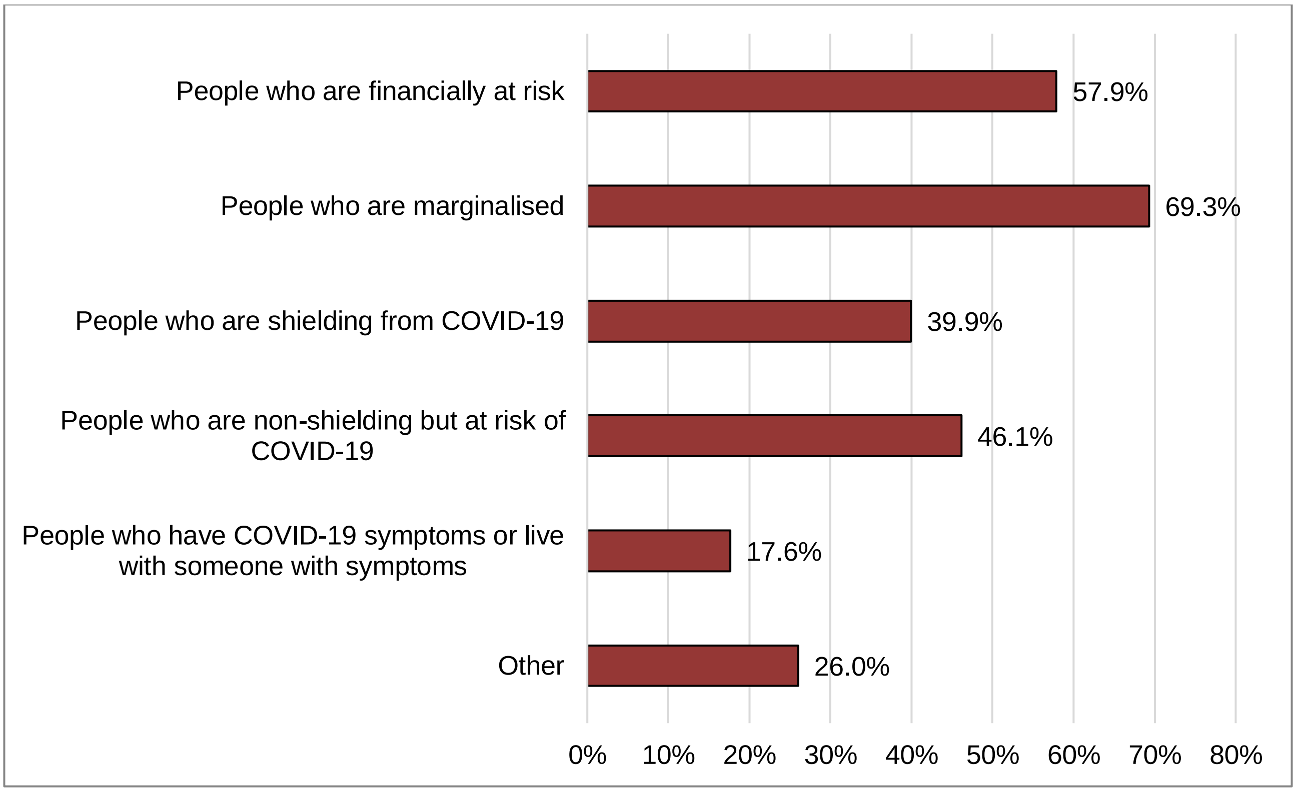
The largest proportion of responding organisations (479, or 61.6%) said that they provided mental health and wellbeing services, while 304 (39.1%) said they provided physical health services. Two hundred and thirty (29.6%) organisations said they provided employment services and 213 (27.4%) provided food-related services. Smaller numbers of organisations said they provided home life or housing situation services (93 organisations, 12.0%) and money services (58 organisations, 7.5%).

Three hundred and fifty-seven organisations (45.9%) said that they provided ‘other’ services, with 134 (16.9%) choosing this category exclusively. Examples of the types of ‘other’ services provided by these organisations included services focused on children’s activities, education, religion and faith, community groups, social clubs, training, and animal welfare.

[18] Organisations could select all the services that applied, which is why the total percentages sum to more than 100%.

Organisations were also asked about the service users or communities that their organisation supported. Based on the responses from 596 monitoring forms, Figure 17 summarises the responses received.[19]

Figure 17: Groups of people supported by TSRF-funded organisations (n=596)



The largest share of organisations (413, or 69.3%) said that they supported people who were marginalised; 345 organisations (57.9%) supported people who were financially at risk; 275 organisations (46.1%) supported people who were not shielding but who were nevertheless at risk from COVID-19; while 238 organisations (39.9%) supported people who were shielding. A smaller number of organisations (105 organisations, 17.6%) supported people who had COVID-19 symptoms or lived with someone who had symptoms.

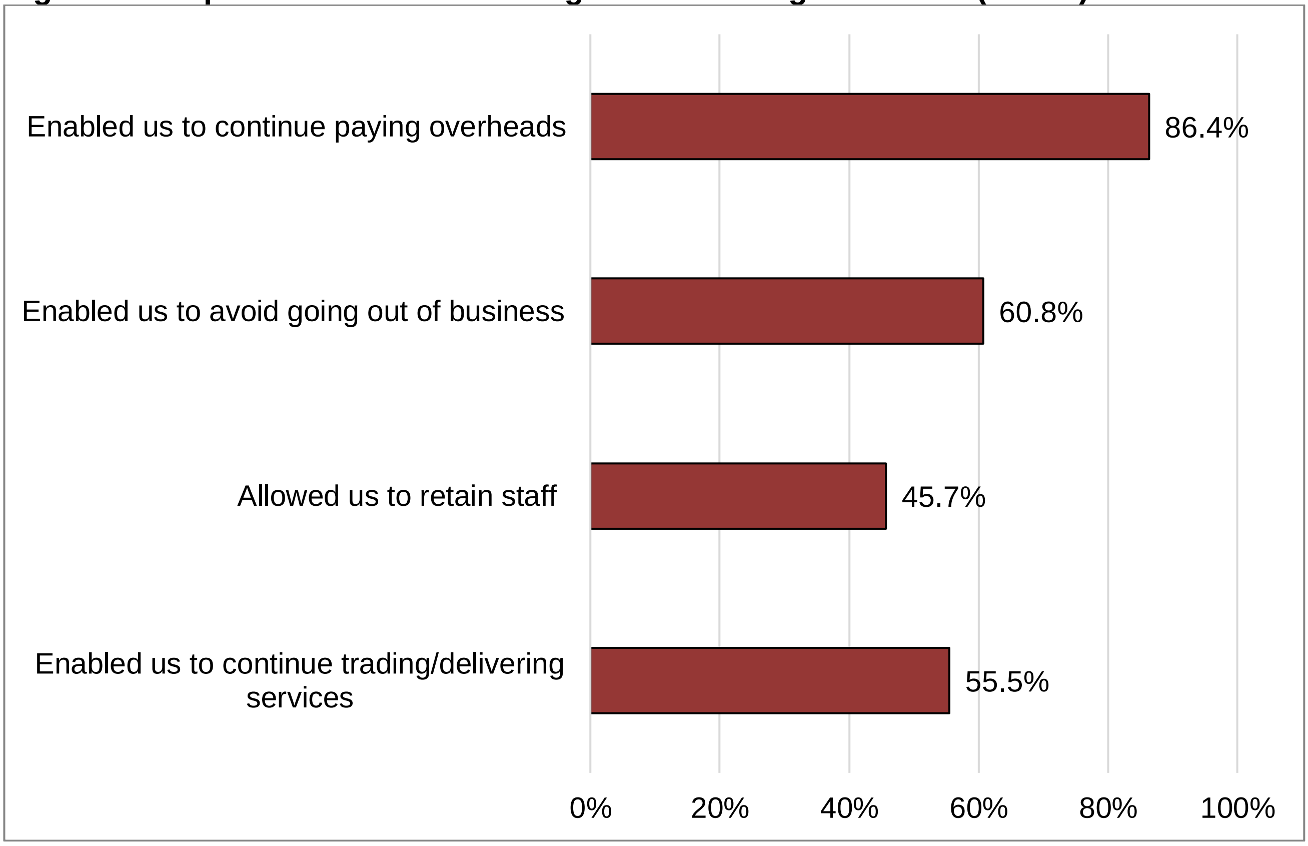
Less than a third of organisations (155 organisations, 26.0%) also indicated they offered support to other groups. Such groups included, but were not limited to, people with ADHD, young people, older people, disabled people and carers.

[19] Organisations could select all the groups that applied, which is why the total percentages sum to more than 100%.

3.3 Impact of the TSRF funding

As part of the monitoring forms, organisations were asked about the impact of the TSRF funding on their organisation. Based on 785 returns, this impact is summarised in Figure 18.[20]

Figure 18: Impact of the TSRF funding on funded organisations (n=785)



Four hundred and seventy-seven (60.8%) organisations indicated that the funding had enabled them to avoid going out of business. Four hundred and thirty-six responses (55.5%) said the funding enabled them to continue trading and/or delivering services, while 359 (45.7%) said that the funding allowed them to retain staff who would otherwise have been laid off. The majority of responding organisations (678, or 86.4%) said that the funding had allowed them to continue paying overheads. It was clear from the responses to this question that the fund had a real impact in supporting organisations to remain open, to continue to employ staff and to deliver essential services.

3.3.1 Helping to cover essential costs

The TSRF grant enabled many organisations to survive during the first period of full lockdown in March 2020. Many organisations were entirely dependent on regular trading and other income streams which had to be halted as the delivery of face-to-face services or fundraising activities became impossible. Despite the reductions in their usual income streams, many organisations – especially as needs became

[20] Organisations could select more than one relevant impact, which is why the total percentages sum to more than 100%.

more acute as a result of the pandemic – sought to retain or even to increase their service delivery – or simply to retain their premises and future operating capacity – requiring the ongoing payment of overheads and staff costs.

In the monitoring form, organisations were given the opportunity to provide open comments in relation to the fund, and many used this space to explain these difficulties in detail. These responses particularly showed how the TSRF awards had helped organisations in need:

“The monies which we received from the Third Sector Resilience Fund, without a shadow of a doubt, allowed the charity to continue during the COVID-19 restrictions. Without this money we would have had to make all staff redundant at a minimum and perhaps even close the charity.”

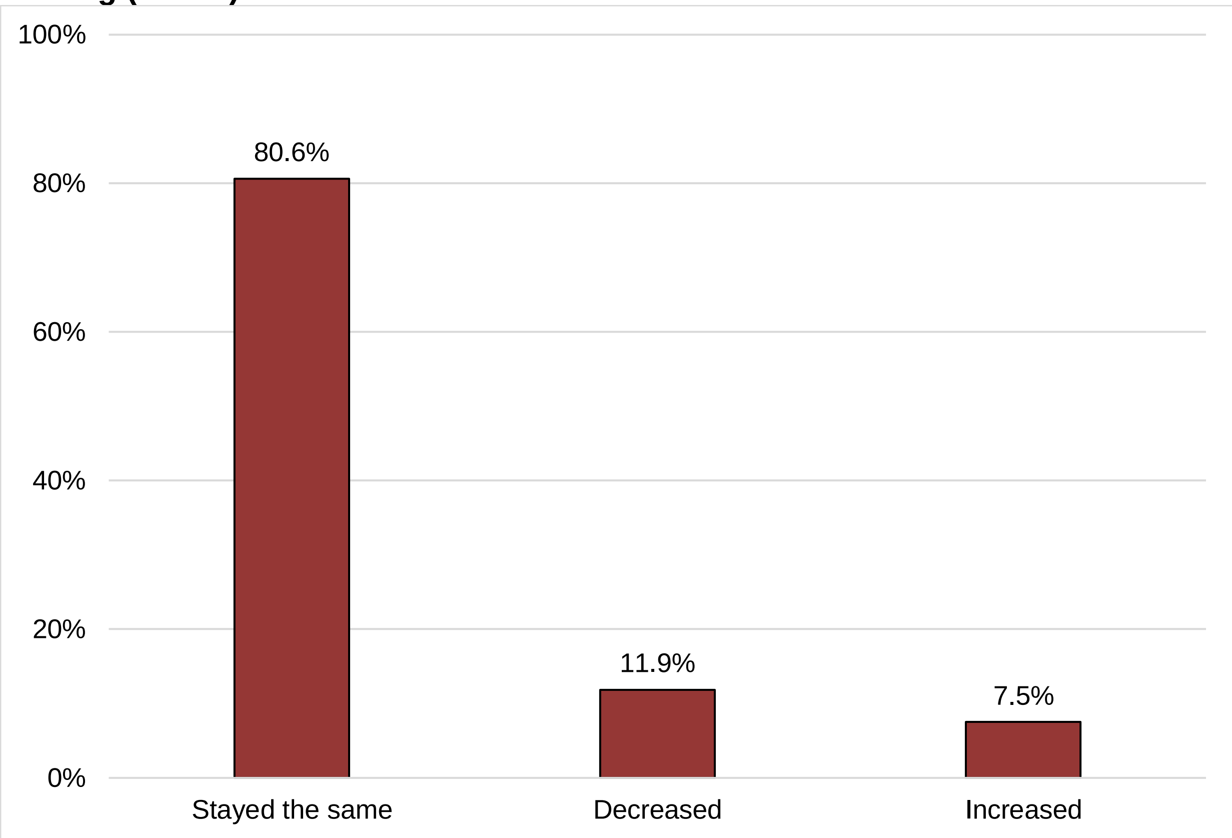
“[The] Third Sector Resilience Fund was a real help for us to pay off our office rent for [four] months and telephone & broadband bills for three months.”

The TSRF largely helped to cover necessary costs for organisations that were left unable to earn an income during lockdown. However, organisations also expressed worries that, as TSRF funding came to an end, they might struggle to cover essential costs in the future, especially if further COVID-19 restrictions were introduced. (As noted previously, the majority of monitoring forms (79%) were submitted by organisations between June and September 2020, before further COVID-19 restrictions were re-introduced towards the end of the year.)

3.3.2 Staffing levels

Organisations were asked whether their staffing levels had changed since receiving TSRF funding. As shown in Figure 19, of the 774 returns providing an answer to this question, the vast majority (624 organisations, 80.6%) were from organisations which said that their staffing level had stayed the same. Ninety-two forms (11.9%) were from organisations which said their staffing levels had decreased, while 58 (7.5%) were from organisations which said their staffing levels had increased. As such, the data indicate that most organisations receiving the funding had been able to protect staff positions.

Figure 19: Changes in staffing levels amongst organisations in receipt of TSRF funding (n=774)



A number of organisations said that without the TSRF funding, their only alternative to closure would have been a reduction of services and, quite likely, redundancies. Some respondents said that they would have already closed completely if it was not for the TSRF funding, but some also added that once the grant ended, closure was still a likely outcome.

Several respondents mentioned other sources of funding they had received which also played a large role; this suggests that the TSRF was perhaps most effective when used alongside other funding schemes. In particular, the furlough scheme and the TSRF together seemed an effective combination, allowing organisations to maintain their staff and to retain them after the end of furlough.

> "Because of this grant helping with overhead and operating costs, our organisation has been able to divert its funds to maintain staff and continue to operate and deliver important services despite COVID-19."

> "This funding probably saved the organisation. We were very close to having to make everyone redundant by mid-May [2020] before receiving emergency COVID-19 support."

Unfortunately, a small number of organisations reported having to let staff go due to not having the funds to continue to employ them. Some organisations expressed that without the TSRF they would have had to make staff redundant sooner. Others said that once the furlough scheme ended, they would have to make furloughed staff redundant due to financial constraints.

3.3.3 Service users

Beyond the organisations, staff and volunteers that benefited from the TSRF, the Fund also had a significant impact for the service users engaging with organisations in receipt of funding. A number of organisations stressed the importance of their work in local communities – in particular, those organisations providing essential services to the isolated and vulnerable, and those providing mental health related services.

> “This, and other Scottish Government and independent emergency funding has enabled us to continue supporting our already vulnerable service users at this time.”

> “We provide a lot of help either physically to local people in our area, who are not able to clean and shop for themselves as well as being at the end of the phone for many lonely and vulnerable people <…> Financially the [TSRF] grant was very instrumental in getting us through the last five months.”

Organisations also noted that the process of becoming compliant with COVID-19 regulations and providing extra safety measures had created additional costs. Despite the measures taken, several organisations also stated that some of their service users were reluctant to return as they were still shielding, or were simply not confident that it was safe to return to face-to-face interactions.

3.3.4 Adapting and diversifying services

For many organisations, the pandemic created an increased demand for their services at a time when their capacity was drastically reduced. The costs involved in adapting services to be delivered remotely, or resumed in a safe and compliant manner, were considerable. That being said, several respondents noted how the TSRF helped them to adapt and diversify their service delivery quickly and to continue operating even during the height of restrictions.

> “The funding we received enabled us to respond rapidly and redesign our service delivery model in lockdown. It helped us increase our capacity to offer crisis support to both existing and new clients.”

The TSRF also helped organisations to address the increased demand for their services. The services that were reported as being the most in demand included food provision and mental health services. At the same time that this demand increased, capacity decreased, and this created a backlog of need for services which may have been difficult for many organisations to handle even once the restrictions were lifted.

The TSRF helped some organisations to prepare for this backlog and to develop new and expanded forms of service delivery. In some cases, businesses were able to use the funds to help respond to the crisis by adapting their services and enabling them to be provided virtually. Some organisations even said that the move towards virtual service provision helped to improve their services overall, as it removed certain barriers to accessibility and created the potential to reach more people going forward. Organisations wholly dependent on face-to-face services struggled to adapt their services to a new remote environment.

> "This new service delivery model was essential to us being able to continue to support our client group. As well as fulfilling this purpose it has also brought additional benefits like removing geographic boundaries to our service and broadening our reach."

3.3.5 Preserving cash reserves and supporting financial resilience

Another common concern for many organisations was that of restricted funds. Many said that although their current cash balance may have looked relatively healthy, in practice they were not able to use reserved funds. Typically, these were funds that were designated for use on contracted projects which were unable to proceed due to the pandemic.

Other organisations had considerable reserves in place but were unwilling to spend these due to concerns about the level of uncertainty ahead and because they wanted to ensure that essential work would be able to continue. Therefore, in several cases, the TSRF grant helped organisations to preserve their essential cash reserves by covering unexpected costs, allowing some organisations to maintain a degree of preparedness for the future.

Unfortunately, other organisations did not fare as well. Some stated that not only had they lost all of their income, but that they had also exhausted most of their reserves. A number stated that they were still unsure if their organisation would survive. Some stressed that they would have already closed completely were it not for the TSRF, although some also added that closure was still a likely outcome once the grant ended.

> "We have no reserves. We will be able to use some of the restricted money in August for a commissioned piece of work towards staff pay, but we need more funding by September [2020]."

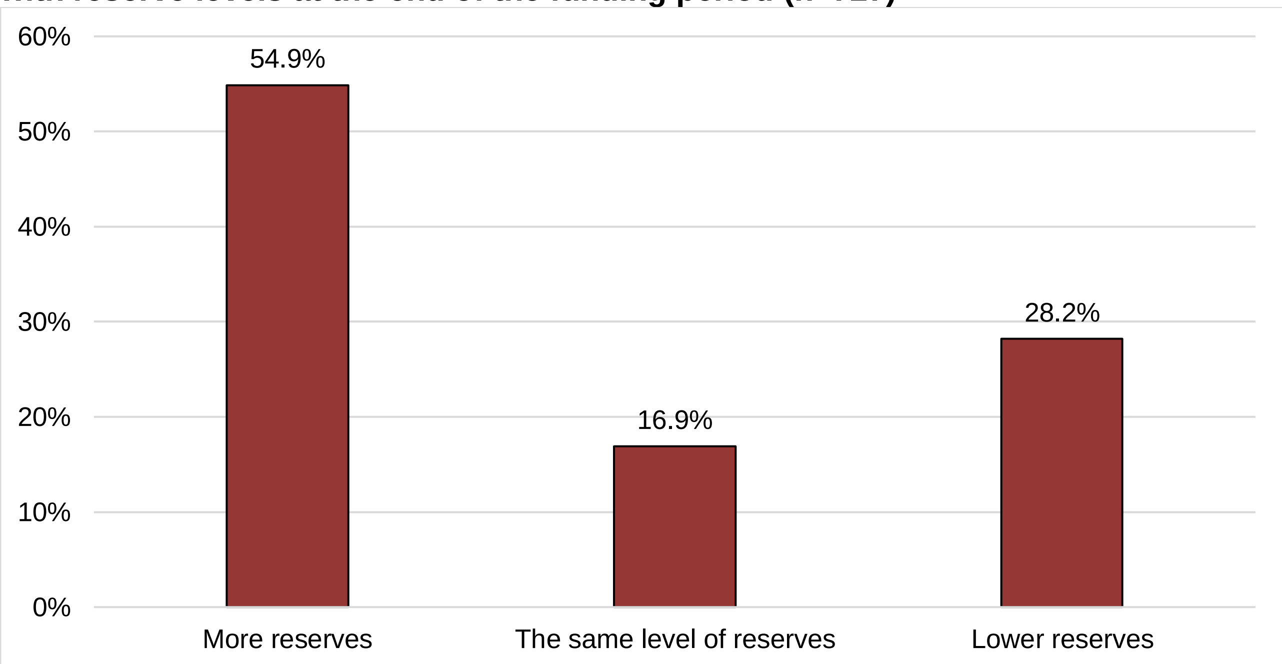
The open text questions from the monitoring form also show that organisations tried hard to avoid exhausting their cash reserves and going into debt. Being able to use the TSRF grant to cover essential costs, such as rent and utilities and, in some cases, continuing with loan repayments, allowed organisations to maintain essential cash reserves to support programme delivery or other important projects. This reflects the intended purpose of the Fund, which was to enable organisations to emerge from COVID-19 in as strong a position as possible, reducing the extent to which they were forced to take actions that would risk undermining their financial viability or long-term survival.

A number of stakeholder interviewees also had concerns about organisations that had large reserves potentially missing out on TSRF funding because of these large reserves. Organisations with large, restricted reserves may have been unable to access their reserves, but would not have necessarily qualified for TSRF. Interviewees also mentioned that some organisations that were ineligible for TSRF due to large reserves ended up using the reserves to stay afloat; these organisations became weaker financially in comparison with organisations which had smaller reserves but which received TSRF funding. It was acknowledged that TSRF criteria around reserves was introduced to make sure that only those organisations which were most in need would receive funding, but some interviewees questioned whether this was the best way to determine need.

All organisations that applied for the TSRF were asked about their current unrestricted reserves (asked during first round of applications) or their reserves (asked during second and third round of applications). Organisations were again asked about their current reserves when filling out the monitoring forms. Figure 20 summarises the responses among the 727 monitoring forms providing information about current reserves.

As the graph shows, 399 organisations (54.9%) had more reserves at the end point of the funding period than they did when they applied for a TSRF grant. One hundred and twenty-three organisations (16.9%) had the same amount of reserves and 205 organisations (28.2%) had lower reserves.

Figure 20: Organisational reserve levels at the time of TSRF application compared with reserve levels at the end of the funding period (n=727)



That 54.9% of organisations reported having more reserves at the end of the TSRF than when they did at the point of applying to the Fund cannot be solely attributed

to the TSRF. It is likely that many of the organisations supported through the TSRF were also in receipt of support from other sources, including the UK Government furlough scheme. In addition, the required slowdown in operational activity for some organisations may have improved their reserves position in the short term. However, the data do suggest that the package of support measures in place did support a degree of financial resilience and enabled many organisations to maintain their readiness to restart their work as soon as restrictions would allow.

3.3.6 Future uncertainty

Despite the various positive impacts of the TSRF, at the end of the funding period, many organisations still struggled and their futures remained uncertain. There were obvious limitations to the TSRF – in particular, the fact that the Fund was only intended as a short-term solution while businesses were unable to generate their own income, and at the point when the Fund was put in place, it was impossible to predict the length of the pandemic and the impact that it would have.

There was a sense that the pandemic lasted much longer than anticipated and, at the time of filling out the monitoring forms, the prospect of a second lockdown weighed heavily on many organisations. Though grateful for the funding, most conceded that unless they were able to resume their regular activities and income generation, they would not be able to survive in the longer term.

> “We are still in an unknown phase at the moment as the majority of our normal passenger transport services are suspended due to the [fact that the] majority of passengers we provide transport for are in the vulnerable category. Therefore, long-term financial sustainability is an on-going concern.”

As one organisation pointed out, while the TSRF helped to keep the organisation afloat, they were ultimately saved by the fact that they were able to reopen in September 2020. A lot of organisations could not be confident about surviving until they could reopen and resume trading/generating income. This is even clearer in the accounts written from the perspective of organisations that were still unable to reopen at the time of completing the monitoring forms. For them, the future was often bleak and uncertain. As essential as the TSRF had proven to be, crucially, the funding could not replace their regular income.

> “Since the easing of lockdown restrictions some of our social enterprise ventures (our source of generating unrestricted funds) have been able to recommence, however the income generated so far is well below pre-COVID amounts and this will pose major issues for funding our core costs going forward.”

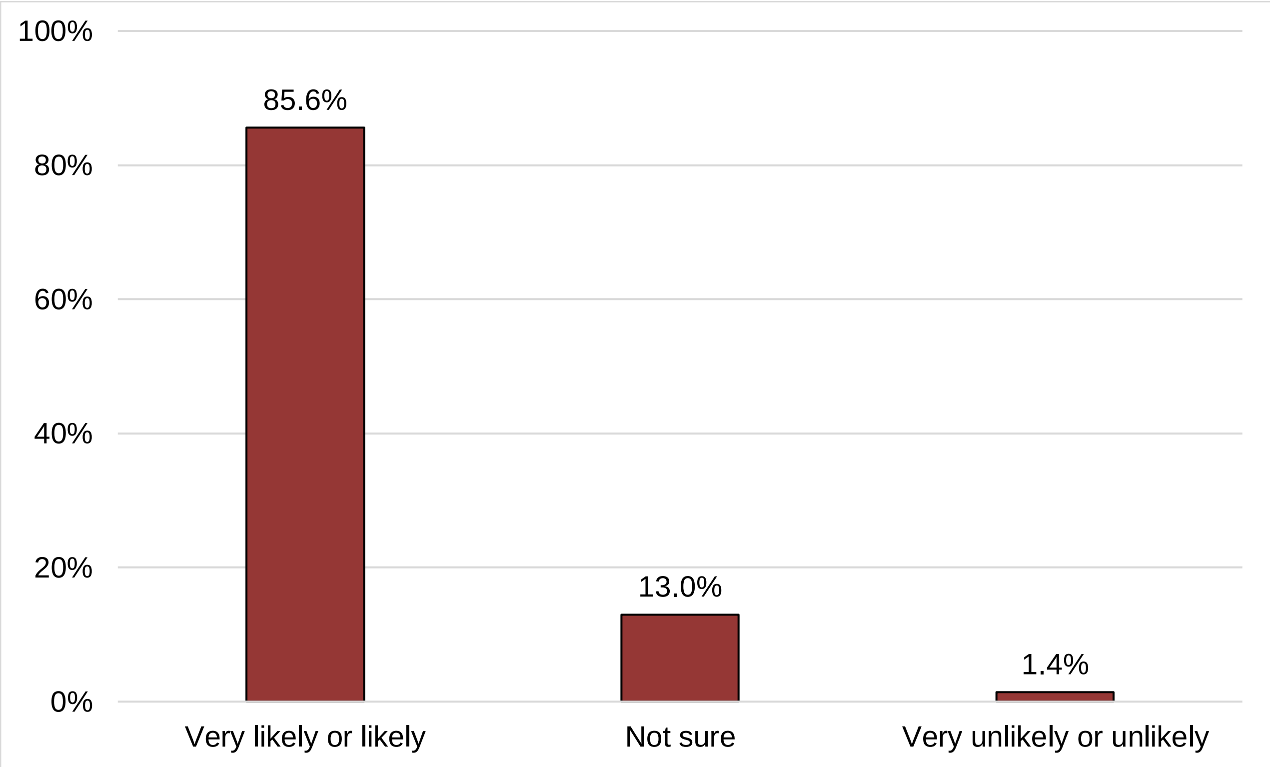
> “We have no income until next April [2021] and we are currently living on our bank loan <…> We are having to increase our product and service costs to take into account the additional costs of COVID-friendly working.”

3.3.7 Organisations' likelihood of remaining operational

When completing the monitoring forms, organisations were asked if their organisation was still operational at that point in time. Of the 786 organisations providing an answer to this question, 773 (98.5%) said that they were still in operation, while the remaining 12 (1.5%) said that they were not.

Organisations were also asked how likely it was that they would still be operational in six months' time. Figure 21 shows that, of the 769 responses received, the majority of organisations (658, 85.6%) said that it was very likely or likely that their organisation would be operational in six months' time, with only 11 organisations (1.4%) saying they were unlikely or very unlikely to be operational. The remaining 100 organisations (13.0%) were not sure.

Figure 21: Likelihood that organisations would still be operational in six months' time (n=769)



3.3.8 Longer-term impact of COVID-19

Organisations working in certain sectors some faced particular challenges at the point when the monitoring data were collected. For example, businesses dependent on tourism were particularly worried about the future. Respondents from these businesses stressed that, while the TSRF had helped to sustain them during lockdown, they still lost several months of essential income during the spring/summer season which would usually have sustained them for the rest of the year. Being able to re-open would not immediately result in generating income if the work was largely seasonal. For many it would not be until regulations were relaxed that they could have any hope of recovering.

“Our main source of income is generated during the summer months when our [organisation] is open. This income has been severely restricted and without grant aid the club would not have been able to continue. We have opened our [organisation], subject to Government restrictions, to allow our member to gain access and exercise. This however led to increase costs in respect of the additional hygiene facilities needed.”

Organisations reflected on other potential long-term impacts of the pandemic. Though many organisations had adapted their service delivery approaches to ensure safety and to remain in line with COVID restrictions, they understood that any return to normality would likely be very slow. Organisations felt that many service users, particularly older and vulnerable people, would be hesitant to return to face-to-face activities even after regulations allowed it.

“We are hopeful but also very aware this virus has not gone away and given that our membership is made up of the most vulnerable people in the community it is very difficult to forecast when we may return to normal operation.”

3.3.9 Conclusions

Overall, a majority of respondents expressed appreciation for the funds received through the TSRF. It provided a crucial lifeline for many organisations, though some respondents said they did not receive as large a grant as they had hoped for. The longevity of the scheme was the biggest concern for some respondents, who felt that their organisation would be in a precarious position once the temporary funding ran out. In particular, the prospect of a second lockdown left many feeling that, unless another round of funding was offered, they would still struggle going forward.

“This small fund was essential for us as it allowed us the time to apply for other funding and therefore kept us in business. Thank you!”

“Thanks to this funding we have remained a viable organisation, thank you for your support. It has made all the difference.”

4. Stakeholders' views on the management and implementation of the Fund

The evaluation included eight interviews with stakeholders of the Fund. The stakeholders that were interviewed included: representatives from the organisations administering the Fund (Corra, Firstport and SIS); individuals from organisations that were involved in the management and implementation of the Fund more broadly; and organisations that represent the Third Sector in Scotland, such as TSIs and other infrastructure organisations. While this section typically considers the views of all stakeholders in general, where relevant it also distinguishes between the views of administering partners on one hand and other stakeholders on the other hand.

Stakeholders were asked a series of questions designed to obtain their views on how the TSRF was managed and implemented. Amongst a range of topics, stakeholders were asked about the relationship between their organisation and other stakeholder organisations, the effectiveness of the application process and whether the Fund was successful in meeting its aims.

4.1 Setup of the Fund

During the interviews, stakeholders were asked to reflect on the process of setting up the Fund. Many felt that this process was a collaborative one. Interviewees from organisations that participated in administering the TSRF (Firstport, Corra Foundation and SIS) felt that they had a good and trusting working relationship with each other and that this allowed them to move quickly during the setup phase.

> "We were meeting on the daily basis to talk about the Fund and issues. I think it was a really good working partnership and a relationship. We all came with really open and trusting engagement. I haven't worked with [them] before … but it felt really easy to have those conversations. We were just, I think we all recognised what our roles were, we had an outline in our memorandum of understanding, so we knew what expectations were, so it was all really clear."

Other stakeholders – from organisations that did not administer the TSRF but that were nevertheless involved in the Fund – reflected that during the setup phase, they felt listened to and that their voices were important and could affect change. Interviewees also said that it was great to feel that everyone was working towards the same goal. The fact that people working on TSRF were available for frequent meetings meant that during the setup phase things could move quickly and necessary sign-offs were achieved without delays.

“We had probably 90-minute phone calls every day to either civil servants or [our partners administrating the Fund] at the beginning, to get a better understanding of what [organisations in the sector] needed. We were in the grassroots and speaking to our members regularly, we provided that intelligence as a conduit between the funders, the government and [the wider sector] and what they needed. I would say, above and beyond providing data insights, anecdotal intelligence, to be a critical friend to the Fund, to challenge some of the assumptions.”

Generally, interviewees felt that the setup of the TSRF went as well as it could given the circumstances of the pandemic. Most interviewees agreed that particularly in light of how quickly the TSRF was set up and operationalised, it was designed well and they did not think any major changes could have been introduced.

While some interviewees would have liked to have had more time to plan for the setup of the Fund, they acknowledged that the circumstances made this impossible, and demanded a very rapid response. Several interviewees also said that such an intense period of work could have led to staff burnout, because it was not clear how long the pandemic would continue and how long staff would need to work at such a high pace.

“It was really, really fast, so we would not normally have implemented a programme at that pace and that speed. We would have taken more time to think about processes and the structures but we recognise we needed to do it really quickly.”

“Obviously, as time moved on, there were some design flaws that were identified, but in the context of what happened [in] March – April 2020 I do not think there was anything that we could have done better given the circumstances. And I know that elsewhere in the UK, no other devolved administration … was anything like us, [or as] proactive as [the] Scottish Government were in terms of putting some type of solution and getting money flowing as quickly as we did in Scotland.”

4.2 Eligibility criteria

Stakeholders were asked to provide their views on the eligibility criteria that were set for the TSRF. Generally, the stakeholder interviewees agreed that the TSRF eligibility criteria were clear and a good reflection of the Fund’s aims. A few interviewees reflected on some of the changes that were made to the eligibility criteria during the implementation period, which they felt had been beneficial. For example, one interviewee referred to the removal of the minimum grant size, which was initially proposed to be set at £5,000 but which was removed to enable smaller organisations requiring small amounts of money to apply.

"You mentioned earlier about [the] £5,000 lower limit to start with. Because we were dealing with the smaller organisations, we very quickly realised that that is not going to work, because you would be excluding so many community groups. [Removing the lower limit] did mean that we had a lot more applications, and some of our grants, the average was maybe £2,500 to £3,000 but it was enough that they needed. So we recognised very quickly that needed to shift because the very people that you were trying to support would not have got the access to funding or support."

Although interviewees generally said that the eligibility criteria were right for the Fund, some challenging discussions emerged around these – particularly in relation to the criteria around cash reserves. As a reminder, organisations were not eligible for TSRF funding if their current reserves could cover more than four months (Phase One) or 12 weeks (Phase Two) of operating costs. For example, one interviewee said that because organisations with more than a few months of reserves were ineligible for TSRF funding, they often had to use these reserves further down the line to stay afloat. This, in turn, meant that they became just as vulnerable as the organisations that had received funding on account of having few to no cash reserves.

"And the other one that we got a lot of feedback about … was the eligibility concerning how much reserves an organisation had. If the organisation had more than two or three months of reserves, they were ineligible. Now, the problem that we are hearing just now is that [organisations] have used their cash reserves and now are just as vulnerable as some of the other ones that managed to engage with the finance that was offered. So there is maybe more parity across the sector, but some of the organisations have worked hard on their resilience and built stronger organisations, but now they're feeling they're back to square one."

Another interviewee said that organisations varied in the amount of reserves they had, regardless of the size of their organisation, and that this led to many large organisations being awarded funding. Although this could have left the TSRF open to criticism from applicants from smaller organisations, the interviewee said that this was nevertheless the correct approach to take.

"Some organisations tried to evidence the need that they had, so for example, some major organisations with lots of big assets, lots of investment, but actually reasonably low cash reserves, particularly in line with the monthly expenditure. So they still technically fit the criteria in terms of [their reserves], but there did seem to be a bit of a disconnect, because there were smaller organisations that did not have those investments or assets but might have had slightly more money – just slightly more in terms of cash – that we were saying no to. And the way we reconciled that in the end was that some of those bigger organisations, their survival potentially had more of a knock-on impact on [the] wider economy in the local communities."

Another stakeholder felt that the eligibility criteria for the Fund could have been communicated more effectively. They said that the funding landscape for organisations became confusing since the TSRF was one of several emergency response funds launched; this led to some confusion for organisations when making decisions about which funds they were eligible for and could apply to.

4.3 The application process

Stakeholders were also asked about their views on the process of applying for funding. Generally, the consensus was that the application process was relatively fast, with successful applicants receiving funding quickly – most often within two weeks of applying.

A number of interviewees also felt that the TSRF application form was short and clear, and they mentioned the importance of designing a simple form, to ensure that organisations that did not have a lot of experience applying for funding could do so successfully. For example, a couple of interviewees – including representatives from grant recipient organisations – commented on the fact that organisations were not asked to provide significant amounts of information to support their application.

> “It was quite light touch, I think, as well. You were not having to produce your electricity bills…. It was good that we did not have to show proof of everything, that they understood. So yeah, I think in that respect it was good, it was really good.”

However, some organisations relied on intermediary organisations for help and support with the application process. This included smaller organisations that had never applied for funding before, and also organisations run by individuals who did not have strong computer literacy skills and/or had difficulties understanding the language used in the application form. Intermediaries also played an important role in making sure that third sector organisations knew about the TSRF. They reported sending out newsletters and calling organisations to inform them about the TSRF and suggesting help with applying.

A few stakeholder interviewees also said that greater efforts should have been made to provide unsuccessful applicants with feedback, particularly during the first phase of funding. One interviewee felt that the lack of feedback that was given to unsuccessful applicants may simply have been a reflection of capacity within the administrative organisations.

> “COVID-19 had so much impact on organisational ability and delivery, so maybe it’s not fair, because people might have been off, they might have had capacity issues themselves, but certainly the feedback that we got from members was “we have got rejected, we did not get any feedback on our rejection.” We had to act as an intermediary in some cases with Corra and Firstport…. And I remember directly having to make phone calls advocating on members’ behalf and asking for feedback as well in certain instances.”

4.4 Risk management

Interviewees were also in agreement about their approach to risk management as being a largely successful one. In their opinion, enough due diligence was carried out to ensure the funds were not misused. There was an overall agreement that in an emergency situation, it was more important to prioritise supporting organisations in need and if the Fund was set up during non-emergency times, a more rigorous risk assessment would have been in place.

> "I do not feel like anybody abused any of the funds, they genuinely applied for what they needed."

> "I think that, we talked about [risk management] back and forth with my colleagues because being completely honest it was hard to say … because of the limited amount of monitoring that we could do to actually check on that. On balance, we feel that we did enough checks upfront to balance what we see as a small risk of fraud against the risk of organisations that needed the support going under. So we felt it was proportionate overall. There will have been organisations that got funding that perhaps under normal assessment process, more digging would have revealed that they didn't need as much or whatever the reason might be, but we would rather have taken the risk than having a big employer organisation going under and not being able to keep their staff on."

4.5 Achievement of the fund aims

Generally, interviewees thought that the TSRF largely achieved its aims of helping third sector organisations during the early stages of COVID-19 by helping them to remain open and to "keep the lights on". Interviewees reflected on the speed with which the Fund was established and funding was dispersed to successful applicants, on the light-touch and relatively straightforward processes which underpinned it, and on the success of the partnerships formed to help deliver the Fund.

> "Yes, I think [the Fund achieved its aims]. I think it set out to make sure that organisations could get funding to enable them to sustain and be there as we come out of COVID-19, and I think it definitely had. I think it reached probably more groups than we expected to reach."

In some instances, the TSRF had positive indirect consequences. One interviewee said that one of the main successes of the Fund was that it improved the administering partner organisations' – as well as politicians' and civil servants' – awareness and understanding of the organisations that make up the third sector. This interviewee reflected on a commissioned piece of work which mapped organisations in receipt of TSRF funding to the Social Enterprise Census and also to OSCR. This, in turn, led to the discovery that over 1,000 organisations in receipt of TSRF funding were not on either the Census or the OSCR register – in other words, they were not known to the partnering organisations.

“I was getting phone calls every day from colleagues … asking “Is this a social enterprise?” It really made people think…. It’s about trying to get a better understanding of who those organisations were and where they came from.”

However, some interviewees commented on aspects of the Fund that could have been improved or done differently, to ensure the achievement of its aims. A few interviewees said that had they widened the eligibility criteria, or had they given organisations more time to apply for funding, then the Fund could have reached even larger numbers of organisations. For example, one interviewee commented that they could have widened the eligibility criteria to include organisations that had more than three months’ worth of financial reserves – they felt that the criteria around having no more than three months’ reserves was “a bit ambitious”.

Another interviewee also pointed out that the TSRF only helped to protect organisations from the initial crisis of the pandemic, whereas some organisations only began struggling at a later date when the longer-term impacts of the pandemic became more apparent. These organisations, they said, were at risk of not receiving any funding at all.

“There is a sense that [the Fund] achieved the goal of supporting a lot of organisations from the initial fallout, but we were always conscious that even while that first fund was being delivered, that further reaching economic impacts would probably be the biggest problem. As in, once all the emergency funding … ran out, when you get to this period when organisations are opening back up again, [people made] a lot of comments … about … approaching the end of long-term funding agreements that they had…. There were several people that would say “Well, we do not have a problem now, but if this is still happening in six months, we have got a big problem, because our core funding disappears.” And we saw such a number of those that we had concerns, that yeah, we saved some people, but others haven’t hit the problem yet, but when they do, we might not still be going, the funds might not be there to help those organisations.”

While the Fund was indeed only set up to help organisations deal with the initial impact of the pandemic and therefore was not designed to support organisations in the longer term, it is worth noting that longer-term support soon became available through the Adapt and Thrive Programme, which was delivered in partnership by Firstport, Corra Foundation, SCVO, Just Enterprise, Community Enterprise and Social Investment Scotland.

4.6 Useful learning for other funds

Based on their experiences of the TSRF, many interviewees provided some suggestions for how other funds could be administered in future. Several interviewees said that future funds should aim to replicate TSRF’s principles and have short and clear application forms, minimal monitoring requirements and clear funding criteria.

However, while most interviewees agreed that the criteria for TSRF funding were well-explained, some suggested that future funds should have more FAQs prepared – they said that it is important to not assume that organisations applying for funding would have prior knowledge of how to fill out funding applications, so making application forms as clear as possible was important. One interviewee also suggested that Third Sector Interfaces (TSIs) could play a bigger role in making decisions about – and distributing – funding to third sector organisations due to their good understanding of local communities. It is worth noting that while the TSIs were not involved in the TSRF to this extent, they were more heavily involved in supporting the implementation of the Wellbeing Fund at the time, and so they may have had limited capacity to play a bigger role in the administration of TSRF funding.[21]

A couple of the interviewees representing grant-administering organisations said that there were elements of the TSRF model that should be – and, in some cases, were – incorporated into the roll-out of other types of funding offered by these organisations. For example, one interviewee said that based on learning from the implementation of the TSRF, they simplified their application and monitoring forms for other funding programmes and that, for small grants programmes, they implemented a new timeframe to ensure that applicants received decisions about funding within a month and to ensure that successful applicants received payment quickly. Another interviewee said that they learned to streamline the process of applying for grant funding – this provided useful learning that could be carried into the administration of other funds.

> "There is some stuff that we have rolled out in other funds as well, there are a few things. So one of them was gathering bank details as part of the application process. We [had] previously not done that … but because it was a secure platform, we felt we could do that. There were certain things we did around streamlining the funding agreement, so we actually became, rather than when somebody has been awarded, then having to send them a funding agreement, them having to sign it, then send it back. What we did instead, we included a link to the terms and conditions in the application form and a tick box that they had to check before submitting the application to say that they agree to abide by the terms and conditions if they were funded, which was a bit of a change of approach, it cut steps out of the process and meant that as soon as the panel has made the decision we can give them money. So, some of that, in others you might want to take more time and go through other compliance processes as well, but being able to expedite that when you need to."

[21] For an evaluation of the Wellbeing Fund open applications process, please see the Scottish Government website.

5. Conclusion

In total, £22,608,610 of vital emergency funding was delivered to some 1,371 organisations through the TSRF. At a time when third sector organisations across Scotland and beyond were badly hit by the immediate impact of the COVID-19 pandemic and the resulting lockdown, the Fund proved crucial in enabling these organisations to remain in business – and in many cases to remain operational – as they grappled with the challenges that confronted them in the short-term. As the applications data showed, when it came to applying for TSRF funding, organisations typically already had low levels of financial reserves and this represented a clear threat to their ability to remain viable.

The applications data showed that third sector organisations across Scotland benefited from the funding awarded through the TSRF – this included many organisations operating in Scotland's most disadvantaged communities. The organisations in receipt of funding also represented a wide variety of business sectors and sizes, with smaller organisations in particular benefiting from funding. Given the diversity within the sample of awardees and the financial circumstances they faced at the point of application, it is clear that the TSRF played an important role in ensuring the continued provision of a wide variety of services in communities the length and breadth of Scotland.

The monitoring data collected from grant recipients indicated that the TSRF helped organisations to pay their staff, their overheads and their rent, as well as covering other general running costs – this included the new costs that organisations had to cover which resulted directly from the pandemic, such as the costs of remote working. Many organisations reported having more financial reserves at the end of the funding period than they did at the beginning. Since many organisations benefited from a package of different funding and support measures, this cannot be solely attributed to the impacts of the TSRF. However it appears that the overall package of support measures may have supported financial resilience amongst third sector organisations, helping them to maintain readiness to restart operations as soon circumstances would allow. The Fund also helped many organisations to continue aspects of their operations and to retain their staff. Supported organisations reported that they had been able to deliver support in a range of areas – in particular, around mental health and wellbeing – and to a wide range of groups, not least to people facing particular financial hardship or health risks.

Stakeholder interviewees also generally felt that the TSRF largely achieved its aims of helping third sector organisations to continue operating during the early stages of the pandemic. They reflected on the management and implementation of the Fund as being a relatively smooth and collaborative process, with generally clear eligibility criteria and a relatively straightforward application process. Moreover, they all agreed that TSRF had a significant positive impact on the third sector. They felt that the fund reassured third sector organisations that their role was valued and important, as well as providing organisations with essential support when they needed it most. Stakeholders felt that their experiences with the TSRF had generated useful learning that they were already applying to the design and implementation of new funds.

Despite these successes in the management, implementation and roll-out of the Fund, this report also shows that there were some challenges and limitations. While the Fund was only ever intended as a short-term measure, in many cases organisations remained uncertain about their future. While the TSRF funding was important to recipient organisations, it could not replace essential income – income which could often only be gained once lockdown restrictions eased. Respondents also expressed concerns in relation to the eligibility criteria relating to cash reserve levels. Some felt that the application process, although largely straightforward, could have been improved – some organisations struggled with this and needed help to apply, while there was also scope for greater efforts to provide unsuccessful applicants with feedback.

On balance, the evidence shows that the TSRF generally succeeded in its aims of providing crucial financial support to organisations in the immediate aftermath of the pandemic. This report shows that while there was scope to do more to reach organisations in need, it is also clear that the Fund had a far-reaching impact on a large and diverse range of third sector organisations.

While some of the organisations supported through the Fund were concerned about their longer-term viability following the COVID-19 pandemic, it was not realistic for the Fund to be in position to offset all of the impacts of the pandemic or to provide long-term security. Designed during a period of considerably uncertainty, the Fund was established to support organisations during the initial crisis period of unknown duration and severity, and to provide short-term support as quickly as possible.

The TSRF closed in September 2020. Following this, and to reflect the changing needs of the sector, Scottish Government and its partners launched the Adapt and Thrive Fund.[22] With its focus on organisational resilience and longer-term sustainability, the Adapt and Thrive Fund provided an opportunity to build on the TSRF and to provide further, longer-term support to the sector during the next phase of the pandemic.

[22] For more information about the Adapt and Thrive Fund, please see the SCVO website.

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