HIGHLAND THIRD SECTOR CENSUS

UNABRIDGED REPORT

2015

Highland 3
Third Sector Interface
Supporting Our Community

The Highland Third Sector Interface is a Scottish Registered Charity, SC043521 and a Scottish Registered Company SC425808

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[Note on section and figure numbering: headings and figures are numbered by Part.Issue.Variable. I.e. Fig. 3.6g.3 nominates Part 3 of the Report, Issue 6 of the research questions, Variable g (income) Chart 3 on g. This is to facilitate cross-comparison of information: all figures including ‘g’ in titles relate to income, all sections with ‘6’ in heading relate to rurality, etc.]

1. Introduction:

All Third Sector Interfaces (TSI) have a duty to map their local third sector.[1] This is particularly urgent for Highland TSI, working in a country-sized area (with distinctive characteristics about which relatively little is known generally) with a uniquely high number of Partners. Such factors make it impractical to make generalised comparisons from TSI research and experience between Highland and other areas. (e.g. geographically smaller and more accessible, with higher population density, less diversity of urban/rural settlement types, and different socio-economic characteristics and infrastructure, to name but a few objective factors).

Highland TSI's mapping process, therefore, has included both desk-based and fieldwork processes, the 'Highland Third Sector Census' being foremost among the latter. Preparatory mapping research made it apparent that the Highland third sector is widely recognised by existing research as being distinctive, and has therefore been the specific focus of a considerable volume of work.[2] This, however, has been conducted in the absence of a number of key facts.

Research Questions and Key Facts:

This report is generally structured according to the following research questions, formulated to establish the fundamental key facts and baselines of the Highland Third Sector:

1. It was not known what the operational norm for Highland third sector organisations is in practice, or to what extent this differed (if at all)
   i. across the area,
   ii. within the area.
2. It was not known how many third sector organisations exist in Highland (although it was thought that the per capita number might be high[3]) therefore;
   a. It could not be known whether that number was increasing or decreasing in response to economic and policy conditions
   b. The amount of extra capacity to respond to nationally-increasing demands on the third sector (for public service provision, welfare reform mitigation, population change adaptation, etc.) could not be defined.
   c. The conditions necessary to create such additional capacity could not be understood

[1] Voluntary Action Scotland (2013)
[2] Woolvin (2012:20)
[3] OSCR listings show 9 charities per 1000 residents, compared to 4 per 1000 across Scotland. See also n.1 and Analysis & Implications.

3. It was not known what proportion of Highland third sector organisations were charities (and therefore defined/undefined by new OSCR data publications[4]).
4. It was not known what economic contribution was being made by this unknown number of third sector organisations, even in terms of raw financial impact, much less multiplier effects, employment, voluntary opportunities, etc. Further, it was therefore not clear what role is played by third sector organisations in local economies.
5. It was not known whether third sector density was continuous with population density (and therefore centred in the accessible areas of Highland).
6. There was minimal data on the in-practice impact of rurality (especially extreme rurality and remoteness) on third sector organisations (although this was increasingly recognised as a significant factor[5]).
7. There was no objective data available to compare demands on the eight Highland TSI partners, relative to
   a. each other, or
   b. whole-TSI areas elsewhere.
8. It was not known how operational norms and standards differed (if at all) from national norms (and therefore statistics) in remote-rural and remote-town contexts (although it was clear that there were significant differences in volunteer practices[6]). In particular, very little information was available about highly mixed contexts, as exist in several Highland Partner areas.

Fieldwork set out to begin to answer such questions, as published information was unavailable (and its lack has interfered with the applicability of other research). The underlying aims were:

- to create a baseline (against which change could be measured); and
- to work towards a replicable method of measuring such change.

It was also important to provide proof-of-concept that the types of information above could be sourced at all.

Further, all third sector organisations themselves are increasingly expected to objectively demonstrate community needs, and to reliably measure impacts and outcomes, in order to source essential funding. The sourcing and availability of accurate information is therefore key to competitiveness, for all actors, at every level of the Highland third sector.

[4] http://www.oscr.org.uk/charities/search-scottish-charity-register/charity-register-download
[5] GISAT (2014) Woolvin (2012:24)
[6] Woolvin (2012:69)

This report details the initial analysis of the large amount of data successfully gathered by the Highland Third Sector Census process. It also suggests both further uses that could be made of the data, and refinements to the future gathering process. This Final Report is supplemented by a further eight less formal 'Local Reports' produced for the convenience of HTSI Partners, which detail responses from TSOs working in their area (not necessarily exclusively, and therefore not summing to the totals given here). The focus of this Final Report is on the whole sample and its various subsets, as representative of the whole-Highland third sector.

This part of the Final Report, Results & Methods, examines the direct responses, in order to begin addressing the first issue above. The second part, Bigger Picture engages with issues 2 to 5, and the final part, Analysis & Implications, considers issues 6 to 8.

Outline Methodology:

After considerable general research into existing/possible mapping avenues and data sources, the fieldwork process was trialled in the Skye and Lochalsh area in autumn 2014, with Partner SLCVO. (See 'Census Trial Report' for details). Fieldwork was conducted in other Highland areas between April and August 2015.

The fieldwork process aimed to investigate the issues above, using a detailed anonymous form, primarily posted out to TSOs identified by desk-based research. A particular aim was also to ensure the participation of 'unengaged' TSOs – those not registered with OSCR, or with any Partner. The Census Trial identified postal outreach and anonymity as particularly significant for this group of TSOs.

Contacts Research:

Fieldwork outreach in practice was based on a contact list compiled from new independent desk-based research, combining multiple data sources (OSCR, ALISS, HIE and online research). It is important to note that, except in Skye and Lochalsh and Sutherland, this independent research was only checked against, and was not based upon, Partners' own contact lists. While this significantly increased the difficulty of finding TSOs and establishing their contact details, it did ensure a greater absence of confirmation bias, and perhaps a wider sample of organisations.

The final outcome of the desk-based research phase was a collated list of 3238 TSOs (false addresses leading to refused mail having been excised, and duplicates from multiple areas consolidated). While no such list can be exhaustive (given that not all TSOs have any online presence, and that there must be significant churn of new organisations being formed and others winding up) cross-checking with Partner contact lists suggested that this list was sufficiently complete.

Where possible, TSOs from the list were contacted by post, being sent a hard-copy form and postage-paid SAE, in staggered phases of outreach. The Highland area was divided into roughly similar-numbered areas (based on OSCR numbers) for outreach. This involved combining the three Northern Partner areas (CVG, VGES and CVS North) and the two Southern Partner areas (VABS and VAL) into one outreach phase each, alongside the single-Partner RVA and Signpost areas.

Outreach:

Postal outreach was supported by:

- direct email (where the TSO was not already on the local Partner contact list, and no postal address was available[7])
- Partner/HTSI use of their own mailing lists,
- physical outreach with posters and flyers,
- newspaper and radio advertising (in most areas)
- advertising online, on social media
- advertising in local newsletters.[8]

Postage-paid returns were to the HTSI office in Dingwall: hard-copy returns were input by the researcher into the same online collector as advertised for TSOs' online response. Outreach was phased, so that the researcher could offer support to local Partners with the practicalities, and with advertising/promotion (taken up to different extents by different Partners). This scheduling also offered the possibility of producing local reports on an ongoing basis, reducing the time/cost of the final analysis phase. Late responses were accepted until 1st September 2015.

Analysis:

The resulting dataset is also available in its original form. For the analysis presented here, the considerable flexibility offered respondents by paper forms (over online responses, e.g. written notes, marginal notes, and unusual selection patterns) has been reduced to usefully comparative formats where objectively possible. With 1000+ responses, covering 52 variables (including 4

[7] In some cases, phone numbers only were available, but it proved very difficult to contact a relevant person by this means, which was only attempted in Ross-shire, and to minimal effect.
[8] Response rates from these various methods are discussed at 1k) page 25.

deducibles: total locations selected, total volunteers reported, total paid roles reported and full-time equivalents) the dataset is large and complex, offering a huge variety of information and analytical possibilities.

The sample size is, in terms of validity, large relative to the number of known and projected TSOs (compared to standard surveying samples). This report uses only basic statistical techniques, and makes no claim as to confidence, deviation etc. Extrapolation is therefore suggestive rather than definitive (see Bigger Picture) but in every case conclusions are also drawn from actual responses - given in Results & Methods especially 1a) to k) - which are definitive.

The Census process was successful in reaching a wide range of organisation types, from multi-million pound operations to groups operating with minimal or no formal income. This lead to both overall and area results being analysed in eight income bands initially derived from SCVO's 'State of the Sector' reports, and confirmed by observations of OSCR data for Highland, and the Census Trial.

SCVO have a number of multi-million income bands for national charities, but only one is required by the Census data (2015: 10, see also 2.4 below). Instead, Highland OSCR data suggested that multiple bands were required to capture the range of low-income TSOs. Note that Census data goes well beyond the headline accounting figures from OSCR (captured for charities only, and retrievable for Highland only for those charities who register as working in Highland), and also links this new data to employment and volunteering patterns. This is particularly important in Highland, because a higher proportion of TSOs are small, and these hold a higher proportion of all income than nationally.

Income Banding in the Analysis:

The income bands used are as follows:

- Band 1: Annual budgets of £1 million plus. (Massive)
- Band 2: Annual budgets of £200,000 to £999,000. (Large)
- Band 3: Annual budgets of £100,000 to £199,000. (Large)
- Band 4: Annual budgets of less than £100,000, but at least £50,000. (Large)
- Band 5: Annual budgets above £25,000 (under £50,000). (Large)
- Band 6: Annual budgets under £25,000 but at least £10,000. (Small)
- Band 7: Annual budgets of £1000-£9999. (Small)
- Band 8: Annual budgets under £1000. (Small)

For simplicity's sake, figures in this report are generally given in broader bands: massive TSOs, with £1 million-plus incomes, large TSOs incomes under £1 million, over £25,000 (as the notional cut-off point for staffing) and smaller TSOs, with incomes under £25,000. As TSOs in these broad bands have notably different characteristics and norms, they are used for the presentation of the direct results of the Census here.

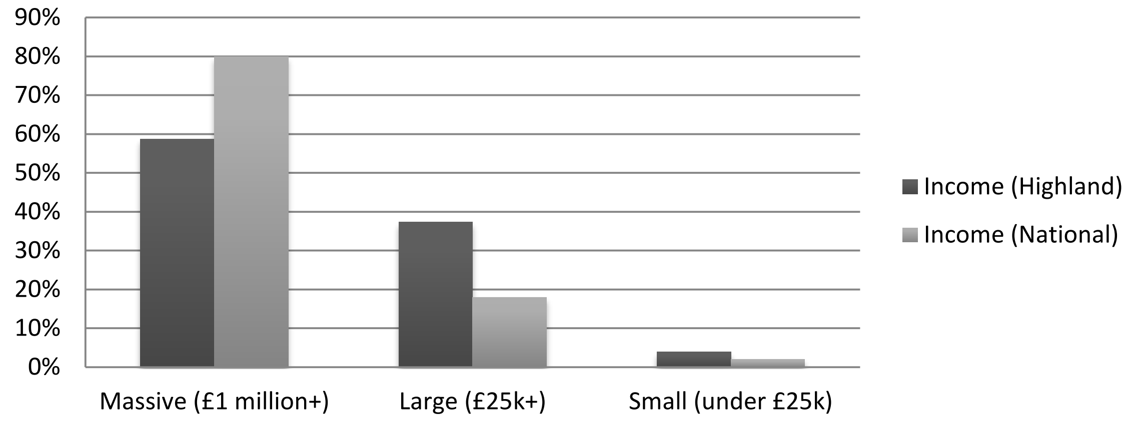
Outline Context of Results:

To place these results in context, the headline Census findings can first be compared to SCVO's most recent 'State of the Sector' report, for 2014 (SCVO, 2015:13), to outline the specific case for Highland mapping.

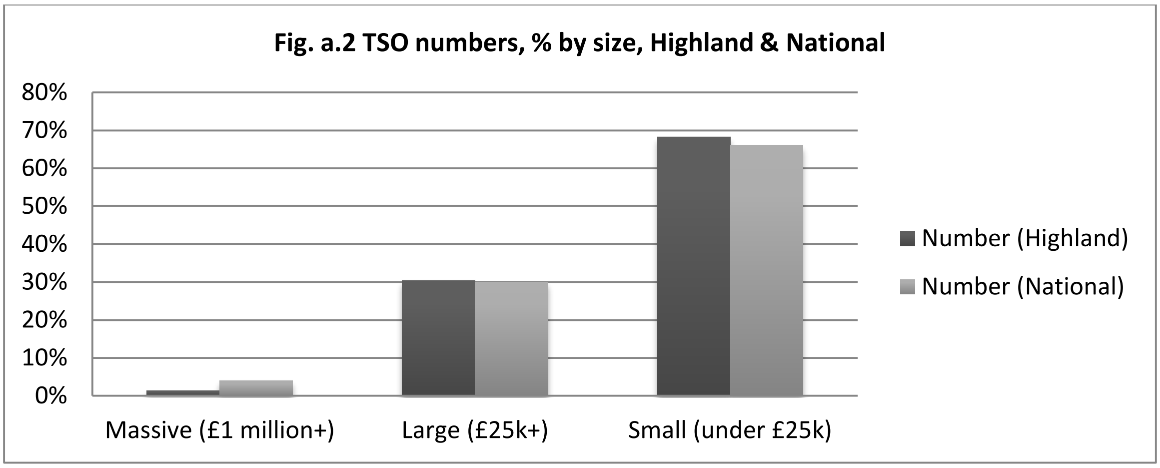
Shape of Highland & National Sectors:

It is clear that while the general 'shape' of the Highland third sector accords with the national picture found by SCVO, there are a number of notable differences.

Fig.a.1 TSO income % by size, Highland & National



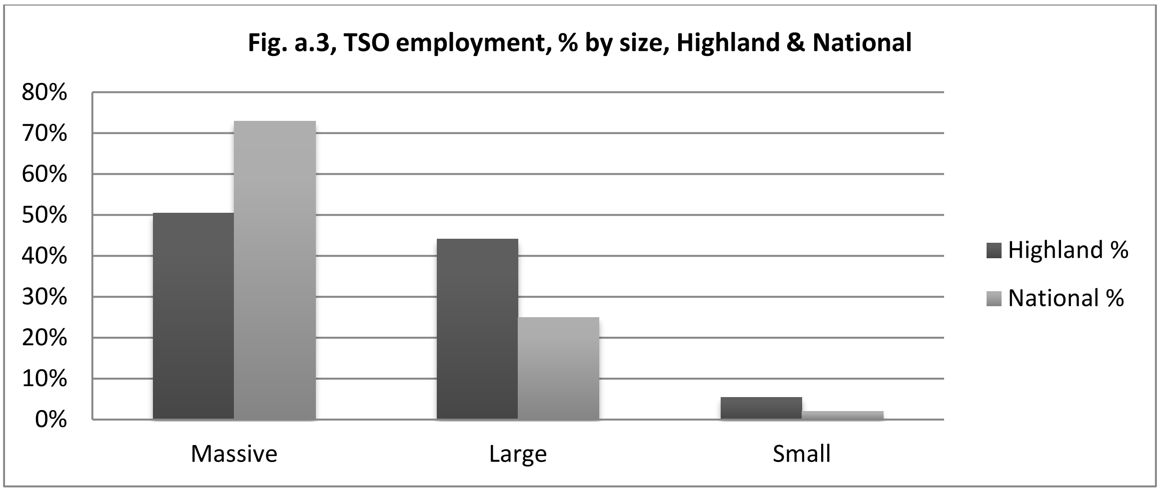
Observed income distribution among Highland TSOs is more equal (although still notably unequal) than nationally. This will be partly because there are fewer massive TSOs in Highland, and more small ones (dark columns below).



The main impact (on Highland norms versus national) of comparing these charts is that large Highland TSOs have proportionally higher incomes. Highland has an average proportion of large TSOs, balanced by a larger percentage of small TSOs, and just a quarter of the national percentage of massive TSOs. This disparity in higher income-brackets was very visible in OSCR statistics, and increased the urgent need for a fieldwork process to understand better the shape of the Highland third sector.

Context of Sector Employment:

The distributions shown above also translate to staffing patterns in interesting ways.



Almost half of all posts with Highland TSOs are with non-massive organisations, whereas this is true of only just over a quarter of posts nationally. Comparing with Fig.a.1 above, in both Highland and Scotland, massive TSOs employ a *lower* percentage of staff than they receive of total income, while large TSOs employ a *higher* percentage. Only in Highland, however, is this also true of small TSOs (this may reflect both lower wages and a greater scope for part-time working in the Highland economy generally). This, again makes it particularly urgent to capture data more effectively on smaller TSOs, who are making a disproportionately large contribution to Highland third sector employment compared to their peers nationally.

Other comparable factors include scale of working, employment, and employment per million turnover. Nationally 86% of TSOs work mainly locally, compared to 79% in Highland. 3% of all Scotland's TSOs work internationally, compared to 4% for Highland (SCVO, 2015:14). Total employment with Highland TSOs is 8.7% of all Scottish TSO employment (SCVO, 2015:15, compared to Highland's 4% of population). Nationally, TSOs employ 28 people per million of turnover (compared to e.g. 11 in the comparably-sized creative industries sector, SCVO, 2015:16). In Highland, this rises to 41 posts per million turnover (reflecting the division of employment across the sector, as above).

Why is Mapping the Third Sector particularly important in Highland?

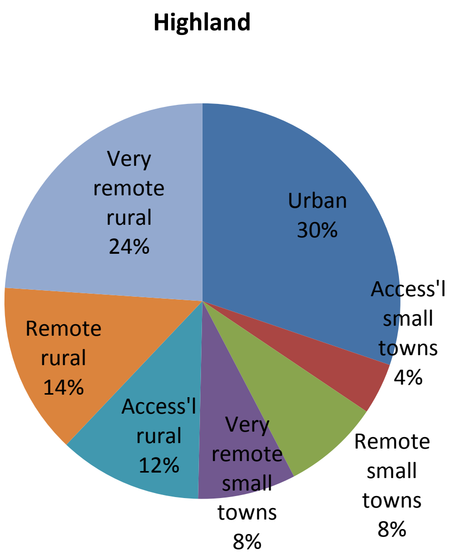
Having established notable features compared to the national third sector context, it is important not simply to assume that Highland is 'exceptional'. Instead, it is possible to consider a variety of specific socio-geographic and socio-economic characteristics underlying these figures, in order to have a better understanding of both the practical challenges and future potential for change in the Highland third sector.[9]

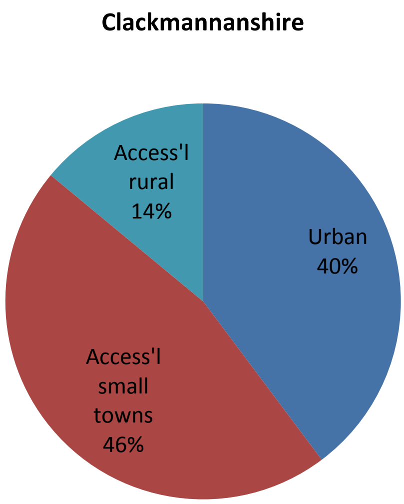
Settlement Types & Urban/Rural Classification:

Highland is not only the largest TSI area in Scotland, it also has the most diverse range of settlements. HTSI covers an area bigger than Belgium, but it is less often recognised that this area is not only as large, but also as varied as a small country: people are living in every type of settlements, from urban to very remote rural, and every intermediate option. The Scottish Government's Urban/Rural classification covers the whole of Scotland, considering two interacting variables that affect both personal quality of life and economic/social activity. One is the type of settlement (urban, small town or rural). The other is its location (accessible, remote, very remote). The former suggests what will be available in/near one's *own* community, the latter how easy it is to access services in *other* communities.

[9] Only a brief and limited outline can be given here, but much further information and analysis is available from SRUC and e.g. UHI School of Rural and Mountain Studies.

Fig. a.4 – Local Authority Settlement Types (8-fold Classification)[10]





These charts show the variety of places people live, work and volunteer within, in two different rural areas of Scotland. Clackmannanshire has the average diversity of settlement types – around 3 types is normal. In contrast, Highland has significant population in every type of settlement (except very large cities). Highland is the only part of Scotland where this is true.

HTSI Partnership Structure:

This is recognised in the diversity of the HTSI Partnership (8 Partners forming a ninth organisation) which is also the most complex and diverse in Scotland. (The average TSI partnership is 1.9; single agencies are most common, followed by partnerships of 3). However, it needs to be understood that several of the Highland Partners are themselves dealing with larger third sectors than whole TSIs elsewhere (see 2.5 below).

Mapping is also particularly needed in Highland because of how these three factors – diversity of settlement types, number of partners, and numbers of TSOs – interact with each other. For example, the next most complex Partnership TSI (Western Isles ESTI with 5 Partners, see VAS 2013) operates over a much smaller area – as do *all* other TSIs – but this area is also more standardised. The ESTI whole area is very remote, with only two types of settlement. Wherever they are based in the Western Isles, all the ESTI Partners will be working with TSOs in a remote context, either in the one very remote small town or in very remote rural areas. In contrast, the different Highland Partners are almost as different as different TSIs elsewhere. Many of them also cover settlement mixes unique in Scotland.

[10] http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification

Defined by the Scottish Government's Urban/Rural classification, only two Highland Partners are operating in areas that resemble other TSI regions (Caithness, where the settlement mix is like the Northern and Western Isles, and Inverness/Nairn, where it is like Moray or Angus). More than a third (three) of the Highland Partners are operating in completely remote and rural areas.

Direct Results:

The Introduction aimed to outline the context and aims of the Census process and to show why its results are necessary and significant. The remainder of this part of the Final Report outlines the direct, un-extrapolated results of the Census (being the collated responses provided by Highland Third Sector Organisations).

These responses were received in answer to questions[11] investigating:

a) operating areas;
b) social/charitable aims;
c) organisation structure and scale;
d) numbers/hours of staff and volunteers;
e) single/multiple volunteering roles;
f) charitable status;
g) total annual budgets;
h) grants from within and beyond Highland;
i) income raised by trading and fundraising, within and beyond Highland;
j) destination of spend within/beyond Highland;
k) how the census was received.

Headline figures for these measures are set out first, to introduce the results, then their implications for the eight wider issues. These direct responses relate mainly to the first of the research questions/key facts set out above: the in-practice operational norms for Highland third sector organisations and extent of difference (if any) across and within the Highland area.

1a) Operating areas

Respondents were offered a choice of selecting (one or more of) the eight Partner areas (as geographical equivalents) and/or a geographical 'quadrant' (east, west, north, south or central Highlands) or Highland-wide, as their area(s) of operation.

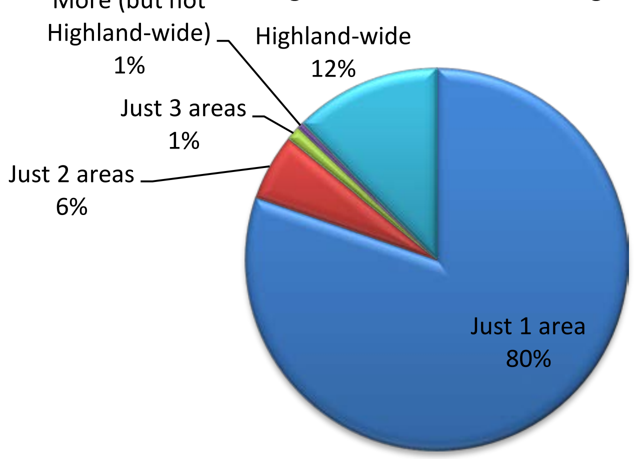
[11] The form itself is reproduced in the Appendix.

This was the second question, following a request for the first four characters of postcode, which was used primarily as a way to double-check for duplication, but also to monitor office location and gain some insight into rurality/remoteness, as all broader areas of the Highlands contain different settlement types, some the full eight-fold range. These postcode responses are analysed separately, see under 1k).

Of the offered operating areas, on average respondents selected 1.2 areas. Of the Partner areas, Ross-shire was most frequently chosen (23%, n. 285) followed by either of the Inverness/Nairn central or area choices (15%, n. 177, including 29 selecting both areas). Of the central or area options here, 'area' was more commonly chosen (n. 115 vs n. 91). Badenoch & Strathspey and Skye & Lochalsh were each selected by 12% of responses, as was operating Highland-wide. Caithness and East Sutherland were specified by 10% each, and Lochaber and North & West Sutherland by 9% and 8% respectively.

These percentages do not reflect where TSOs are based, but only where they work – the interactions pertaining to this are discussed further below.[12] These responses can also be analysed by the number of areas selected by individual respondents.

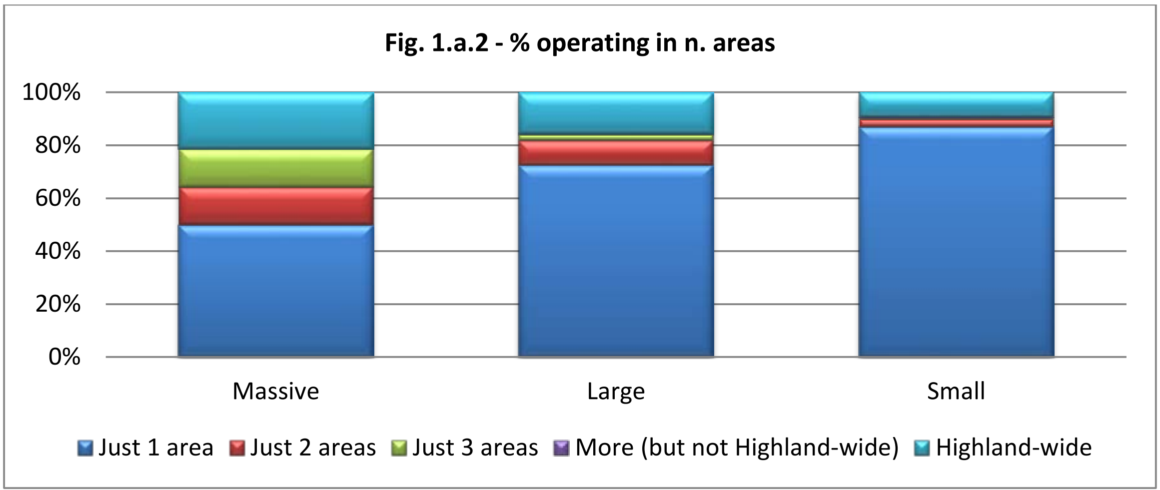
Fig. 1.a.1 - Multi-area working



While the vast majority of Highland TSOs work within one of the Partner areas only, 1 in 5 do work across the internal divisions. There are, however, distinctions of size: just 50% of massive TSOs work with only one Partner, while more than 1 in 5 work with all. Meanwhile, over 70% of large TSOs work

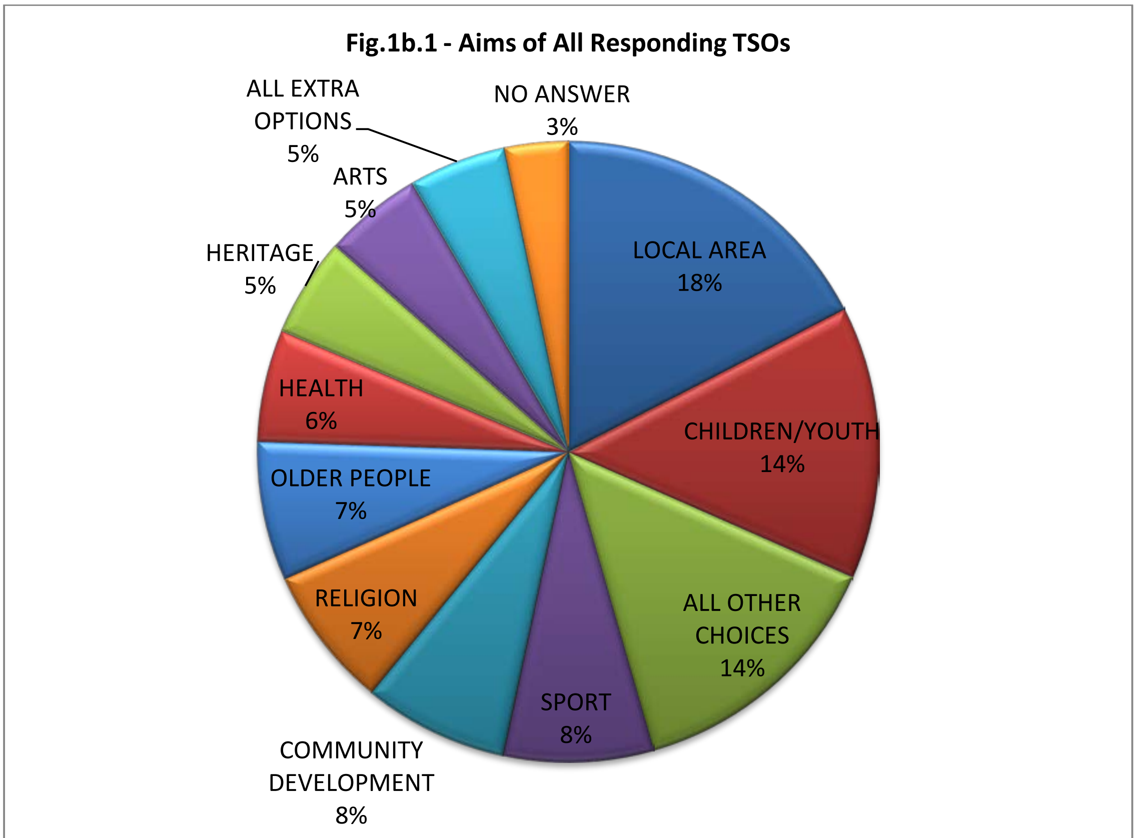
[12] 62 TSOs selected no area, 1027 selected one only (but for 99 the single selection was Highland-wide, and for 23 it was a 'quadrant'). 90 TSOs selected 2 areas (including 25 Highland-wide). 21 selected 3 (including 7 Highland-wide). 18 selected 4 or more, including 12 Highland-wide.

with one Partner, 15% Highland-wide. By contrast, although over 85% of small TSOs work in only one Partner area, still 10% work Highland-wide.



1b) Social/charitable aims

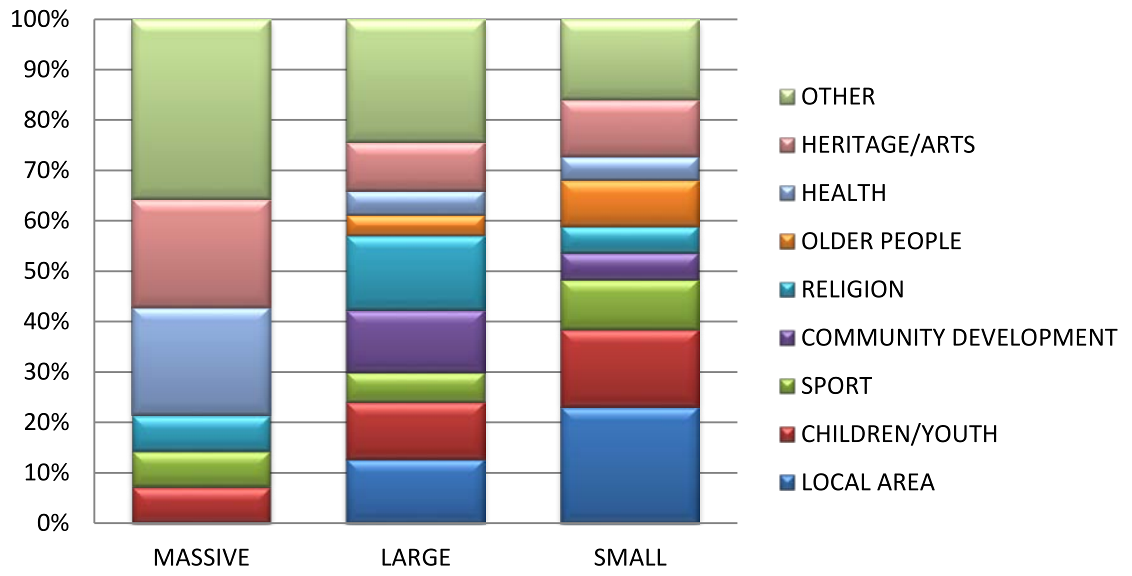
16 potential aims were offered, with an option to expand or alternate in comments. Aims with at least 5% of responses are shown below.[13]



[13] 62 unique responses were arts, 170 children/youth, 92 community development, 71 health, 63 heritage, 212 local area/community activities, 88 older people, 62 other or multiple focus, 90 religion, 95 sport (n.1010). Aims with less than 5% of responses were: n.58 disability, n.48 environment/animals, n.33 education, n.18 poverty, and n.16 transport. 40 gave no response.

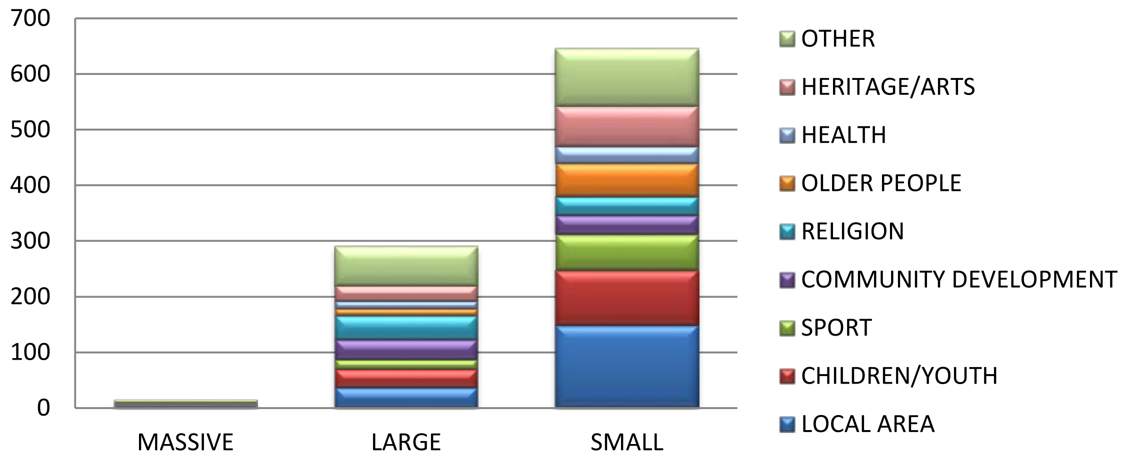
Within all responses, the aims of TSOs were also found to vary with size of income.

Fig.1b.2 - Aims reported by broad sizes of responding TSOs (%s)



Comparing broad income groups, from the multi-million TSOs, only health (n.3, 21%) and housing (n.2, 14%) had multiple responses, the remainder being evenly split between other offered choices (none for transport or environment) or self-described alternatives. Community options (development or local area/community activities) are notably absent from the responses of massive TSOs: these most commonly work on health or heritage/arts (housing was the second largest focus, comprising almost half of all the 'other' options shown above). The small number of such organisations means the remaining options were single responses, as highlighted in the chart below (the same information, presented numerically instead of percentages).

Fig.1b.3 - Aims reported by broad sizes of responding TSOs (numbers)



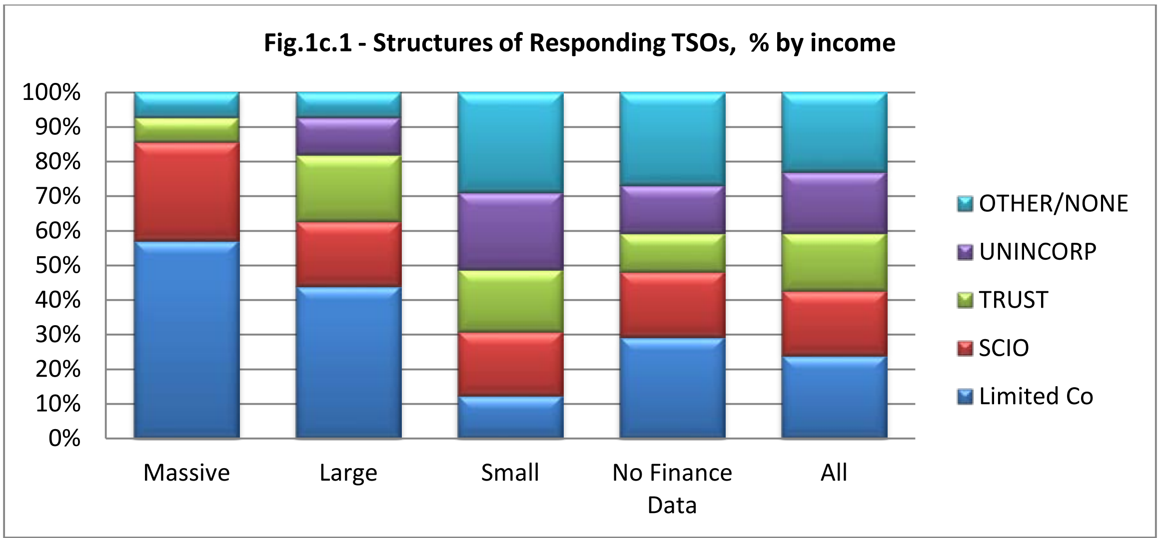
For large TSOs, religion and community development are as prominent as local areas and children. Older people, heritage/arts and sport are notable concerns of smaller TSOs.

Considering the top choices in the whole sample (local area, children, sport and community development), we can see that the vast majority of TSOs active on local area and community activities are using less than £25,000. The same applies for children, sport and older people (as well as other aims, like heritage and arts). By contrast, about as many community development and religious TSOs are large as small, making up, therefore, the larger proportions of large TSOs shown in the previous chart.

1c) Organisation structure and scale;

Formal Structures:

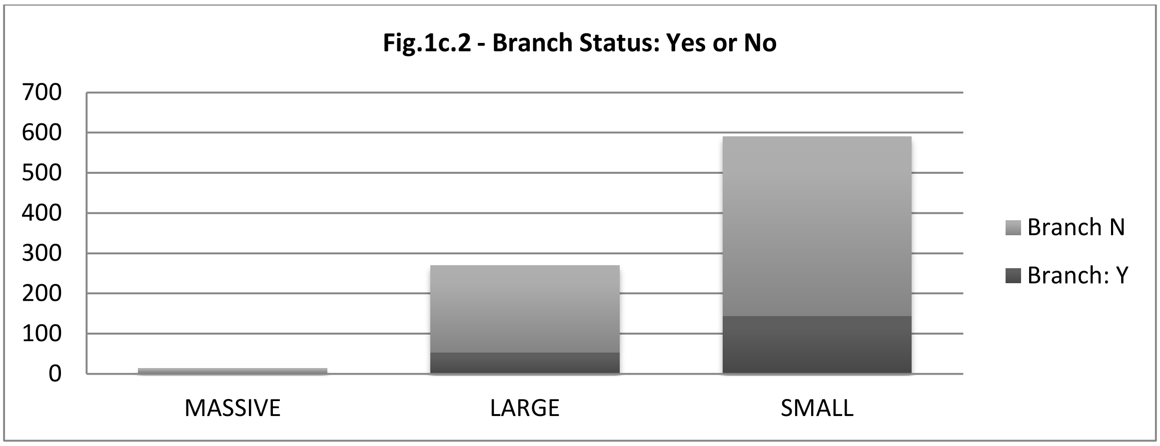
Respondents were offered the choice of limited company, SCIO, Trust, Unincorporated Association, Co-operative or ISP, and/or commenting with another structure.



Massive TSOs had the narrowest range of structures, small TSOs the widest. Small TSOs included the largest group specifying another structure (or that they did not know their structure) and a majority of TSOs of this size either do not have a formal legal structure, or are not aware of one. This was much less common for large TSOs (less than 1 in 5). Responses of TSOs who did not, or could not, provide income data are also shown separately here, and are closer to the sample average (rightmost column) than to any of the size groups.

Branch Status

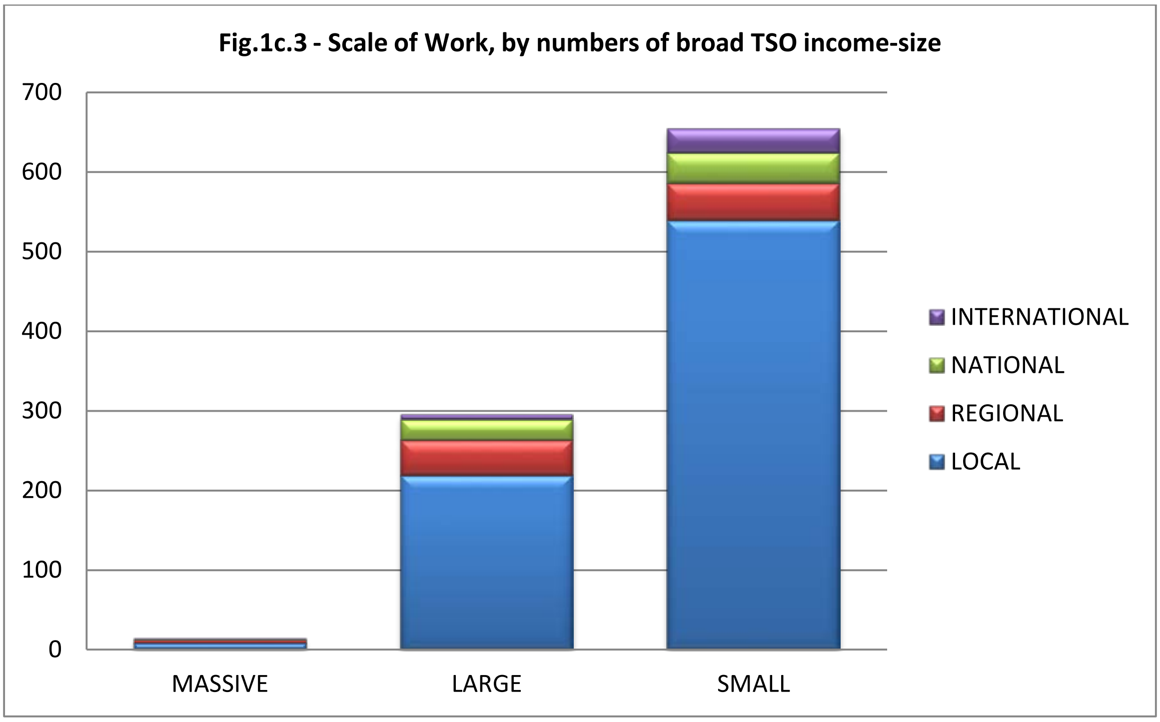
Respondents were further asked to specify whether or not they were responding from a branch of a larger organisation (e.g. a national charity).



TSOs of all sizes are around equally commonly branches of larger organisations: 21% of massive TSOs, 20% of large, and 24% of small. As the chart shows, the majority of branches by number are smaller TSOs, and so the overall rate for the whole samples is 26% branches to 74% independents.

Scale of Work:

Respondents were then asked whether they operated locally, regionally or nationally.



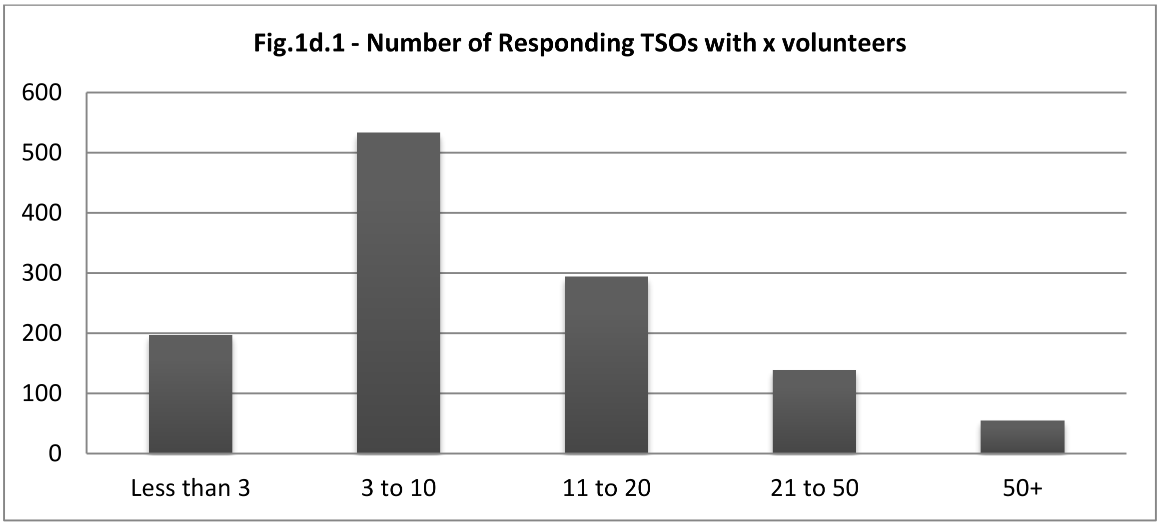
Proportionally, small TSOs are most likely to act locally, but perhaps surprisingly, if not, they are about equally likely as other sizes of TSO to act at any of the other scales. In fact, they are more likely than large TSOs (and almost as likely as massive) to act internationally. Massive TSOs are the most likely to act regionally, but more than 55% describe themselves as acting locally.

Again, however, the numeric presentation shown indicates that most Highland TSOs acting internationally or nationally are small, while about equal numbers of small and large TSOs are acting regionally. (A notable number of respondents used the paper form to select all options, which was not capturable by the online form or analysis.)

1d) Numbers/hours of volunteers and staff;

Volunteering:

Responding organisations report a total of 20,282 volunteers. The minimum reported was 0, the maximum reported was 700, with the average being 17.[14] Reported volunteering with all TSOs is 2% full-time, 26% part-time, and 72% casual. Fig.1d.1 shows the numbers of TSOs reporting each number of volunteers. Responding Highland TSOs most commonly work with 3 to 10 volunteers, but more often have between 11 and 20 than under 3 volunteers.



It was also notable that:

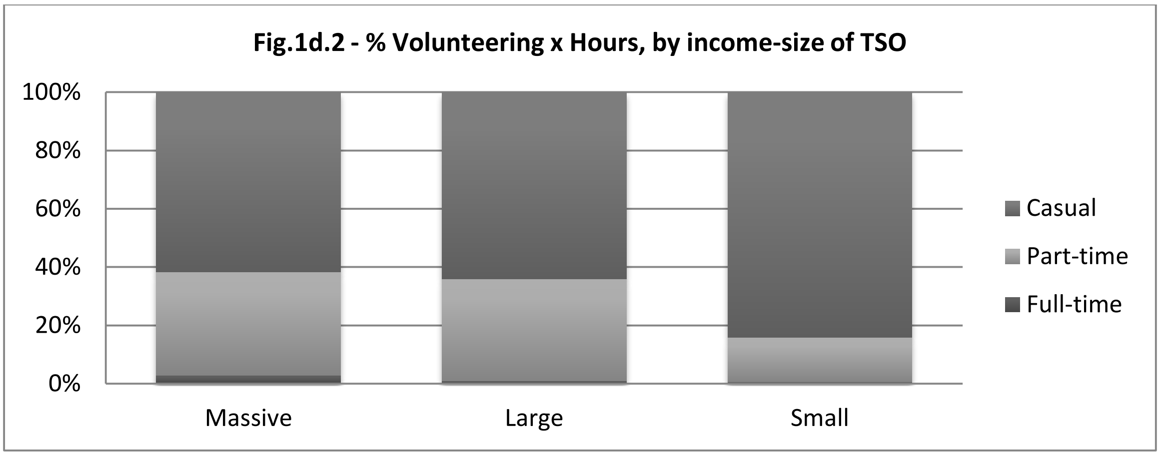
- 4% of all volunteers are with massive TSOs (who are 1.4% of all TSOs),
- 47% are with large TSOs (30.6% of all TSOs), and
- 49% of all volunteers are with small TSOs (68% of all TSOs).

This would suggest that it is easier for massive and large TSOs to attract, retain and manage volunteers, which may in part be because volunteering roles are less stressful for volunteers where

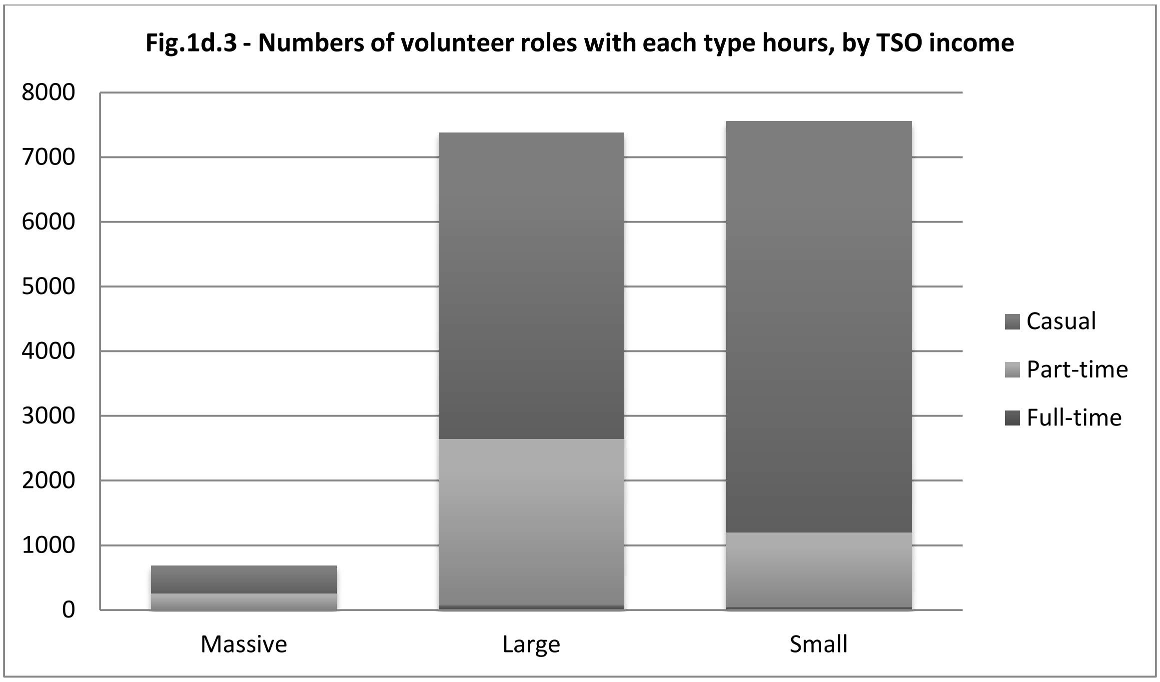
[14] 134 did not answer, or report none. 63 report one or two, 108 3-4, 425 report 5-10, 205 report 11-15, 89 report 16-20, 139 gave 21-50, 32 gave 51-100, 23 said 100+.

they can be supported by paid staff (and may not be required to fill multiple roles). This is discussed further below, see 1A, 2.5, 3.6.

Patterns of volunteering commitment also varied with size. As shown below, for massive TSOs, 3% of their volunteers are full-time, 35% part-time, and 62% as needed/casual. For large TSOs, this is: 1%, 35%, 64%. For small, the pattern is 1%, 15% and 84%.



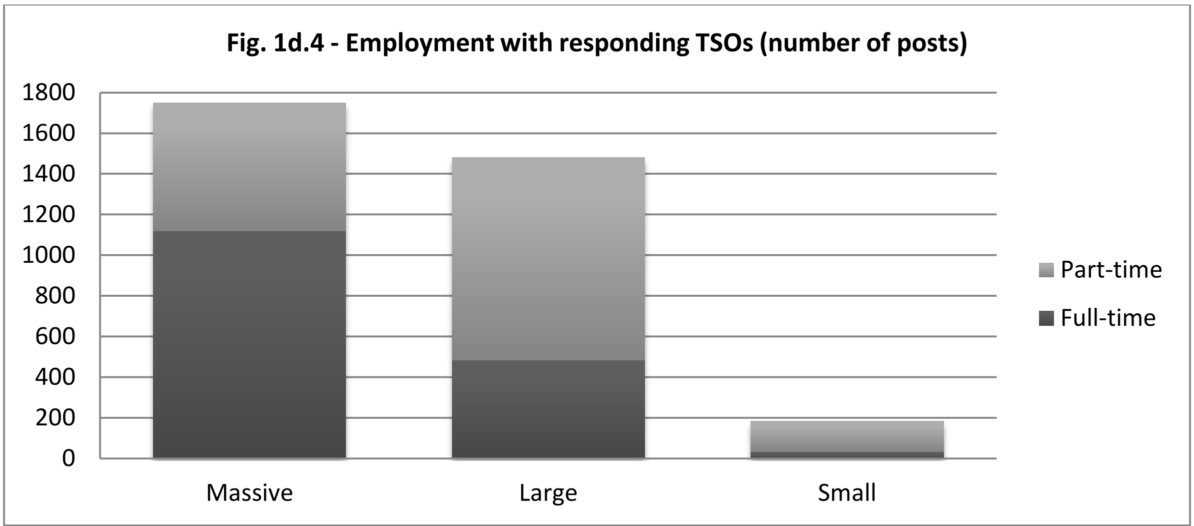
Again, however, the proportions-only tend to obscure the actual norm for volunteers, so the same information is shown again in Fig.1d.3 as actual numbers of role-types reported. Very few volunteer roles are with massive TSOs: most are with small TSOs, but almost as many are with large TSOs. Meanwhile, however, more than half of all *part-time* volunteering roles are with large TSOs.



In practice, the relatively high proportion (3%) of full-time volunteer roles found with massive TSOs translates to a very low number of roles. This distribution is reversed for staffing.

Staff Numbers and Employment:

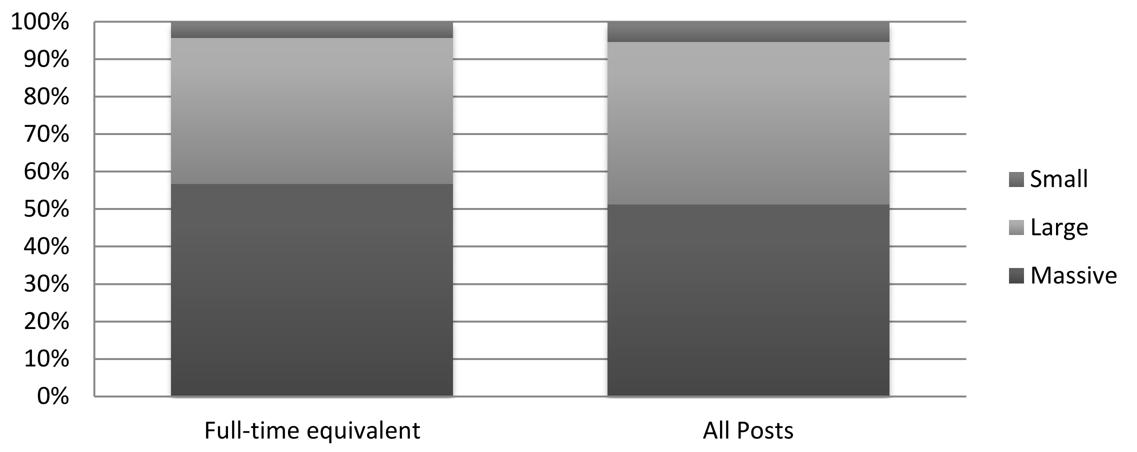
729 respondents (60%) report no staff of any kind. For the 40% of TSOs with staff, levels range from 0.5 FTE (n. 88) to 550 (n.1).[15] The total number of roles reported is 6290, being 49% full-time. Again (in this case for obvious reasons) the pattern of hours committed varies with income.



Small TSOs employ very few staff – 5% of posts – and these are overwhelmingly part-time (81%). Massive TSOs provide the majority of all posts – 51% - and these are mainly full-time (64%). Large TSOs provide the remaining 44% of paid posts, but the balance is reversed, at 67% *part*-time. This pattern is therefore even clearer looking at full-time equivalents (chart below) for which 14 massive TSOs provide 57% of all employment, while the 976 small TSOs can offer just 4%.

[15] Approximate FTE (full-time equivalence) calculated as 2 part-time = 1 full-time post. This range of posts is from 1 (n. 110 TSOs), under 3 (n.90), under 5 (n.78), under 10 (n.66), to under 50 (n.44) and 50-550 (n.13).

Fig. 1d.5 - % of FTE and % all posts, by TSO income-size



295 TSOs reported some full-time staff, 404 some part-time staff, leaving 76% with no full-time staff, and 66% with no part-time. It is most definitely the Highland norm for a TSO to have no staff.

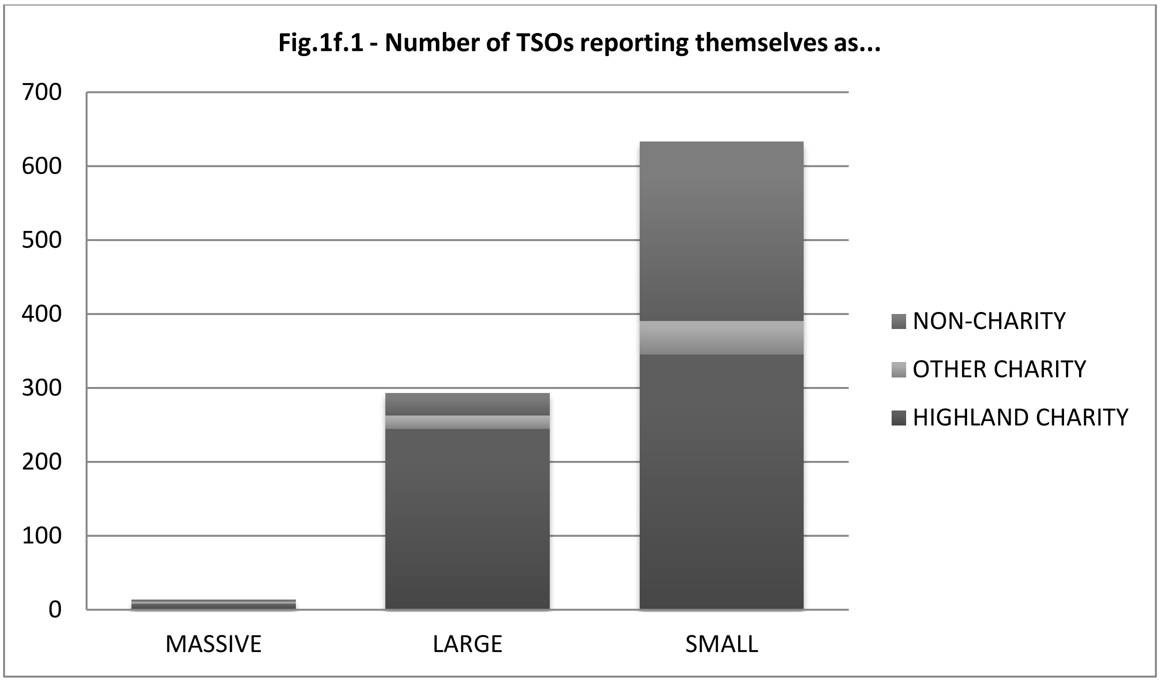
1e) Single/multiple volunteering roles;

Respondents were asked whether they believed volunteers to mainly have roles with their organisation only, or to be volunteering with multiple groups. Overall, 44% believed volunteers were involved with only one group, 56% with multiple groups. This perception was found to vary with TSO size at a local level. In the whole Highland sample, the main difference is between massive TSOs (78% believing volunteers usually have single roles, which does accord with their reported high proportions of full- and part-time volunteers) and both large and small TSO (just 43-44% saying so).

Across detailed income bands, however, the perception varied widely: between 34% and 55% for different bands of large TSOs, and from 40% to 48% among different sizes of small TSOs. This may be because, in local areas, single or multiple roles were also found to be more common according to TSO *focus* (see Local Reports and Trial Report). It may also be that individual respondents with massive TSOs are simply less likely to encounter as-needed or casual volunteers, or to understand how these people volunteer generally.

1f) Charitable Status;

Respondents were asked their charity status: whether or not charitable, and if so, whether or not registered in Highland.



The chart shows actual numbers reporting each status. Almost all non-charitable TSOs responding from Highland were small. Meanwhile, there was comparably large number of large Highland-registered charities as small. Overall, 27% of responding TSOs were not charities, 73% were registered charities (65% being registered in Highland, 8% elsewhere).

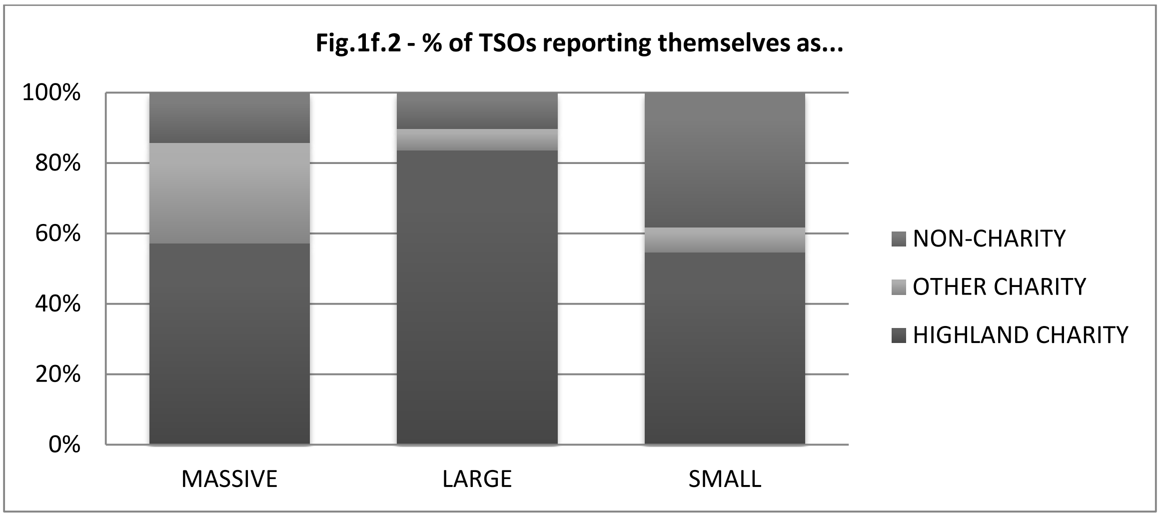
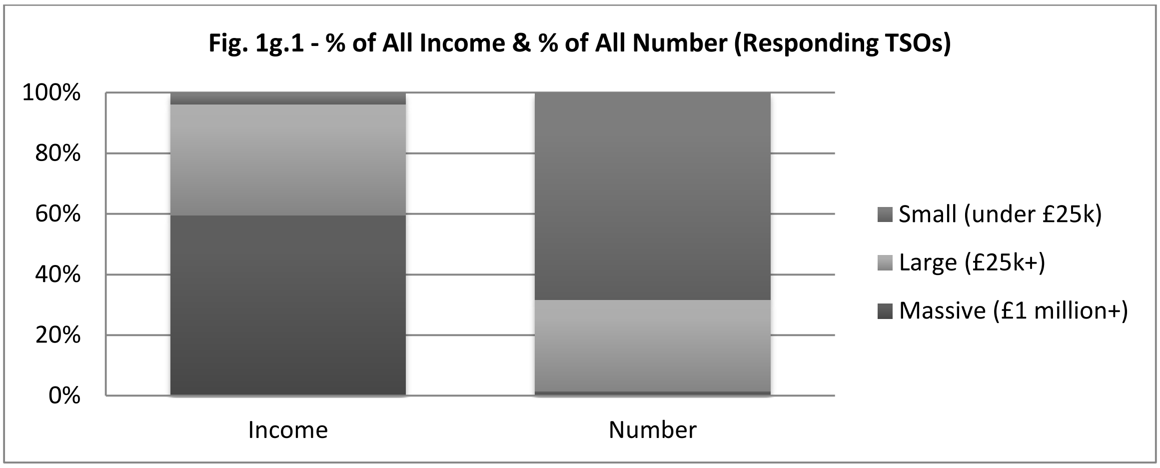


Fig. 1f.2 shows the same data as 1f.1, but this time presented as comparable percentages of each income-size. Proportionally, smaller organisations were least likely to be charities (just over 60%). At 55%, around the same proportions of small and massive TSOs reported being registered in Highland, although a much higher proportion of massive TSOs reported being registered elsewhere. Large TSOs were very commonly charities (almost 90%) and had the highest percentage of being registered in Highland, by a considerable margin. In terms of future use of OSCR statistics for Highland, then,

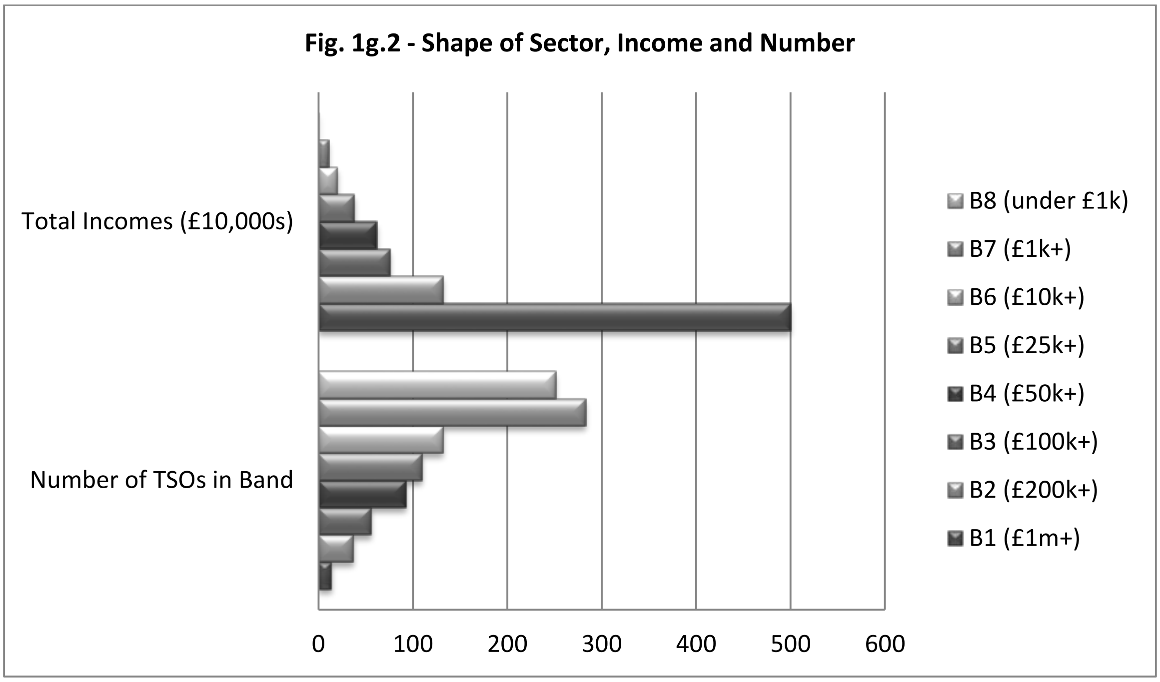
Highland TSOs with incomes under £1 million but over £25,000 are best represented in those figures, while only c. 55% of Highland TSOs with other incomes are likely to be found there.

1g) Total annual budgets;

976 responding TSOs gave total annual budgets. This was 80% of all respondents, including 251 respondents (21%) responding 'less than £1000'. Of these, 42 (17% of that group) detailed that budget. The rest of this group were assumed to have its average income (see 2.1-2.4.2 below). Total income detailed was £84.3 million. As shown below (left) 60% of all income was held by massive TSOs, 37% by large TSOs, and just 3% by small.

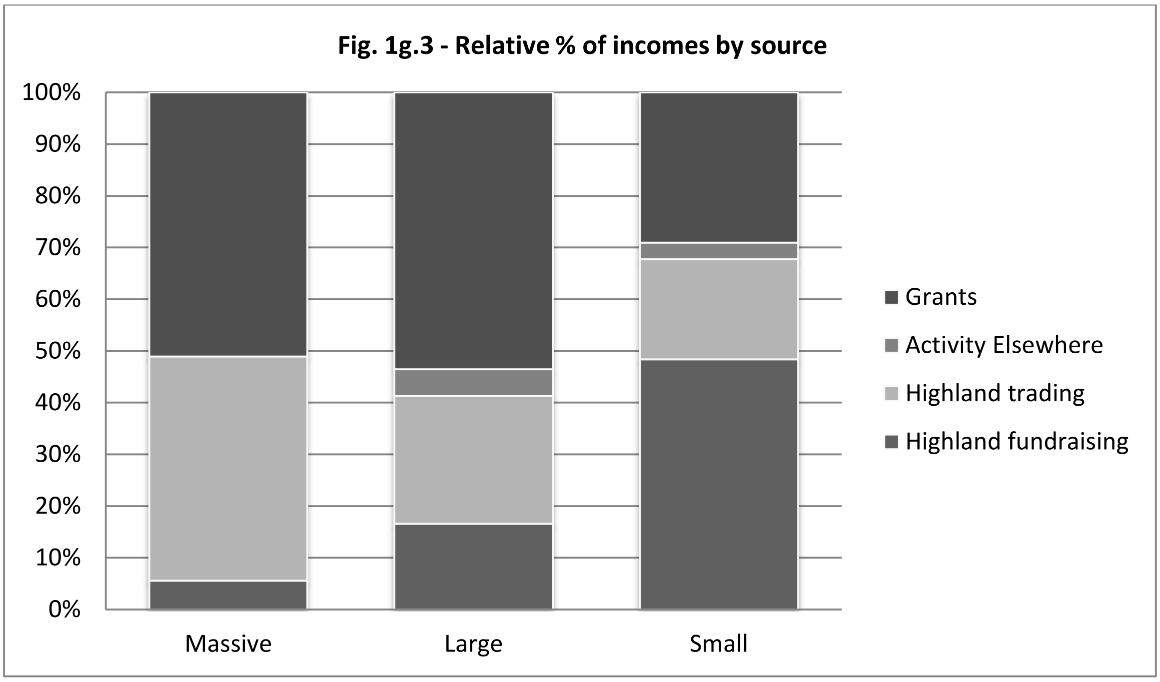


By contrast, massive TSOs were just over 1% of the total number of responding TSOs, large TSOs were 31%, and small TSOs 68%. In more detail, the number and total income of TSOs by income band (smallest to largest) is described by the following pyramids:

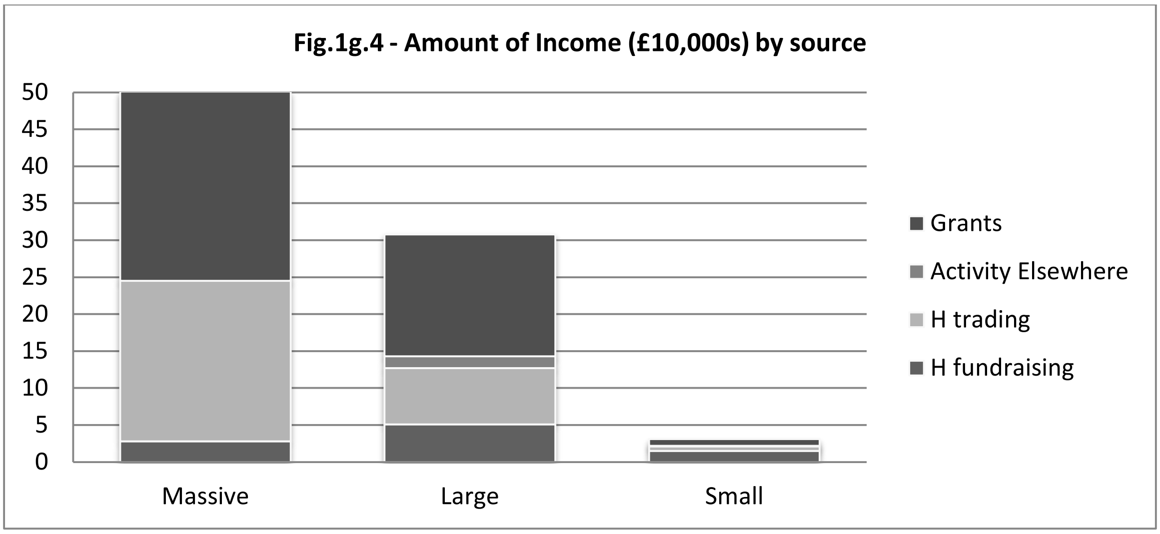


Income Sources

Given this inequality, with so few TSOs having so much of all income, discussing the *total* division of sources of income is next to meaningless. Looking instead at broad bands, responding TSOs gain income from Highland fundraising, Highland trading, activity beyond Highland and from all grants, as follows:



Even proportionally, small organisations are the least grant-dependent (and in absolute terms, they report receiving just 2% of all granted funds). Massive TSOs raise the highest proportion from their trading activities, while large TSOs have the widest range of income sources. All Highland TSOs are 95% to 100% supported by their in-Highland activity. The same figures, presented numerically, also show points of interest:

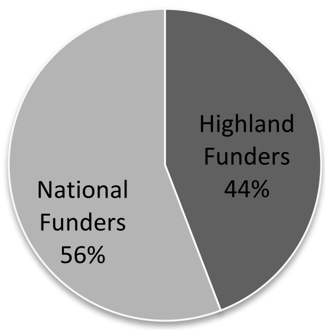


In practice, all small organisations combined manage to match more than half the total Highland fundraising by massive TSOs. However, because they receive far less support from other sources, the total income of all responding small TSOs is only slightly higher than massive TSOs fundraising-only. Large TSOs raise much larger funds both locally and nationally/internationally, but cannot match the trading or grant income of massive TSOs.

1h) Grants from within and beyond Highland;

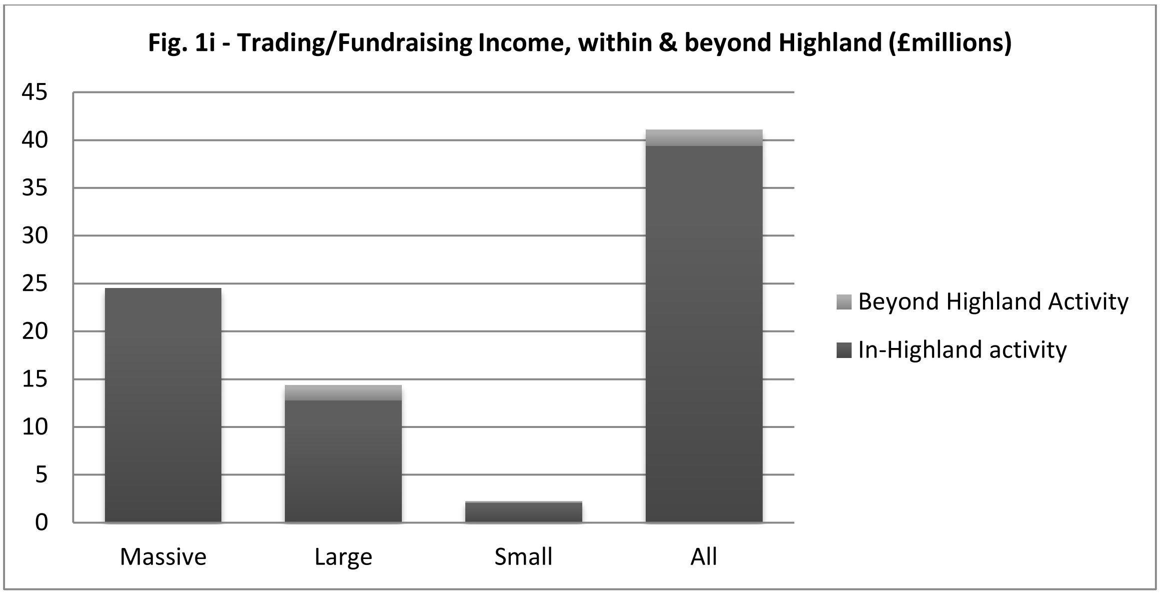
In terms of the origin of grants, only small TSOs depend mainly on Highland funders (62% to 38%) with large and massive TSOs gaining most of their (much larger) grant income from national funders (51% and 60% respectively). Therefore, of all grant funding received by these responding TSOs (£41.3 million) the overall proportions from Highland and national sources are:

Fig.1h - Grants to All Responding TSOs, from...



1i) Income raised by trading and fundraising, within and beyond Highland;

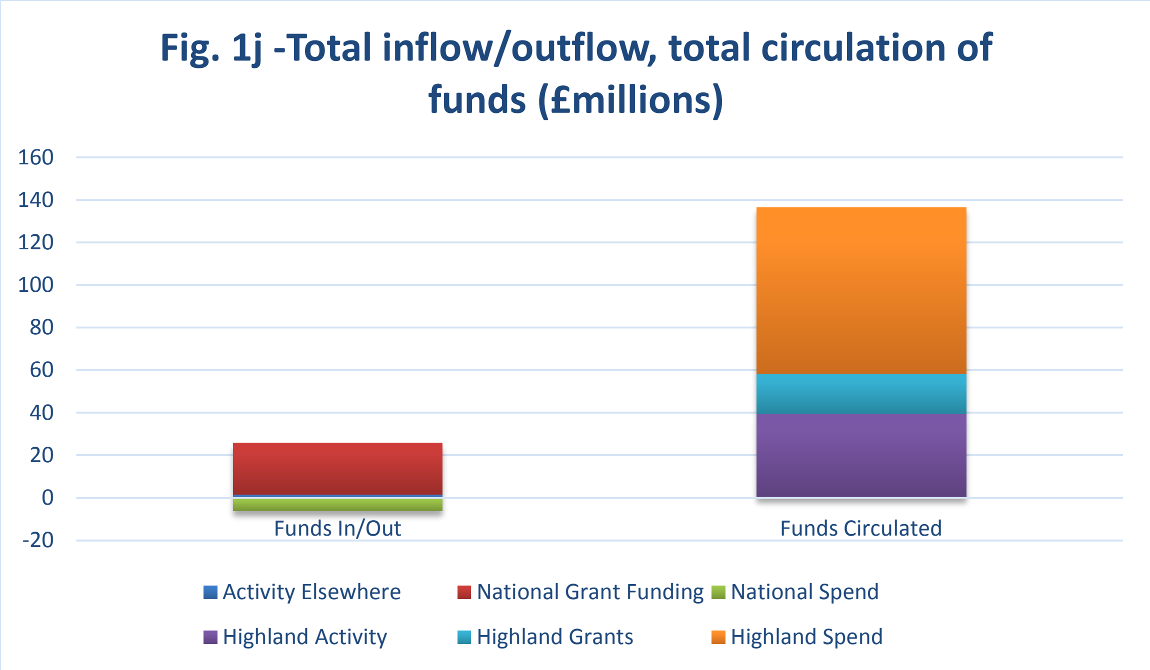
Although a proportion of Highland TSOs are nationally and internationally active, in practice, few appear to derive significant income from fundraising or trading in other areas, as shown above. For total Highland and extra-Highland fundraising and trading, the amounts for each broad income group are as follows:



Virtually all non-grant funds gained from beyond Highland are fundraised or traded by large TSOs. Therefore, the overall income-generating activity of Highland TSOs overwhelmingly (96%) takes place within the Highland economy.

1j) Destination of spend within/beyond Highland; net inflow/outflow

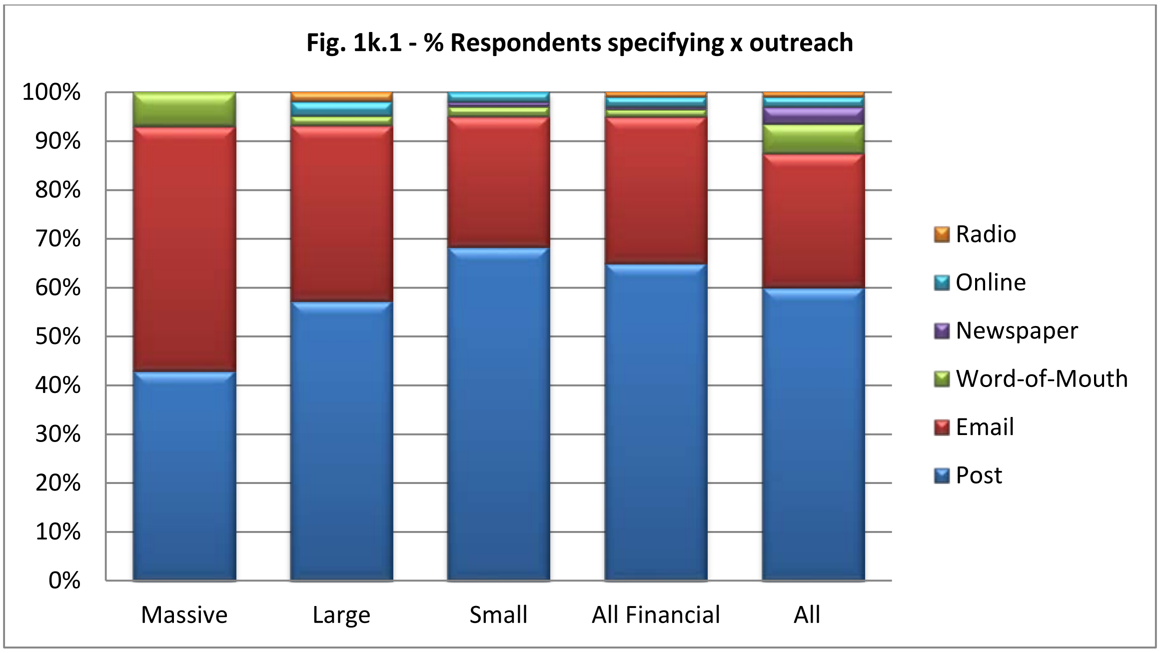
Likewise, almost all funds spent by responding Highland TSOs overall were spent in Highland (93%). Only smaller TSOs spend slightly less than this (90%) which is likely to do with the destination of their spend on goods/services rather than wages. Combining the income source, grant origin, and spending destination figures allows for a calculation of relative inflow/outflow of third sector funds to Highland by these TSOs. In the left hand column are monies received from ex-Highland sources (activity elsewhere, national grant funding) and spent on ex-Highland goods/services (national spend, negative). The right hand column shows the funds circulated within Highland, to and from Highland TSOs (income from fundraising and trading in Highland, grant income from Highland funders, and the proportion of all this income they then spend on goods/services/employment in the Highland economy).



The net inflow to Highland of these TSOs is £19.5 million (£25.8 million brought in as TSO income, minus £6.3 million spent on national/international activities, and goods/services from providers outside Highland). This net inflow is additional to a total economic circulation within Highland of £136.4 million, for a total impact of £155.9 million. Notably, this net inflow plus circulation is 46% higher than income alone: considering the whole, not just income or spend only, is justifiable since TSOs exist to spend income on their social aims, not to accumulate income or distribute it as profits. As residents' spend with many private companies operating in Highland leaves the area directly as profit (and most of national companies' own spend is elsewhere) this TSO-enabled economic circulation within the area is particularly important to local economies in Highland, over and above the services and amenities it provides, and the volunteer contributions it enables.

1k) How the census was received.

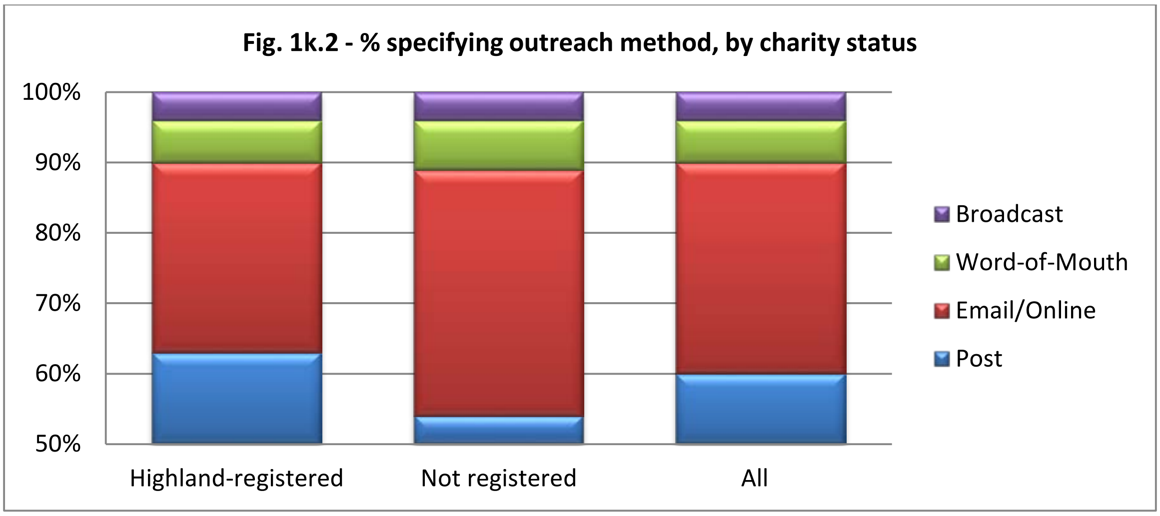
Respondents were able to select multiple methods of outreach, yet most seem to have only listed the main one prompting their response. (It should be noted that as postal returns were received from all areas until the closing date, simply *receiving* a form by post was not in itself enough to prompt a response). Overall, 60% specified postal contact, 27% of respondents specified email contact, 6% word-of-mouth, 3% newspaper, 2% online/social media, and 1% radio. As with other variables, there were notable differences by size of responding TSO (and in this case, also whether they provided total budgets).



Overall percentages are shown by the rightmost column. From the other columns, it is clear that email was the best way to reach massive TSOs, but postal outreach was more important for all others, and especially for the small TSOs. Although overall, outreach methods other than post and emails (bearing in mind that 85% of direct contacts were postal) account for relatively few responses, these are likely to be particularly important as unengaged TSOs not visible in other sources, and so not contacted by post or email.

Given this, and that charity registration in Highland was a factor in the availability of official postal address[16] relative response prompt percentages were also compared for non-charities (no postal address listed with OSCR) as against Highland charities (postal address must be listed with OSCR). This comparison suggests the validity of the different address-sources used in preparatory research (OSCR for Highland-registered charities, online research for all other TSOs). Note that this chart shows a detail of 50%-100% of all responses specified.

[16] Charity registration is also a known factor in availability to the TSO of some formal accounting figures, which non-charities may not need to prepare formally (or share with volunteers/staff).



Most notably, Fig.1k.2 shows almost 10% variance in rate of response-to-post, being lowest for non-charities, highest for Highland-registered charities. This suggests that OSCR listings were a valuable source of reliable addresses. However, the variance was collected largely by email, showing this to be a particularly valuable way to reach non-charitable TSOs. (Within online responses, non-charities were more likely to have been contacted specifically through social media. They were also somewhat more motivated by word-of-mouth.)

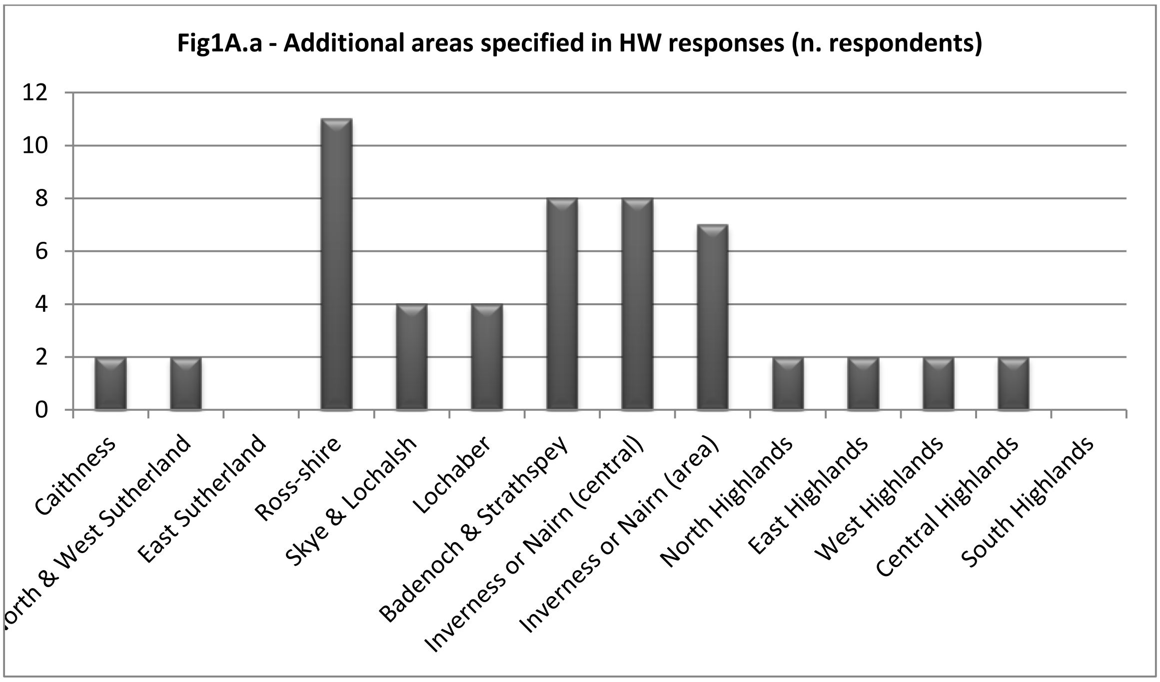
1A) Highland-wide TSOs

As noted above, a significant proportion (one in eight) responding TSOs specified their operating area as Highland-wide. While the census sample overall shows operating norms within Highland, this subset of Highland-wide responses ought to indicate norms of working across Highland (issue 1b). These TSOs do show particular characteristics – and in a wider context, would clearly be expected to operate under specific circumstances – which make it both possible and useful to consider them as a group. In total, 142 individual responses selected the 'Highland-wide' option under area of operation.

1A.a) Operating areas

10 Highland-wide (HW) TSOs selected every option for this question (due to lack of specificity, this can only be analysed as Highland-wide). Including these, the majority (n.109) of respondents working Highland-wide selected 'Highland-wide' only. 27 respondents also selected one specific Partner only, 4 selected 2 (all Signpost, plus: Ross, 1; Lochaber, 1; Badenoch & Strathspey, 2). Two

respondents selected more.[17] On average Highland-wide respondents selected 1.4 operating areas. Of the Partner areas, Ross-shire was most frequently chosen (8%, n. 11) followed by Badenoch and Strathspey and either of the Inverness/Nairn (central or area) choices.

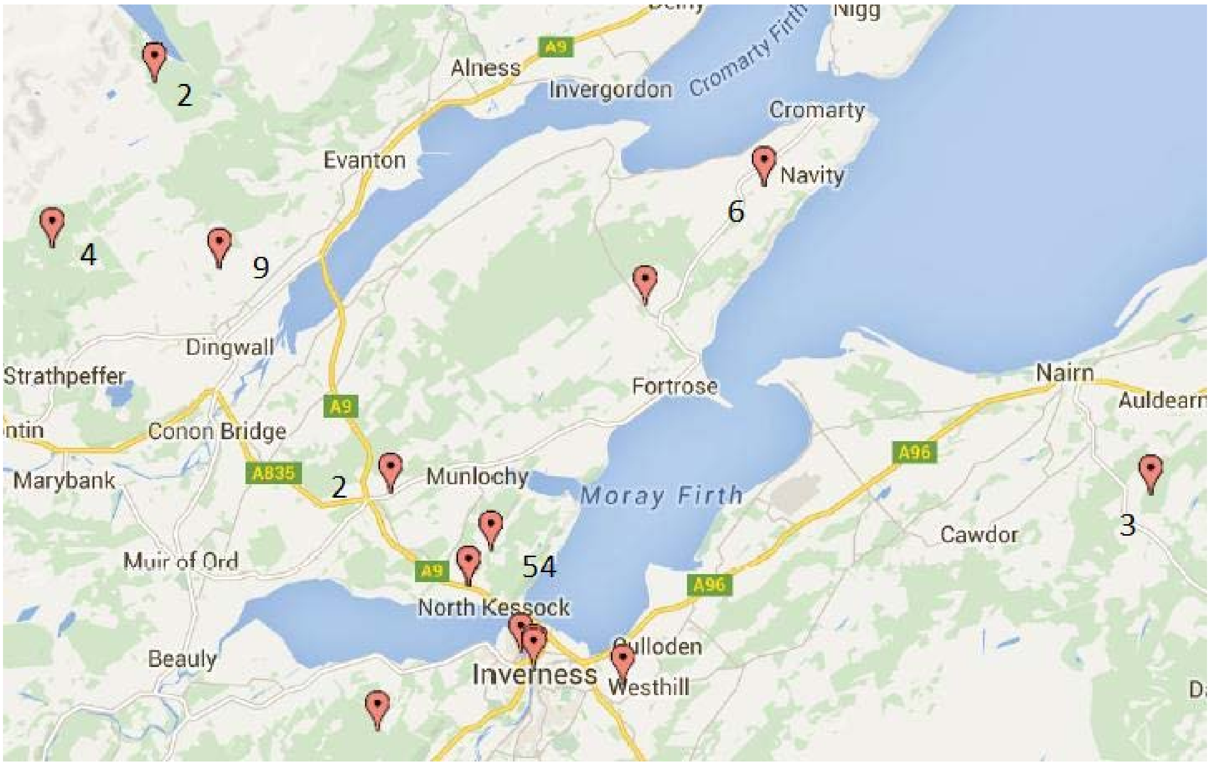


90/142 of these HW TSOs (63%) also responded with plot-able postcodes, as shown (with actual numbers of respondents specifying each code added where there was more than one). These postcodes should indicate location of head-office, which may be the same as, different to, or instead of, any areas of operation specified. These automated plots show that Highland-wide TSOs are based all across the Highlands, but tend to cluster in areas of higher population, from which they reach out across other parts of Highland.

[17] Caithness, Ross, Badenoch and Strathspey and (both) Inverness/Nairn options, and central Inverness/Nairn plus Ross and NW Sutherland. Of other responses for the Inverness/Nairn area, a further 6 selected ‘central’ (3 central-only, 3 both). A further 5 selected area (2 area-only, 3 both).

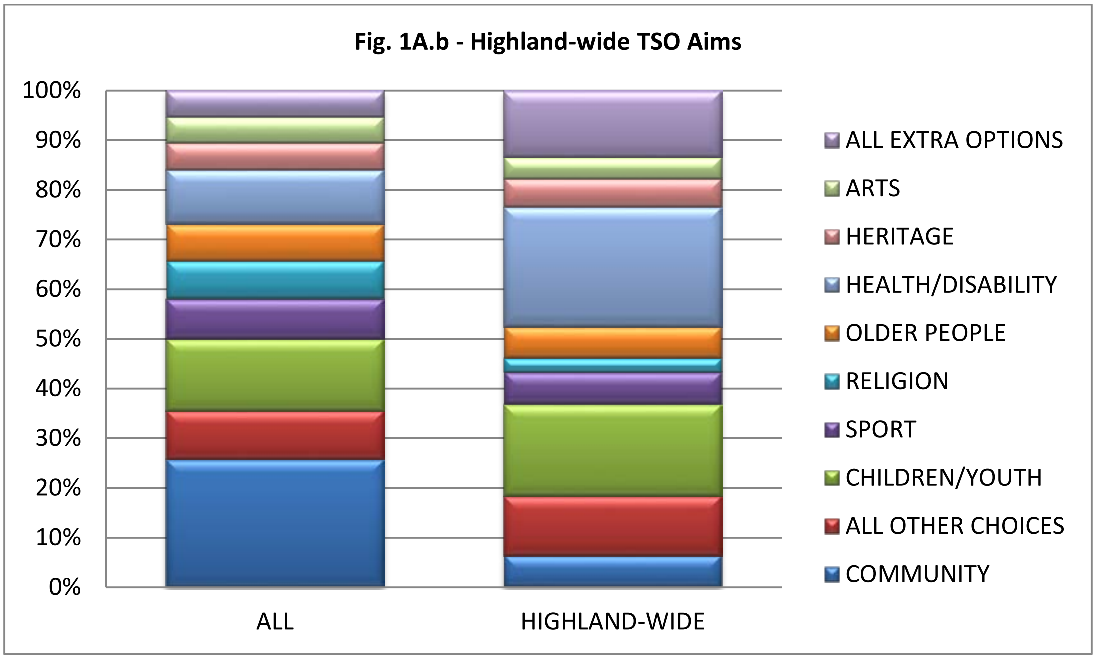
Map 1

Most of these TSOs were clustered in the Moray Firth area, as shown (detail) **Map 2**



1A.b) Highland-wide social/charitable aims

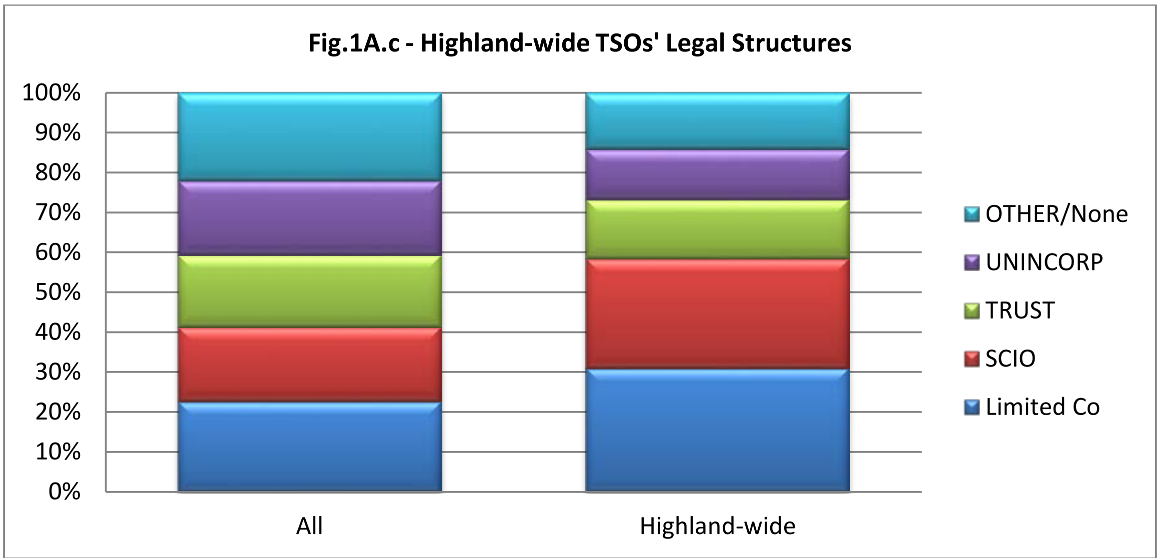
As above, 1b) sixteen potential aims were offered, with an option to expand or offer alternative comments. The proportions with each aim in the whole sample are shown at left, for comparison.



Compared to the whole sample, community options (development or local area/community activities) are notably absent from the responses of HW TSOs: these TSOs are instead most likely to work on health/disability, children/youth or on other aims not listed on the form.

1A.c) Highland-wide TSO structure and scale;

Respondents were offered the choice of limited company, SCIO, Trust, Unincorporated Association, Co-operative or ISP, or commenting with another structure.



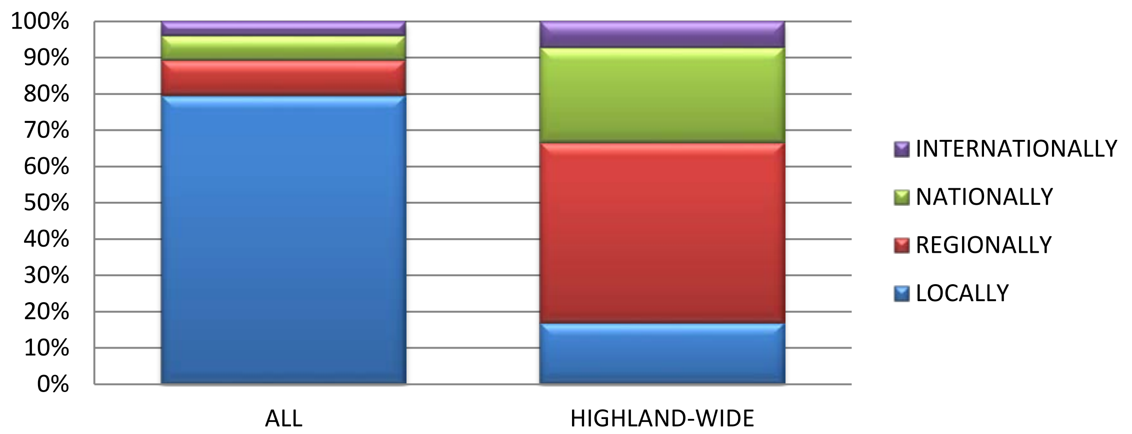
Responding TSOs working Highland-wide were much more likely to have (and know about) a formal legal structure, and this was notably more likely to be limited company or SCIO status (60% vs 40% average). Respondents were also asked to specify whether or not they were responding from a branch of a larger organisation (e.g. a national charity).

Fig.1A.c2 - Branch Status among Highland-wide TSOs

Responding TSOs working Highland-wide were much more commonly branches of larger organisations (and as discussed in Part 3, this may help explain their clustering in accessible areas).

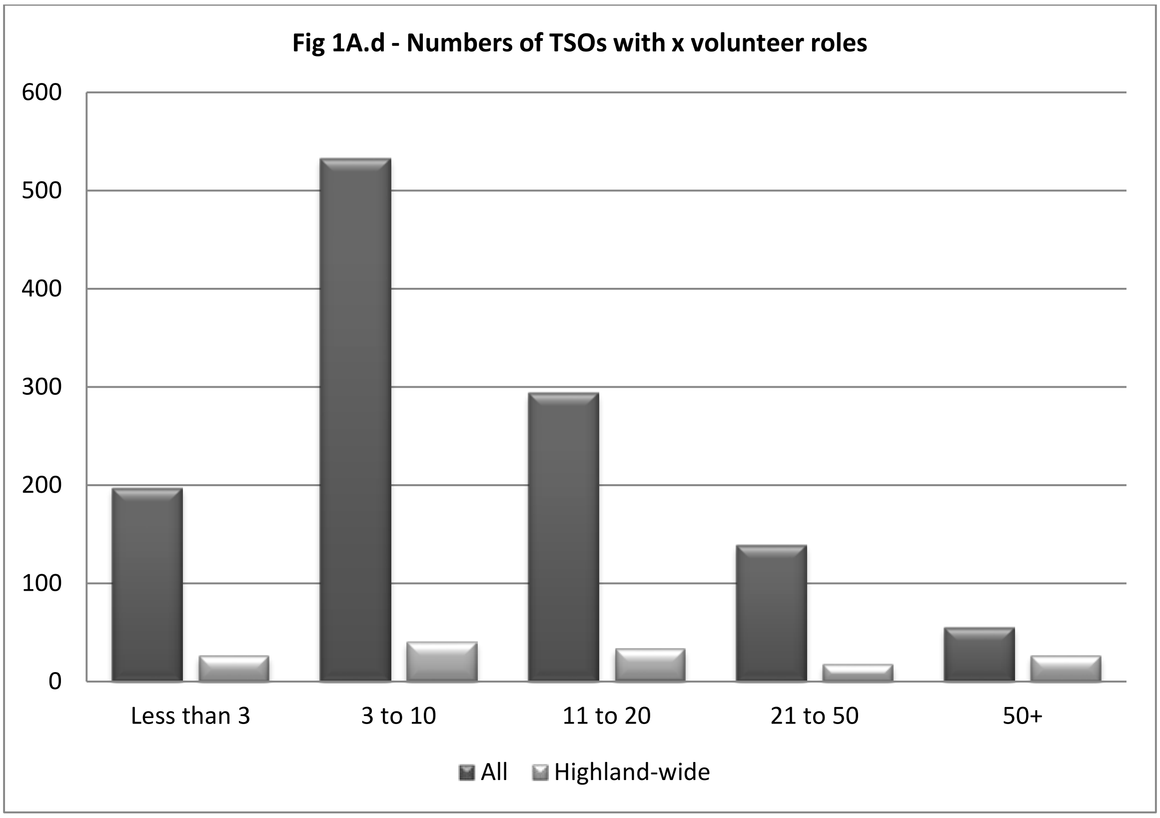
Respondents were also asked whether they operated locally, regionally or nationally. Responding TSOs working Highland-wide were obviously much more likely to work regionally, and in fact represent most of the regionally-active TSOs in the whole sample (70/95, 74%. This is not as much of a given as might seem at first thought, as TSOs in Lochaber might work regionally by being active in Argyll & Bute, TSOs in Skye by working in the Western Isles, TSOs in Caithness the Northern Isles, or TSOs in Badenoch & Strathspey in Moray, Angus or Aberdeenshire.) Highland-wide TSOs were also more likely to work nationally, and again, form a high proportion of all TSOs doing so (37/65, 57%).

Fig.1A.c3 - % Scale of Work (Highland-wide TSOs).



1A.d) Numbers/hours of volunteers and staff;

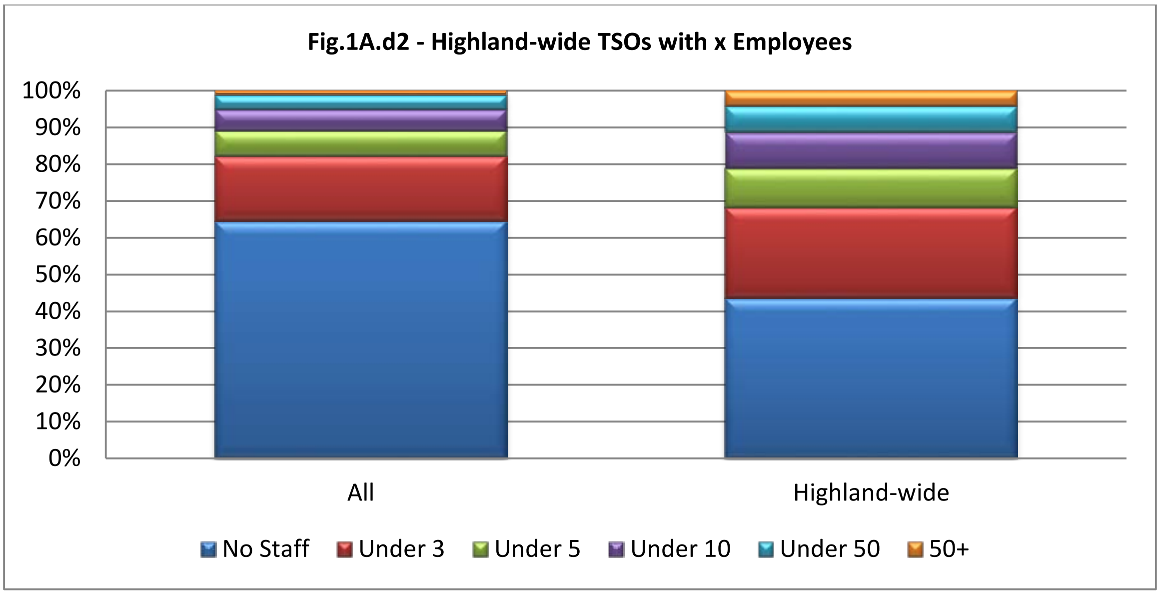
Volunteering: Responding Highland-wide organisations report a total of 5944 volunteer roles (29% of total 20,282 roles, although just 12% of TSOs). The minimum reported was 0, the maximum 700, with an average of 42 (compared to average 17 for the whole-Highland sample).[18] Reported volunteering with Highland-wide TSOs is 3% full-time, 36% part-time, and 61% casual (vs. 2%, 26% and 72% in whole sample).



As in the whole sample, 3 to 10 is the most common number range, but this majority group is only 28% of Highland-wide TSOs, compared to 44% of the whole sample. Highland-wide TSOs are as likely to have 50+ volunteers as less than 3. Indeed, almost half (47%) of all responding TSOs with 50+ volunteers are these working Highland-wide.

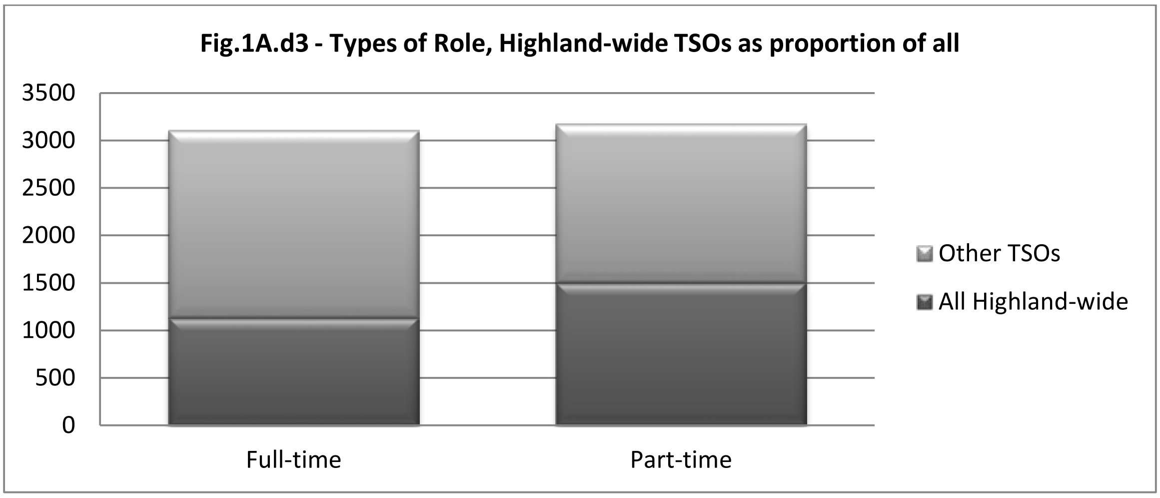
Staffing. 62 HW respondents (44%) report no staff of any kind. For the 56% with staff, levels range from 0.5 FTE to 550.[19]

[18] 17 did not answer, or report none. 9 report one or two, 8 note 3-4, 32 report 5-10, 21 report 11-15, 12 report 16-20, 17 gave 21-50, 13 gave 51-100, 13 said 100+.
[19] This range is from under 3 (n.35), under 5 (n.15), under 10 (n.14), under 50 (n.10) and 50-550 (n.6).



Responding Highland-wide TSOs twice as commonly have more than 5 staff (22% vs 11%) and considerably less often have none. Almost half (6 in 13) of all TSOs reporting 50+ staff are working Highland-wide.

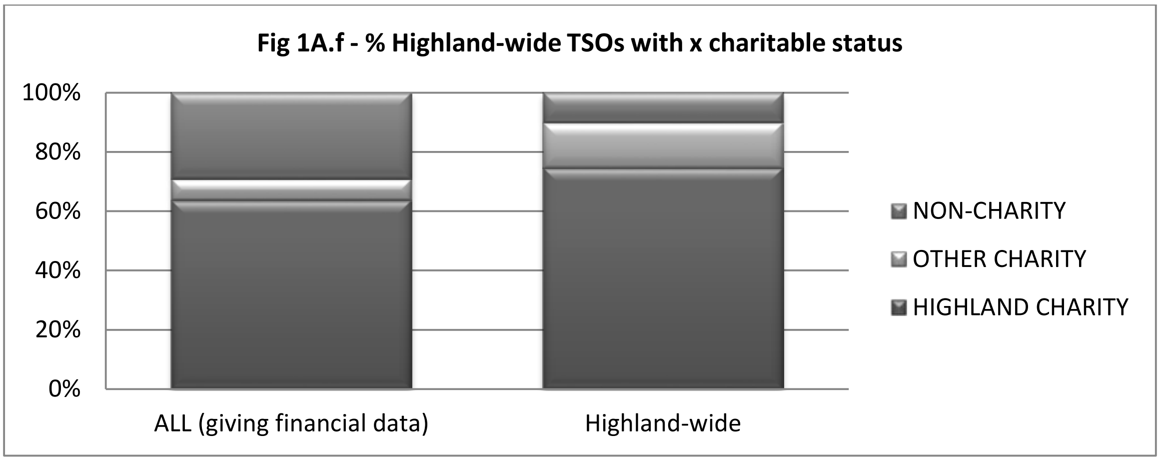
The total number of roles reported is 2632 (of 6290 in total, or 42% with just 12% of all TSOS) being 43% full-time (compared to 49% in the whole sample). That is, while responding TSOs working Highland-wide more often employ staff, these staff are somewhat more often part-time. This may be because they employ staff in a variety of Highland areas.



Responding TSOs working Highland-wide employ almost half (47%) of all part-time staff reported to the census, and 36% of all full-time staff, despite being just 12% of all respondents. 64 HW TSOs report some full-time, 66 some part-time staff, leaving 53% with no full-time staff (compared to 76% in whole sample) and 50% with no part-time (compared to 66% in the whole sample).

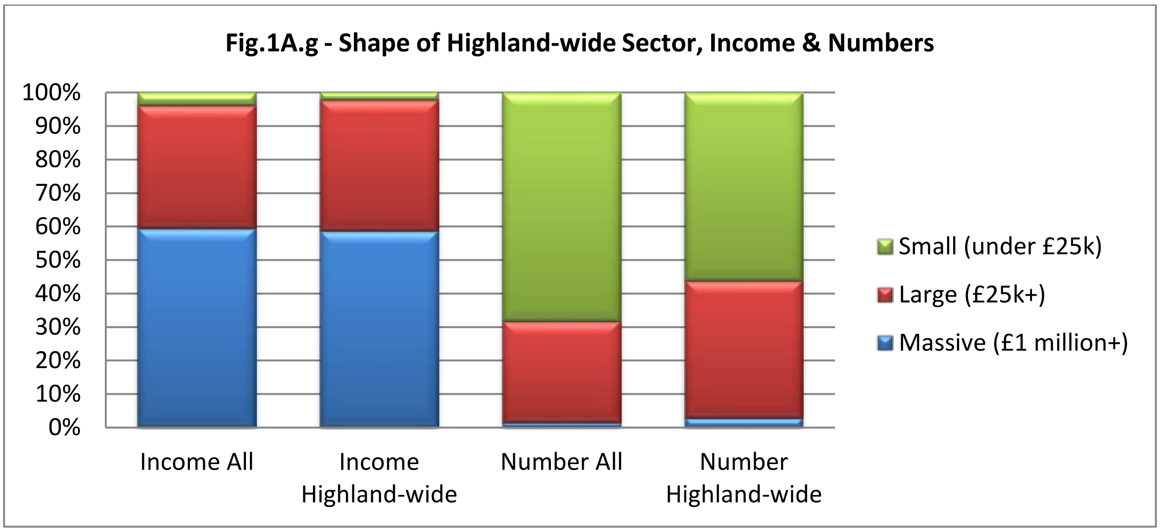
1A.e) Single/multiple volunteering roles; Overall, 44% of all TSOs believed volunteers were involved with only one group, 56% with multiple groups. For responding TSOs working Highland-wide, the division was 47% to 53%.

1A.f) Charitable status; Highland-wide respondents were also asked about charity status: whether or not charitable, and if so, whether or not registered in Highland (right).



Like large TSOs, Highland-wide respondents are very likely to be charities (90%) and the majority were registered in Highland. However, TSOs working Highland-wide were twice as often registered elsewhere, compared to the whole sample. This is particularly significant, given these TSOs' unusual human resources shown above, because it means focusing only on OSCR Highland-listed charities will significantly underestimate TSO employment in Highland.

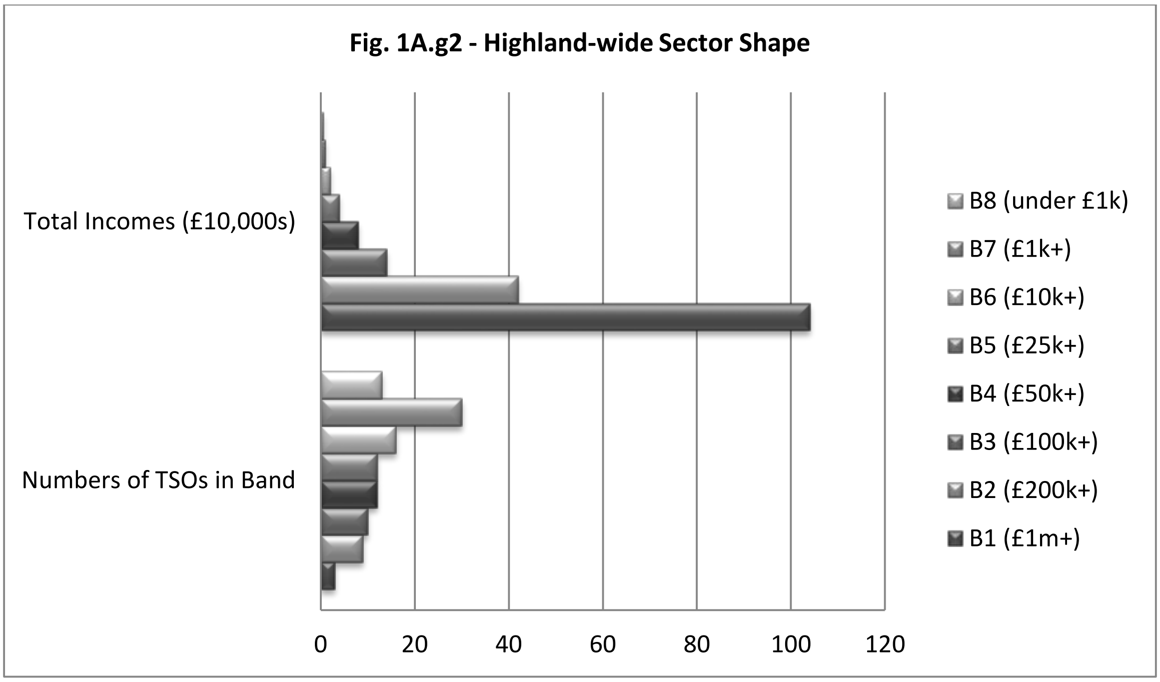
1A.g) Total annual budgets; 105 Highland-wide TSOs gave total annual budgets (74%, including 13, or 9%, responding 'less than £1000'). Total income detailed was £17.7 million (21% of all). 59% of this was held by massive Highland-wide TSOs, 39% by large TSOs, and just 2% by small.



These proportions are close to average for the whole sample (left columns) although TSOs working Highland-wide are notably more likely than average to be massive or large (right columns).

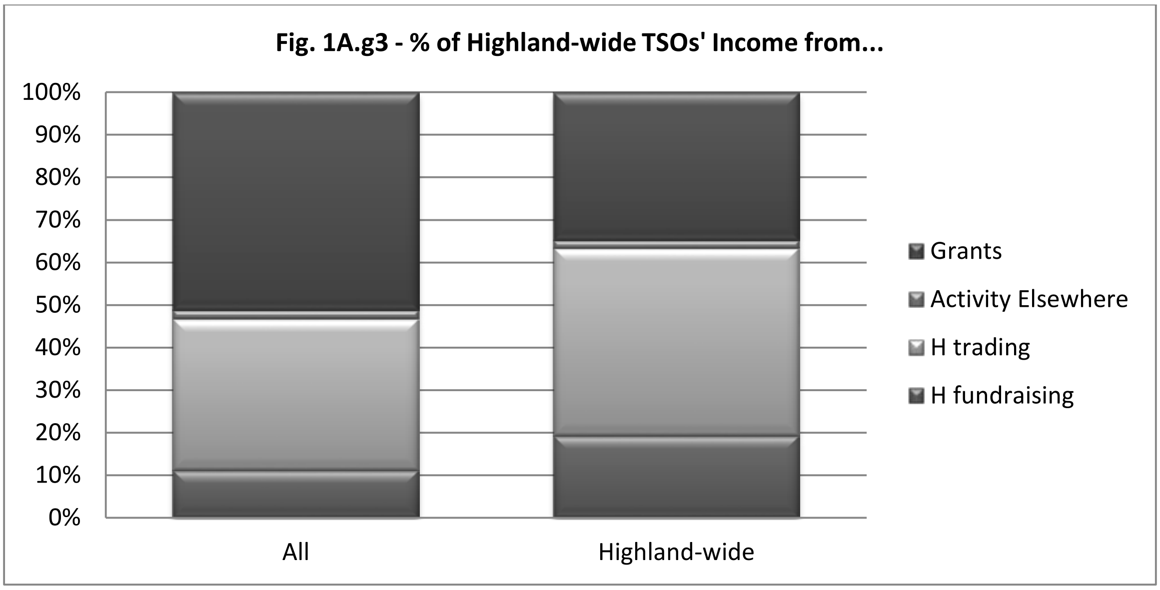
Massive TSOs are twice the proportion by number of Highland-wide respondents (2.8% vs 1.4%) while the proportion of small Highland-wide TSOs is considerably lower (56% vs. 68%). There are also proportionally many more large TSOs (41% vs 30%). It is particularly notable, then, that these larger proportions of massive and large TSOs working Highland-wide receive relatively unchanged proportions of income: 11% more large TSOs Highland-wide share just 2% more income (than large TSOs across the whole sample) and this at the expense of the *small* TSOs.

In more detail, the number and total income of Highland-wide TSOs by income band (smallest to largest) is described by the following pyramids:



The numeric distribution of Highland-wide TSOs across bands is more equal than the whole sample (although, like the whole sample, the largest single group is those with between £10,000 and £1000 in annual income).

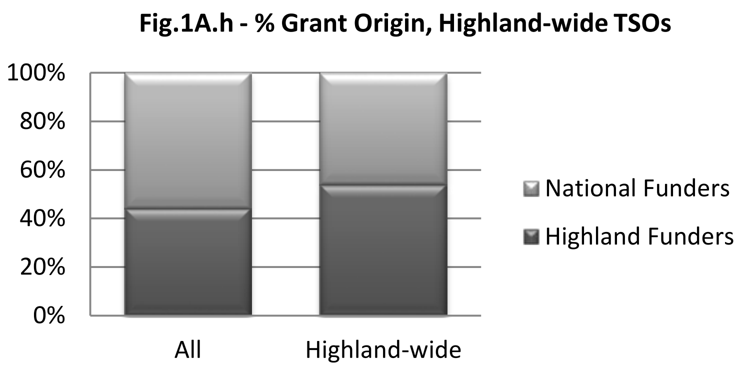
Looking at sources of income, Highland-wide TSOs gain income from Highland fundraising, Highland trading, activity beyond Highland and grants, as follows:



Compared to all TSOs (left column) Highland-wide TSOs are far less grant-dependent. They are no more likely than average to gain funds from fundraising or trading outside Highland (despite the high proportion being branches). However, in total, they make much more than average of their income from trading. (This may be because working across Highland offers access to large enough markets to do so, which would have implications for growth in Highland third sector trading generally. Equally, however, it may simply be that – as shown on the maps above – Highland-wide TSOs tend to cluster in the more densely-populated areas. This should therefore be considered further in light of 2.5 and 3.6, below.) Whatever the explanation, these TSOs (12% of all) receive 13% of all granted funds, but generate 24% of all reported income from trading, and 33% of all fundraising income.

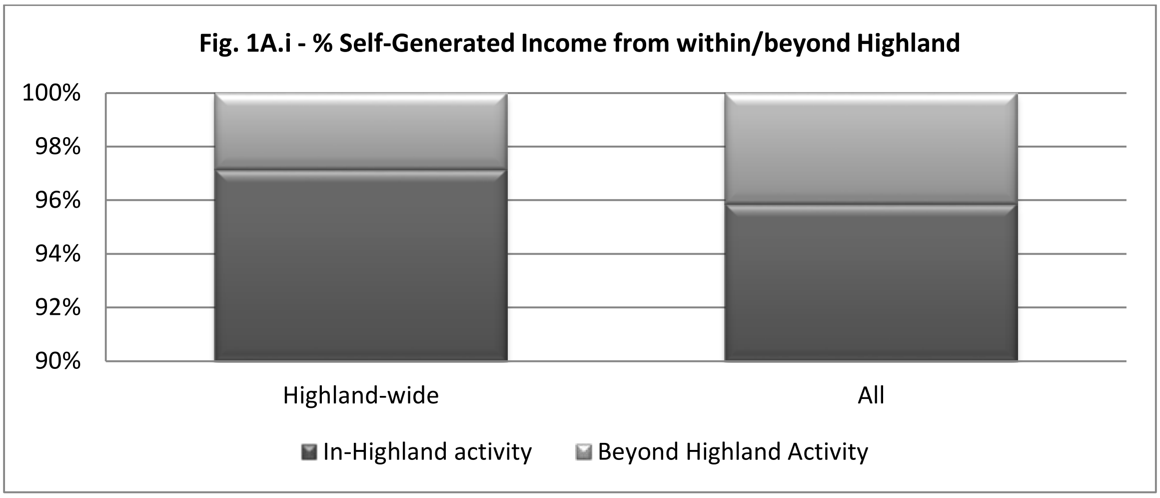
1A.h) Grants from within and beyond Highland;

Responding Highland-wide TSOs depend mainly on Highland funders (54% compared to 45% for the whole sample). These TSOs are granted £3.4 million by Highland funders, £2.9 million by national. In the whole sample, this pattern was found only for small TSOs, although as above, the size distribution of Highland-wide TSOs is more equal, and significantly fewer are small.



1A.i) Income raised by trading/fundraising, within/beyond Highland;

Although a good proportion of Highland-wide TSOs are nationally and internationally active, in practice, few appear to derive significant income from fundraising or trading in other areas. Total Highland and extra-Highland fundraising and trading activity for Highland-wide TSOs (left) is as shown (detail of 90%-100% of income):

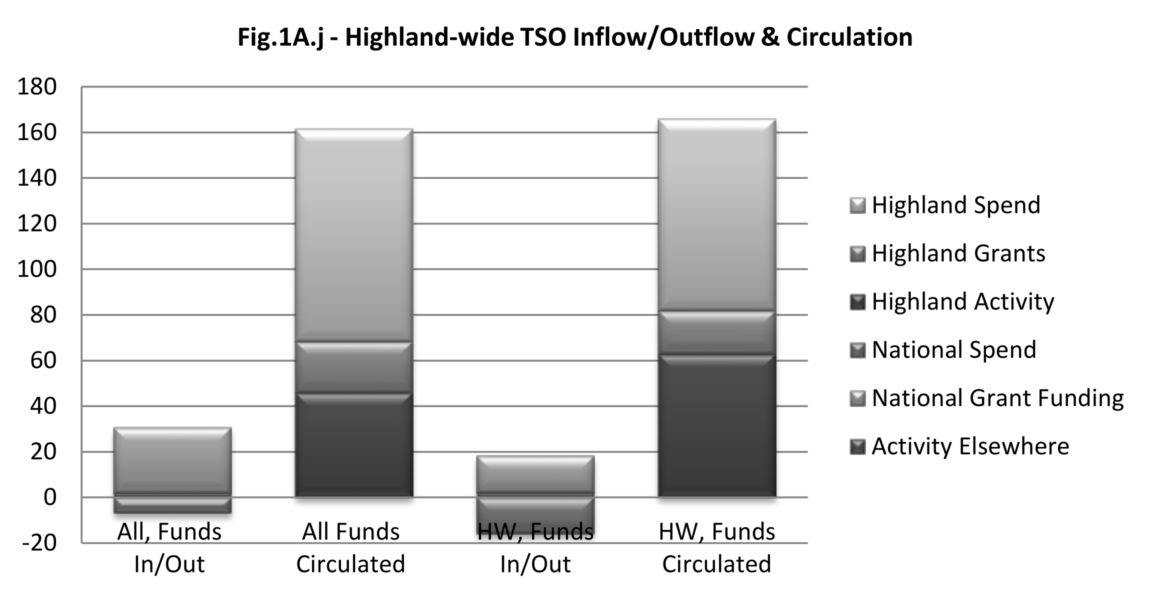


Despite the notably higher proportion of branches among responding TSOs working Highland-wide, this group generates relatively minor (and 1% less than average) non-grant funds from beyond Highland. Therefore, income-generating activity by Highland-wide TSOs overwhelmingly (97%) takes place within the Highland economy.

1A.j) Destination of spend (within/beyond Highland, net inflow/outflow):

Although almost all funds spent by Highland-wide TSOs are spent in Highland, this proportion is almost 10% lower than for the whole sample (84% vs 93%). Again, only smaller TSOs spend closer to this (90%), although a higher proportion of Highland-wide TSOs are large.

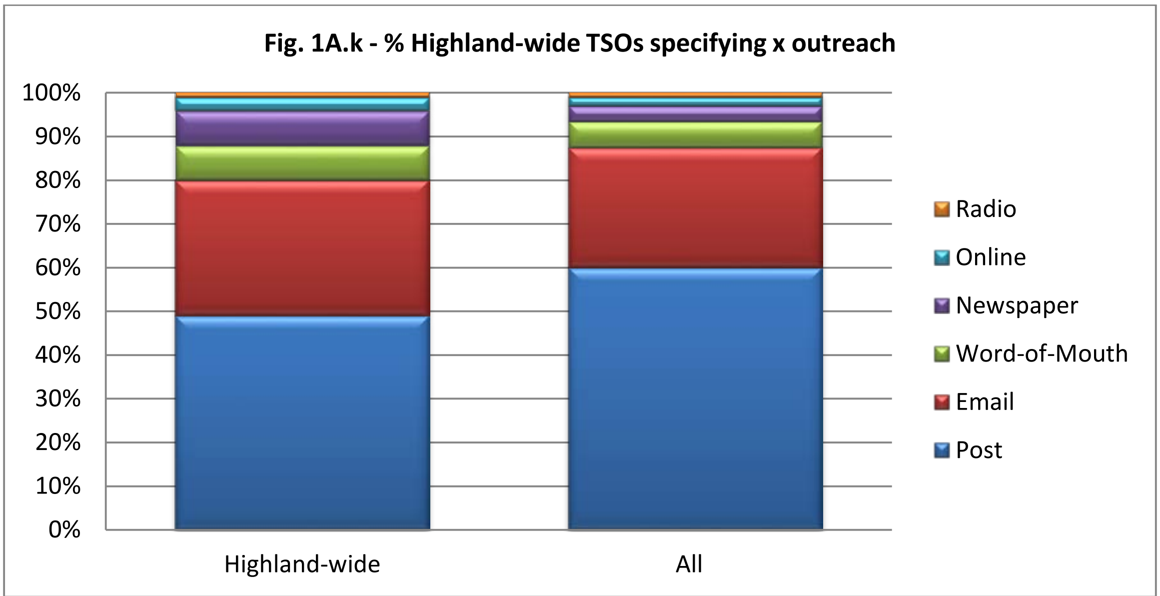
In the chart below, both inflow/outflow of funds, and funds circulated within Highland, are shown for the whole sample (left) and for Highland-wide TSOs only (right). Only percentages are shown, as the only comparable presentation, given the disparate incomes of the two samples.



Net inflow to Highland-wide TSOs is minimal (income raised beyond Highland plus national grants being closer to balanced by spending beyond Highland) than is the case for all responding TSOs. However, these Highland-wide TSOs do circulate a higher than average percentage of their income within the Highland economy, due to their high proportion of income from trading and fundraising.

1A.k) How the census was received:

Responding TSOs working Highland-wide were more often prompted to respond by means other than post or email (20% vs 12% in whole sample) notably by newspaper adverts and word-of-mouth. They were somewhat more often reached by email (31% vs 27%) and much less often prompted by receipt of a postal form. Again, given their disproportionate contribution to income and employment, this is significant for future fieldwork.

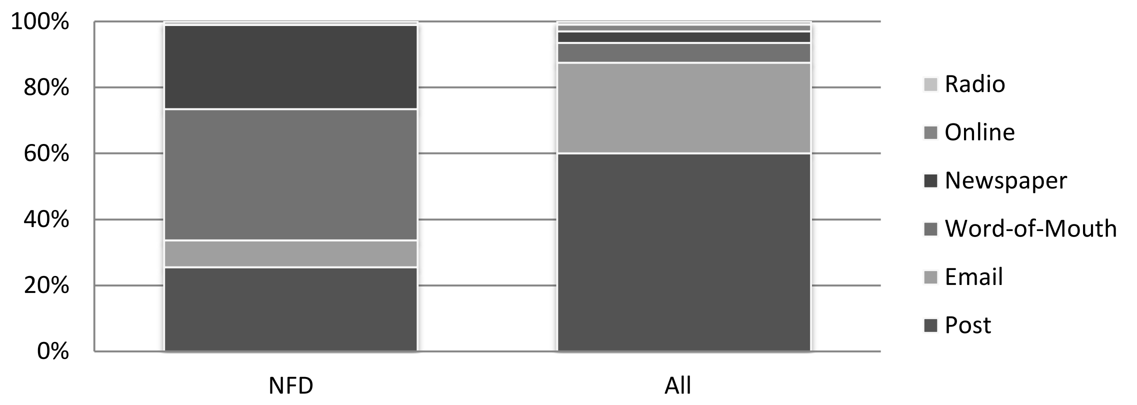


1B) Finance Non-responders:

The final subgroup analysed consists of the 240 responses that did not (or could not) provide usable financial data, and so could not be included in the extrapolation below). 103 of these (43%) answered the more/less than £1000 question. 85 gave percentage breakdowns for some variables, but no total budget to which these could be applied. A somewhat higher proportion of these responses (14%) come from the Trial outreach, before the more/less question was added to help smaller TSOs give some financial response (all Trial responses being 12% of the whole sample).

Non-financial data (NFD) from these TSOs has been included in the analysis, including in other subsets, but it is also useful to consider particular characteristics associated with financial non-response. The most obvious of these is reported outreach:

Fig. 1B.1 - % NFD Respondents specifying x outreach

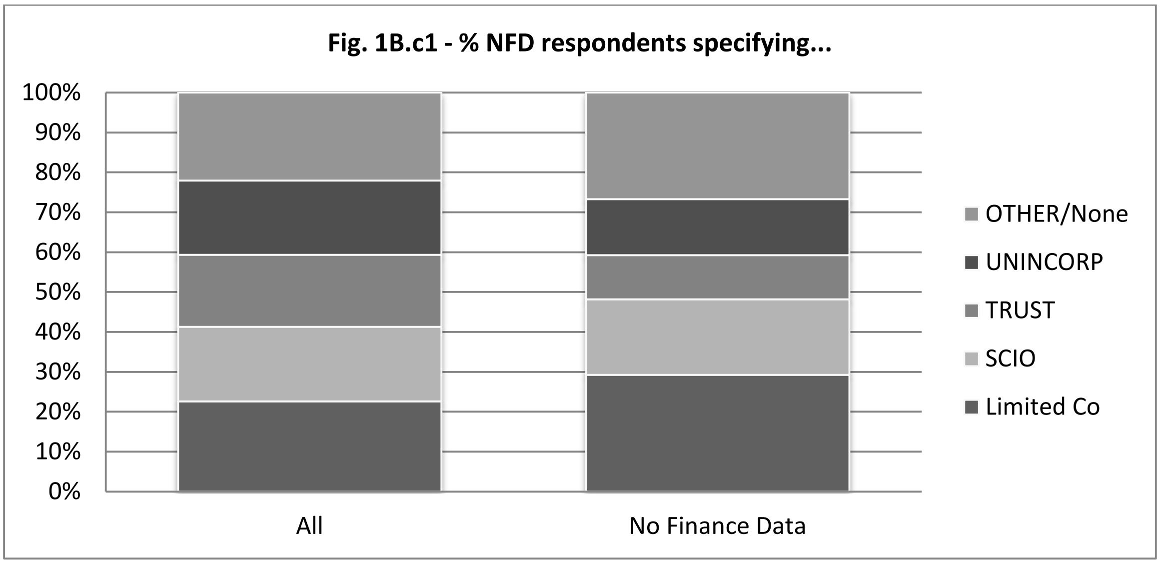


It is notable that the most common form of outreach for this no financial data (NFD) group was word-of-mouth, and that newspaper prompting was as frequently reported as postal. The lack of prominence of the latter, relative to the whole sample, will be partly caused by a proportion of these responses being incomplete through having overlooked the final side of the printed form (and therefore also unable to specify outreach). Once this tendency was observed, forms in the final two outreach areas were printed single-sided, which reduced the incidence. However, this cannot explain the greater incidence of newspaper or word-of mouth advertising.

These methods had been particularly successful in the Trial, but while those proportions are high among Trial-only NFD respondents (42%, vs 17% email, 33% word-of-mouth, postal outreach rarely used and not reported) the numbers involved are small (five, two, four) .85% of the newspaper responses, and 92% of the word-of-mouth, are not from the Trial phase. This therefore appears to be a genuine feature of the particular class of responses, those who chose not to offer numeric figures for their finances. Other notable differences from the sample overall include specification of structure, branch status, charity status, and full-time volunteering.

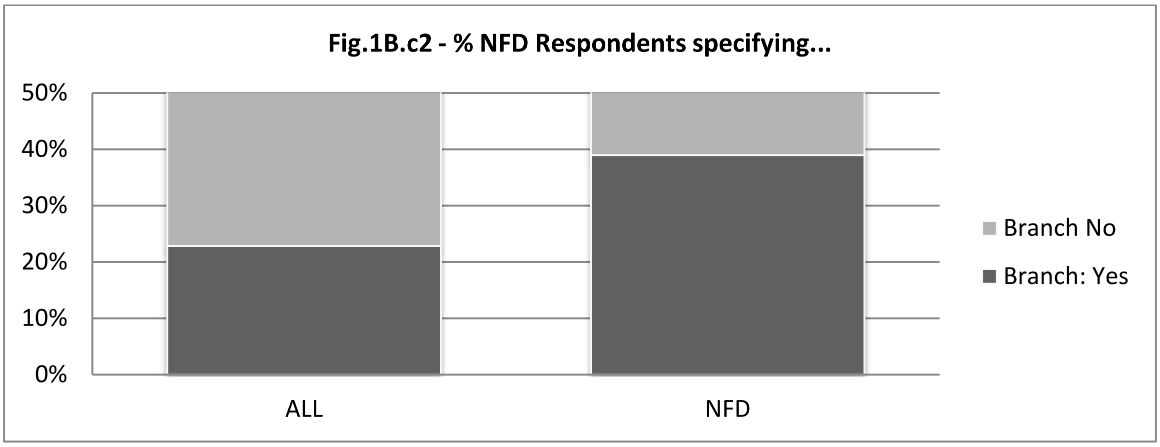
1B.c) Organisation structure and scale;

NFD respondents chose limited company, SCIO, Trust, Unincorporated Association, Co-operative or ISP, or commenting with another structure, as follows:



Responding NFD TSOs (right) less commonly than average had (and knew of) a formal legal structure. However, if they did, this was notably more likely to be limited company or SCIO status.

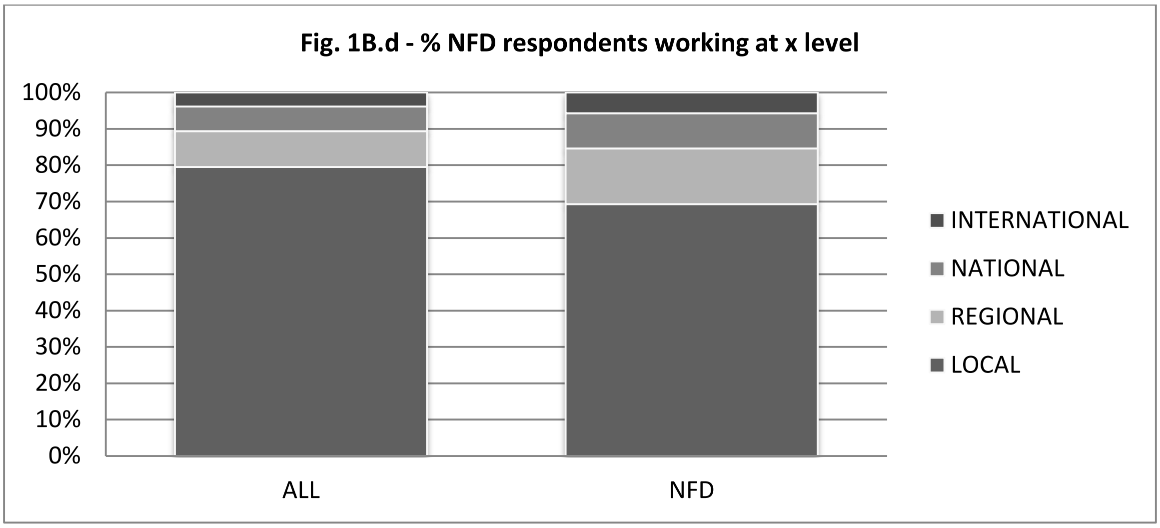
Respondents were also asked to specify whether or not they were responding from a branch of a larger organisation (e.g. a national charity). The chart shows detail of 0% to 50%.



NFD respondents were almost twice as likely to specify branch status, which may be a practical explanation for their inability to provide the local finances requested (may not be prepared for, or relevant to, all branch organisations, or may be less likely to be known to their local representatives).

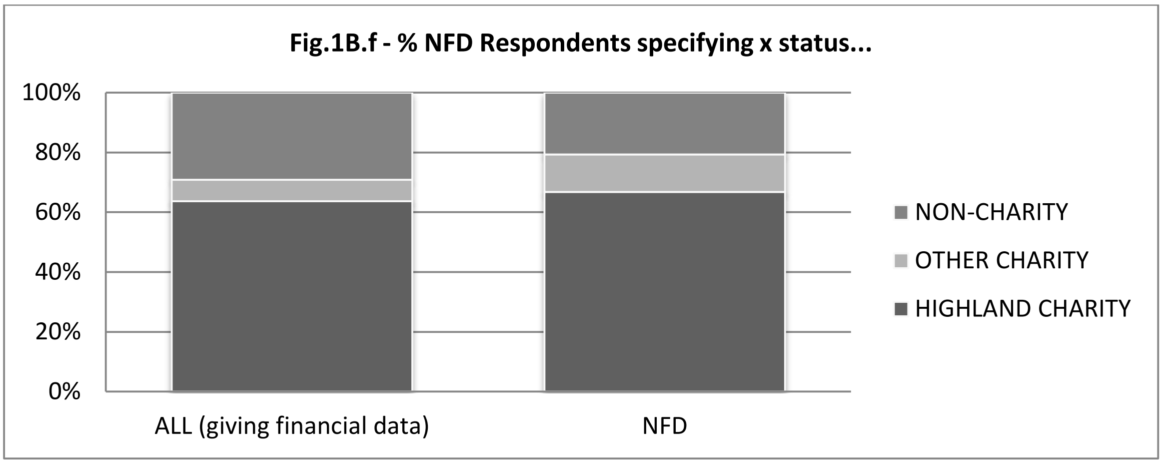
1B.d) Scale of Work

NFD respondents were also less likely to operate locally. However, unlike other analysed subsets (Highland-wide, branches only, remote-rural, urban/accessible) they show a similar proportional distribution (albeit at a higher level) than the whole sample. This is rather than a focus on working regionally (as Highland-wide respondents) or nationally/internationally (as remote-rural respondents).



1B.f) Charitable status;

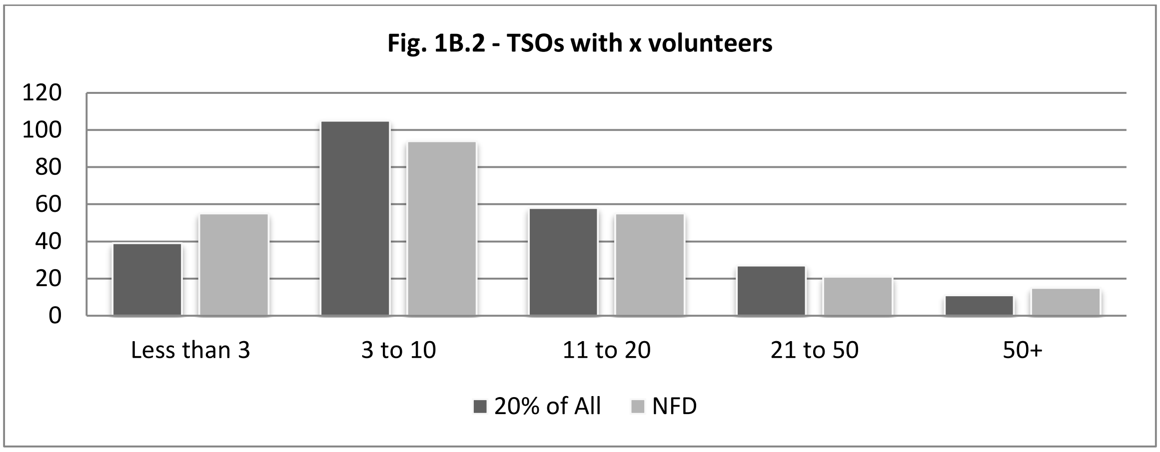
NFD respondents also specified charity status: whether or not charitable, and if so, whether or not registered in Highland. Confirming the branch status data, NFD respondents were more likely than those giving finances (7%), or the whole sample (8%) to be registered elsewhere (13%).



NFD respondents showed an average rate of being registered in Highland, but with the branch/registered-elsewhere proportion, a notably lower rate of being non-charitable.

1B.2) Employment and Volunteering

Although defined by not offering financial data, NFD respondents did give some indications of size and economic contribution, such as volunteering. The NFD subset represents 20% of all TSOs. The chart below shows - to illustrate the differences - an average 20% of all TSOs (dark columns) and this 20% of (NFD) TSOs (light columns).

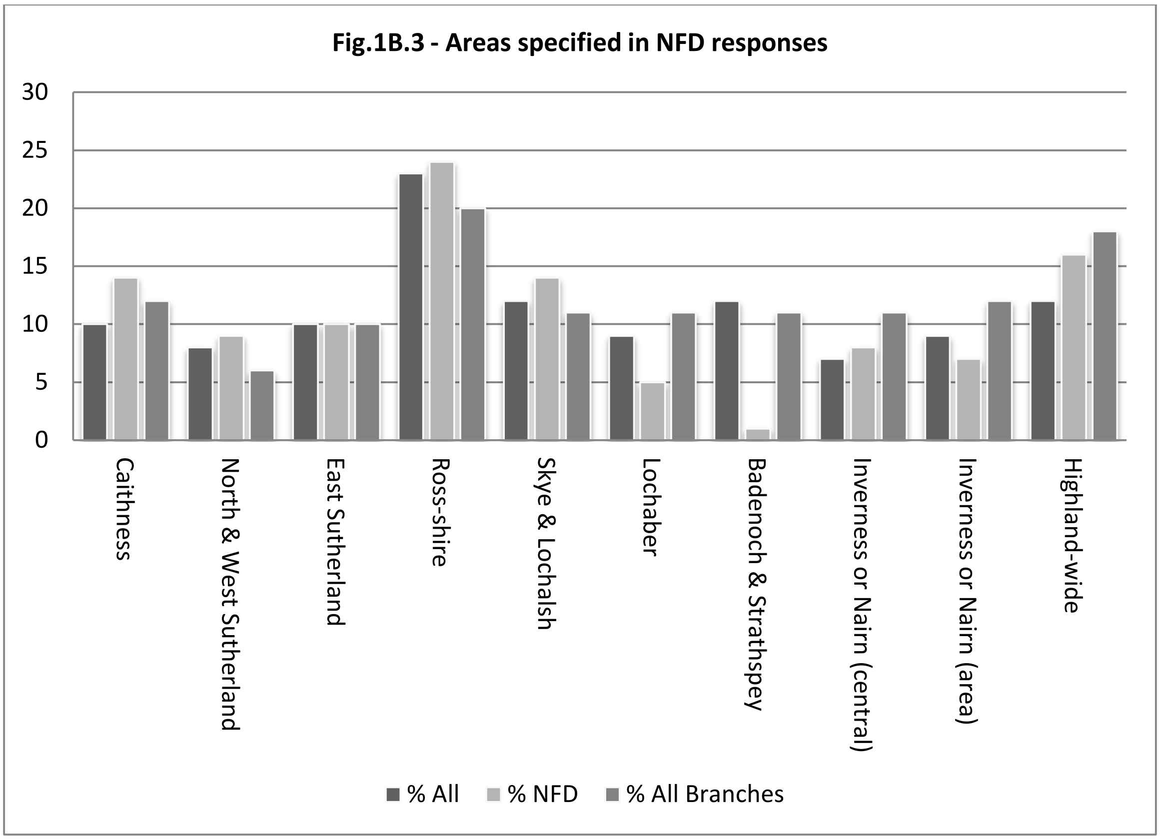


This comparison clarifies that a higher than average proportion of NFD respondents did not have (or did not report) any volunteers. At the other end of the scale, a higher proportion of NFD responses reported 50+ volunteers. However, the overall distribution is similar to the whole sample (majority 3 to 10, which contrasts with e.g. Highland-wide respondents, who showed instead equal proportions having 3 to 10 and 11 to 20 volunteers). NFD respondents also described staff and focus, but the patterns were not notably different than average.

1B.3) Locations:

As noted above, there were geographically-related factors impacting on responses lacking financial data, including the Trial questions, and the construction of paper forms. Area of operation responses are therefore plotted below in comparison to both the whole sample, and responses from branches only.

Compared to the whole sample, notably higher percentages of NFD responses specified Caithness, Skye and Lochalsh (as discussed above) central Inverness/Nairn and Highland-wide (notably *lower* came from Badenoch & Strathspey, Lochaber and the Inverness/Nairn area).



It is only when compared to branch-only area of operation, however, that the known geographic impact of form-construction is confirmed. Percentages of NFD responses are greater than or equal to branch presence across North Highland, in Ross-shire (both areas where outreach used the double-sided form) and Skye & Lochalsh (where no simple more/less than £1000 option was offered to encourage some financial response) and lower in all other areas.

One can note – but not explain – that respondents working in Lochaber and Badenoch & Strathspey were particularly unlikely to refuse or be unable to provide useful financial data. One can also note, as this is not elsewhere discussed, that some areas were specified by higher than average (left columns) proportions of branches (right columns). These included Caithness, Lochaber, and both Inverness/Nairn specifications. This would also correlate to areas of population density, as discussed below, Part 3.

Conclusions 1: What are the operational norms for Highland third sector organisations?

As discussed further in the section on Analysis & Implications, in general the operational norm for Highland TSOs is that outlined above for 'small' TSOs. That is, most Highland TSOs (70%) work with under £25,000 a year. 80% of these operate in just one area, with aspects of community (24%) and children/youth work (14%) the most common aims. Limited company is their most common structure (24%) but almost as many TSOs (23%) have unusual or unknown structures. 74% are independent organisations, not branches, and 79% work mainly locally. These TSOs most often have 3 to 10 volunteers, their volunteer roles are 72% as-needed, and most volunteers have multiple roles. The majority of these TSOs (60%) have no staff (those which do, have mainly part-time). At least 60% are charities. Almost half of income normally comes from Highland fundraising, 30% from grants (62% of this from Highland funders). At least £90 in every £100 is spent in Highland.

However, although these are the norms for Highland TSOs, they are not – particularly on income and employment – the norm for *the Highland third sector* (since most income and employment are instead with massive or large TSOs). Again, these norms have already been outlined above, and will be considered further below in the extrapolation and detailed rural/urban analyses.

As noted above, norms for TSOs working across Highland (Highland-wide) are also, in at least some respects, notably distinct from the norms applying to TSOs working within particular areas. Again, the implications and details of this are considered further in the rest of this Report (and further detail on norms for specific areas within Highland is available in the series of Local Reports).

2. The Bigger Picture (Definition and Extrapolation)

The first part, Results & Methods, used the direct results of the Census to establish the operational norms of TSOs working in and across Highland. This section of the Final Report can now consider the following key facts:

2. How many third sector organisations exist in Highland (as a baseline for use in the future to establish whether that number is increasing or contracting in response to economic and policy conditions)
3. What proportion of Highland third sector organisations are charities (and were therefore defined/undefined by OSCR data publication).
4. What economic contribution is being made by third sector organisations generally, in terms of raw financial impact, multiplier effects, employment, voluntary opportunities, etc.
5. Whether third sector density is proportionally related to population density (and therefore centred in the accessible areas of Highland).

As above, fieldwork set out to begin to answer such questions, aiming to create both a baseline and a replicable method of measuring change. It was also important to provide proof-of-concept that these types of information could be sourced at all, so where limitations exist, they are discussed alongside the analysis.

2.1 Extrapolation

The summaries of basic census data above described the actual responses provided by TSOs in Highland. We know that not all TSOs responded, as is normal, although the census received a very good rate of response-per-contact (38%) relative to standard returns-on-contacts (25% is usually assumed a good rate).

Therefore, it is clear actual numbers and impacts for the Highland third sector (particularly numbers of volunteers and staff, and total incomes) will be higher than described by the responses above. The actual number of unique responses (i.e. accidental duplicates removed, 1218) is 36% of the assumed number of known and unknown TSOs in Highland explained below. This is an excellent sample, offering a very reasonable degree of confidence within certain provisos, as also discussed below. It is not reasonable, however, simply to multiply all results by 2.78 (3390/1218, see 2.2c). This is in part because multiplying headline figures tends both to exaggerate and obscure the impact of particular non-average responses (e.g. some TSOs have hundreds of employees, most do not). It is also because the subsample providing usable financial information is somewhat smaller, at 976.

This in itself is useful information about the proportion of respondents able to give such information (80%; for improvements on the Trial phase, see 2.4). Note also that 93/243 respondents not giving such usable data did attempt some disclosure, for a total of 88% attempting financial response. (This non-financial subsample has been discussed separately in 1B above.)

2.2 Number of TSOs.

2.2a) Minimums: Previous to the census, only the minimum possible number of Highland TSOs could be established. This was the 1747 active charities listed by OSCR. Census results in isolation suggest that 65% of TSOs are charities registered in Highland, which would translate the OSCR figure into 2688 total TSOs (being 1747 Highland-registered charities, 215 charities registered elsewhere, and 726 non-charities).

Pre-fieldwork research, however, actually found 3238 organisations, of which 3176 (98%) proved contactable. 3200, then, would be the post-census minimum (as it is possible that some TSOs found are now wound up, yet theoretically unlikely that desk-based research found every TSO). The OSCR figure for Highland-registered charities being fixed, this would lead us to expect at least 256 charities registered elsewhere, and a minimum of 1197 non-charities (as previously discussed, mainly local clubs/groups, operating as unincorporated associations or informal clubs, and in the lowest income band). This in turn suggests a minimum of 37% non-charitable TSOs.

2.2b) Maximums: Previous to the census, there was no evidence of the maximum possible number of TSOs in Highland. Census data itself is only suggestive (absence of evidence is not evidence of absence) but the intensive research process in preparation for the census considerably adds to both evidence and confidence in suggesting figures. Detailed experience of conducting the census suggests that e.g. in Wester Ross and similar areas, significant numbers of TSOs may be operating at a single-community level exclusively through word-of-mouth and personal contacts, and therefore cannot be found by desk-based research, see Wester Ross Local Report. (Allowing for these might put the maximum at 3,600 TSOs, but would make little to no difference to extrapolation of income, employment or volunteering.) At the same time, the mapping processes used in the creation of the ALISS listings do help identify such organisations in other contexts, and cross-comparing these lists to e.g. OSCR and Partner contact lists suggests that they are largely complete. More accurate assessment of the real maximum will require the census process to be repeated, so that natural churn of organisations (as above, 2.2a) can be assessed separately from changes to official presence of as yet unknown TSOs. For the moment, however, the working total is conservative but reasoned.

2.2c) Conclusions on numbers: Detailed consideration (see Local Reports) including source-data comparisons, resulted in the following projected totals for each census area:

- Ross 870,
- Inverness/Nairn area 770
- North Highland 730
- Badenoch & Strathspey 370
- Lochaber 350
- Skye & Lochalsh 300

This suggests a total of 3390 TSOs operating in Highland, or 5% more than were found by desk-based research. This is certainly not a maximum, but it is supported by the impact of ALISS lists on the number of TSOs found by research, and by charity proportions as discussed further below. It should be regarded as the likely in-practice lower-threshold number of TSOs active in the area, although it is almost double the number - of charities only - listed with OSCR (n. 1747).

As suggested above, census results are probably skewed towards charities, as the TSOs most formally organised and capable of answering its questions. It is probable, then, that almost all the projected 152 'unfound' TSOs are very small organisations, not registered as charities. It is also probable that a higher proportion of the known non-respondents (contacts minus respondents, n. 1956) are also not registered as charities.

To correct for this, and reconcile minima and maxima, we might suggest that the minimum figures above for charities (1747 plus 256, being c. 2000) are likely close to correct, with the remaining c. 1390 (40%) being non-charitable TSOs. (Reasons to assume a high proportion of non-charitable TSOs are further discussed in Part 3: Analyses and Implications, under rurality.)

A total of 3390 TSOs currently operating in Highland would be 14.6 per 1,000 persons (note that the OSCR charities-only figure itself is, at 7.5 per 1000, almost double the all-Scotland average of 3.9, and that the higher charity figure independently projected above is 8.6, that taking account of charities based in other regions). Certainly, we know that localising Highland-only OSCR figures by postcode (noted for each area in the Local Reports) gives high per capita rates for charities only in some Highland areas, notably Skye & Lochalsh (12 per 1000), Lochaber (8.3 per 1000) and Caithness (7 per 1000).

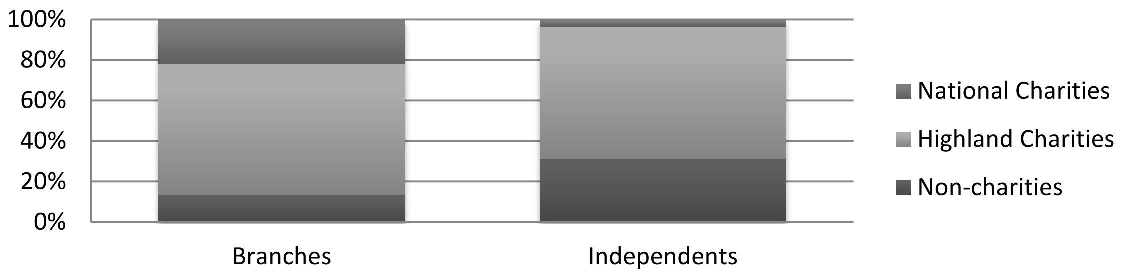
Other current research also confirms high numbers of TSOs per capita in Highland. For example, the Social Enterprise Census 2015 extrapolates 509 social enterprises (10% of all in Scotland, 2.3 per 1000 compared to 1 per 1000 across Scotland) in Highland (2015:13, 16) suggesting two-thirds of these will be charities (2015:30).

2.3) Further Notes on Numbers of charitable and non-charitable TSOs

As above, the real proportion of charitable to non-charitable TSOs suggested by the census process is not as simple as the 73%/27% split in the raw data from the specific question. For example, reversing the above figures to assume 8% of 3390 as charities registered elsewhere suggests a total of 281 charitable TSOs not listed for Highland, for a total of 2028/3390 charities, or 60%.

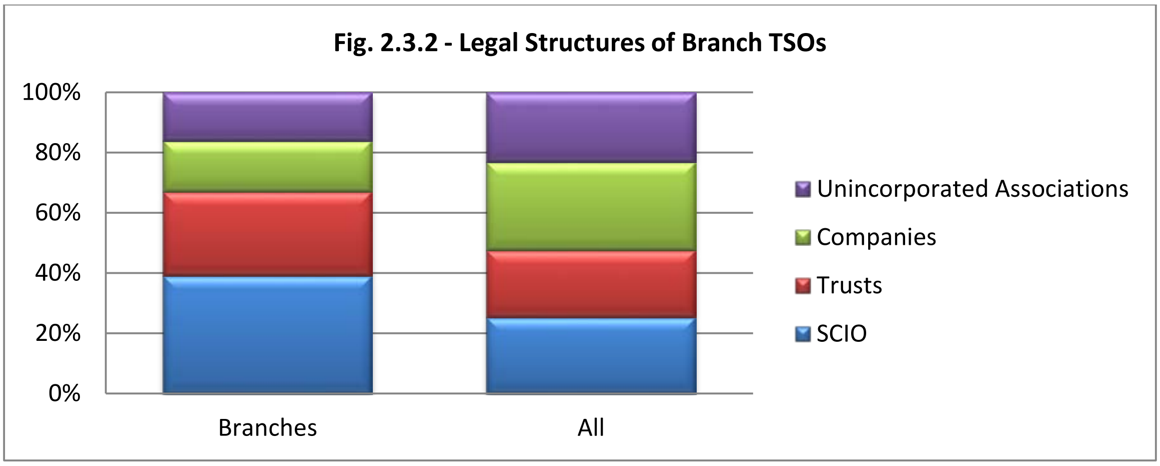
Two other census questions are also relevant: branch status, and structure. 26% of responding TSOs answered yes to being branches of larger organisations. 87% of these 282 TSOs were registered charities (n. 246): 176 reported being registered in Highland (65%), 60 registered elsewhere (22%). Just 37 branches were not charities (13%). Applied to an assumed 3390 TSOs, this would suggest 881 branch organisations, including 572 Highland-registered charities, and 194 registered elsewhere.

Fig. 2.3.1 - % Charitable Status for Branches vs. Independents



Independent groups were much more likely (than branches, and than the whole sample) not to be charities, confirming that we should expect a high proportion of still-unknown TSOs to be independent. Conversely, there are relatively few independent organisations based in Highland and registered as charities elsewhere (meaning that the particular pattern of Highland TSO size found – in particular, the relative dearth of multi-million TSOs – is not being created by details of where TSOs are listed, and does exist on the ground).

Looking at legal structures, there are also distinctions between branch respondents and independent organisations.



Branch TSOs were considerably more likely to be SCIOs or Trusts, and less likely to be companies or unincorporated. These issues were revisited in the extrapolation process, but for the moment, it seems likely that the proportion of formal charities (to third sector groups with social aims but not registered as charities) is around 60%/40%.

Despite these considerations, extrapolation has been conducted from the census sample, adjusting for them being beyond the scope of this research. This is simply an issue that should be borne in mind when relating the results of the census to the situation 'on the ground'.

2.4) Economic Contribution of Total Number of TSOs, Methodology:

As discussed in the *Trial Methodology* report, there are potentially major issues with extrapolating from whole-sample totals (particularly in terms of income and employment) because:

a) A very small number of TSOs have combined incomes and staff numbers exceeding the *combined* incomes and employment of all medium-to-small TSOs; plus
b) Such massive TSOs are significantly more likely to be found by research and engaged;
c) The Trial and Local Reports suggest that this particular type of TSO can have significantly different (notably income-source and employment/volunteering) characteristics beyond total income.

Therefore, extrapolation has been conducted using the income bands introduced in Part 1:

- Band 1: Annual budgets of £1 million plus.
- Band 2: Annual budgets of £200,000 to £999,000.
- Band 3: Annual budgets of £100,000 to £199,000.
- Band 4: Annual budgets of less than £100,000, but at least £50,000.
- Band 5: Annual budgets above £25,000 (under £50,000).
- Band 6: Annual budgets under £25,000 but at least £10,000.

- Band 7: Annual budgets of £1000-£9999.
- Band 8: Annual budgets under £1000.

2.4.1) High Income TSOs: Across Highland, TSOs working with considerably more than £1 million a year did respond to the Census (maximum responding income £12 million). As respondent numbers are small (but values high) in this £1 million+ income band, care was taken in projecting from its figures, and the potential for error should be borne in mind.

The high-income method used was to compare direct and extrapolated census figures with those available from OSCR for multi-million TSOs (which are more likely to be registered charities). OSCR lists income for 35 multi-million pound TSOs based in Highland (total income £183.1 million). Direct Census responses detail 8 Highland-registered charities (57% of all Band 1), 4 registered elsewhere (29%), and a further two non-charities (14%), the total number (14) being 1.4% of all responses giving budgets. On the basis of a total TSO presence of 3390, we would therefore expect 47 such TSOs: the 32 known Highland charities (with budgets under £20 million) comprising 68% of this total.

The census sample does not include any of the known TSOs with income above £20 million, whereas OSCR lists three such charities (with a combined income of £70 million). As a result, projecting the whole band from the sample (as for the other income bands) returns an extrapolated income *less* than the OSCR total including these super-massive charities (census £168.5 million, OSCR £183.1 million) but more than the OSCR total for all £1-20 million charities (£113.2 million). It is important to note that the latter is the group actually reflected by the Census response sample.

The overall income of multi-million charities in Highland suggested by the Census, then, is arguably the projected figure plus the known income of the two £20 million-plus organisations, or £238.5 million annually. No comparable volunteering, employment or other data is available for these two organisations, However, so the figures used in the extrapolation are taken from the census only. The extra £70 million and its implications should be borne in mind in making further use of this extrapolation.

2.4.2) Low Income: Compared to the trial, this phase of the census obtained a far greater amount of basic data from TSOs with incomes under £1000. However, this was achieved at the cost of such TSOs omitting detailed financial questions if they wished to do so. Therefore, the total sub-sample (from TSOs working with less than £1000 per annum) offering actual figures for total budgets and other financial variables is small, at n. 42 (average budget £480).

Nevertheless, the potential for extrapolation error in this respect is:

a) relatively small, as the figures involved are fractions of a percent of the total figures, and
b) offset by the greater certainty this question format has obtained in total volunteer/staff numbers and so forth (not dependent on finance questions).

For the latter factors, the contribution of these TSOs to the totals is very significant. However, again, the small sample size should be borne in mind.

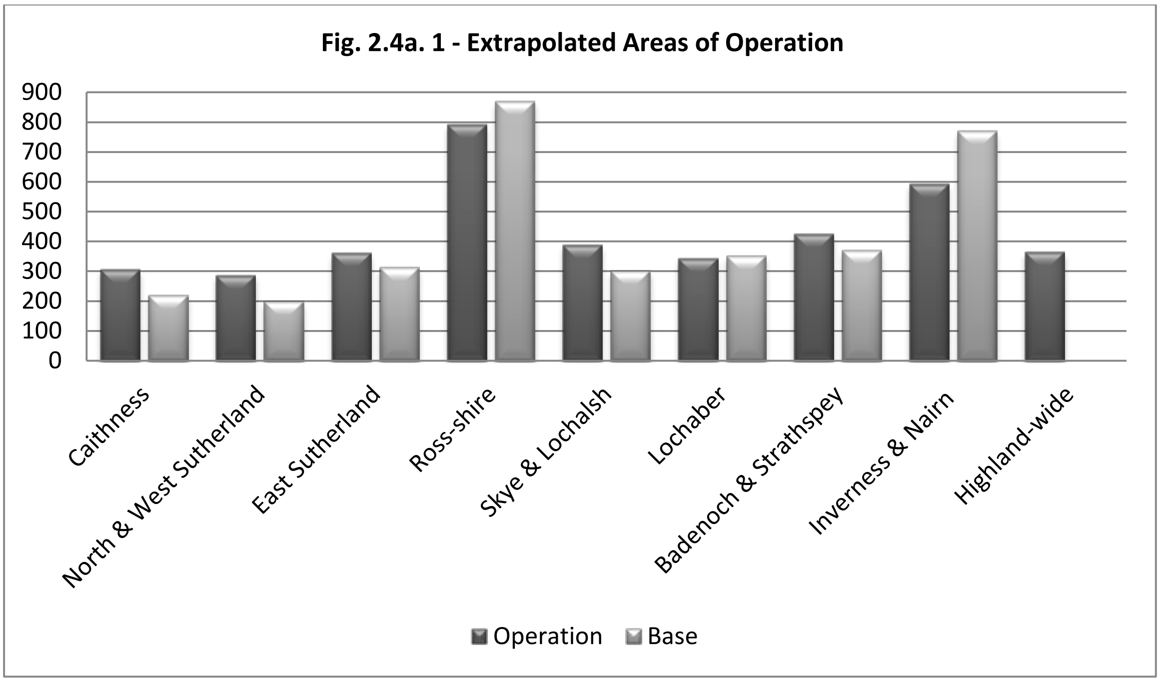
Given these considerations regarding extrapolation for both high- and low-income TSOs, this report again generally presents conclusions according to broad income type:

- the small number of TSOs with **massive** incomes (£1 million and above);
- the intermediate number of TSOs with **large** incomes (above £25,000); and
- the largest number of TSOS with **small** incomes (under £25,000).

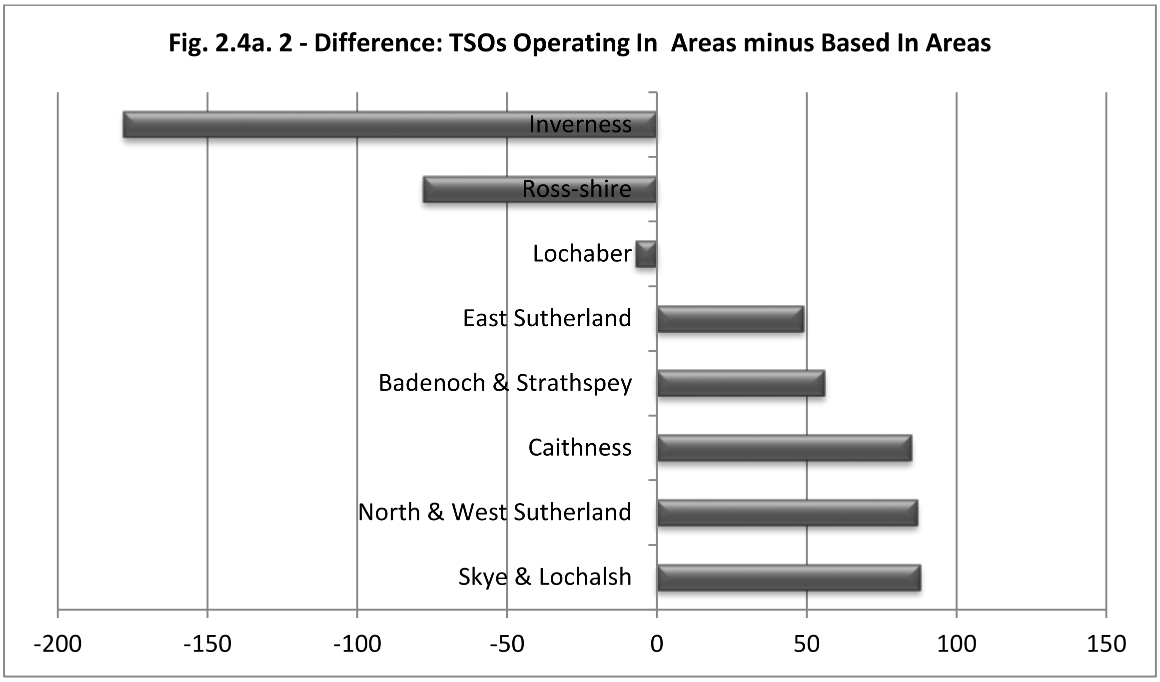
This prevents potential flaws in the high-income extrapolation from affecting other figures, while introducing better evidence-basis for the extrapolation for low-income TSOs (by combining two detailed-information income bands with few detailed responses from the lowest). [20] The information below, then, presents the same variables of TSO norms (discussed with reference to actual responses by Part 1) with totals extrapolated from the projected total number of TSOs in Highland.

2.4a) Operating areas: Of the Partner areas, Ross-shire was most frequent (23%). Figures for this include overlap to multiple areas, so numbers of TSOs projected to be *based* in these areas are also shown for comparison.

[20] Detailed analyses made, but not published.

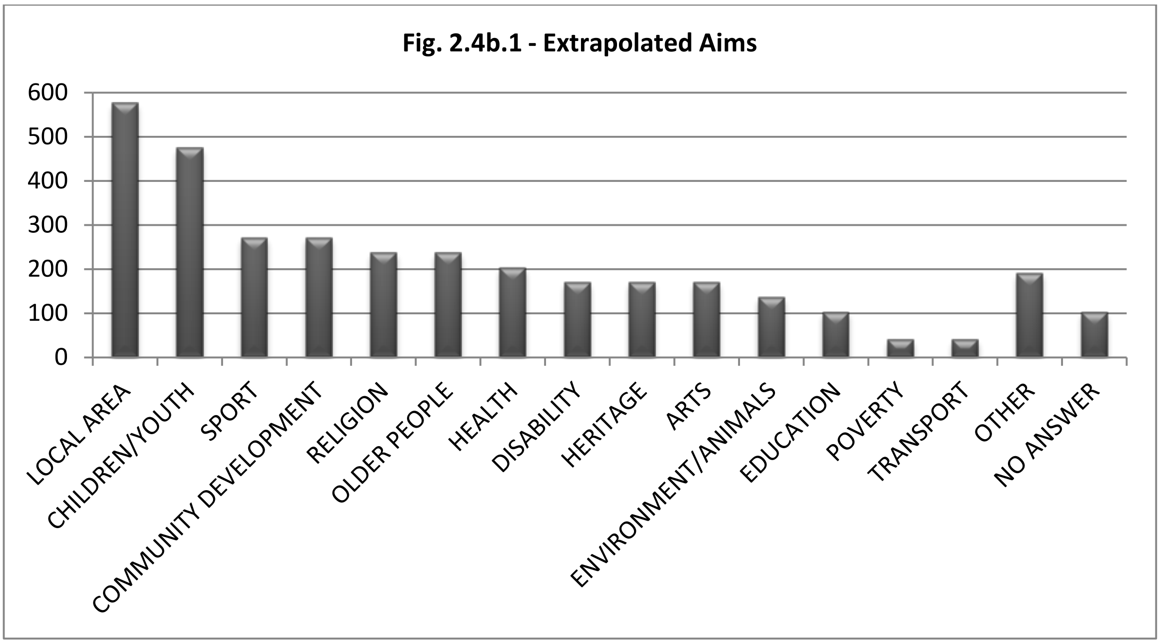


Where there are more TSOs based in the area than selecting it for operation (Ross-shire, Inverness/Nairn areas) this suggests a high proportion of Highland-wide organisations, see 1A. As the chart below shows, numbers of TSOs operating (specifically) in the smaller Partners were always higher than the numbers based there.

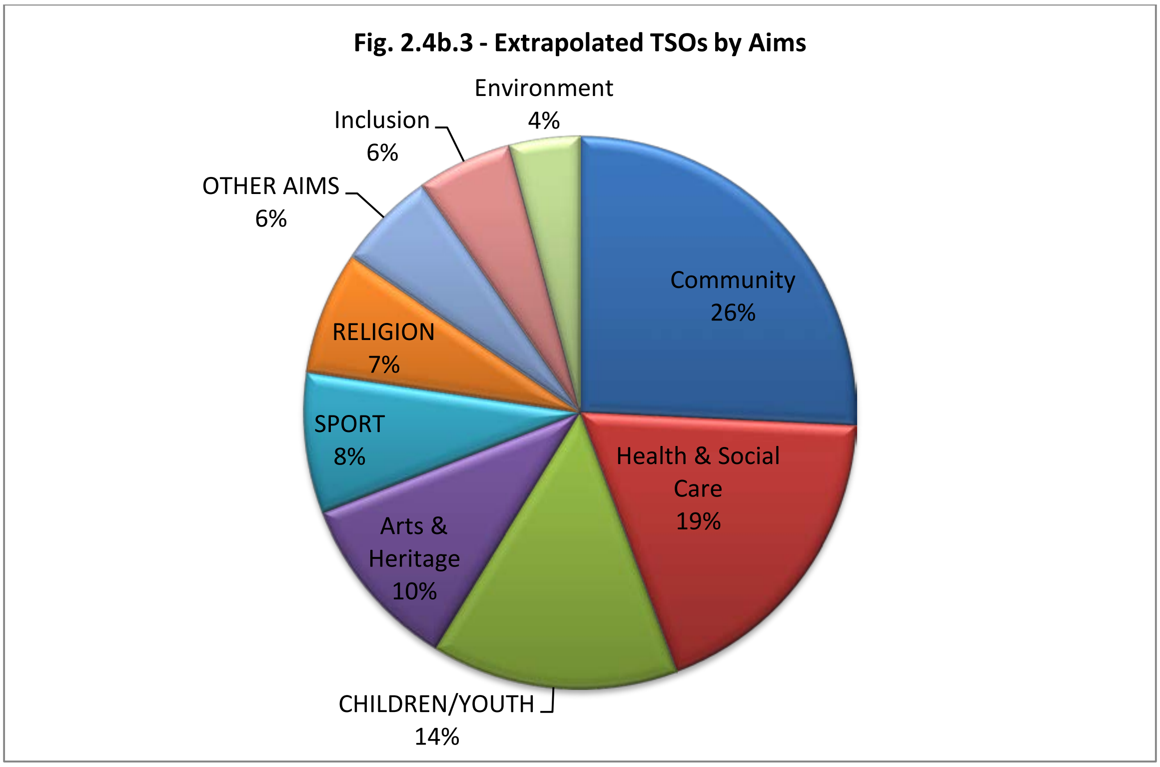


As discussed further under Analysis & Implications, these disparities correlate to the presence/absence of ‘accessible’ communities within the Partner area.

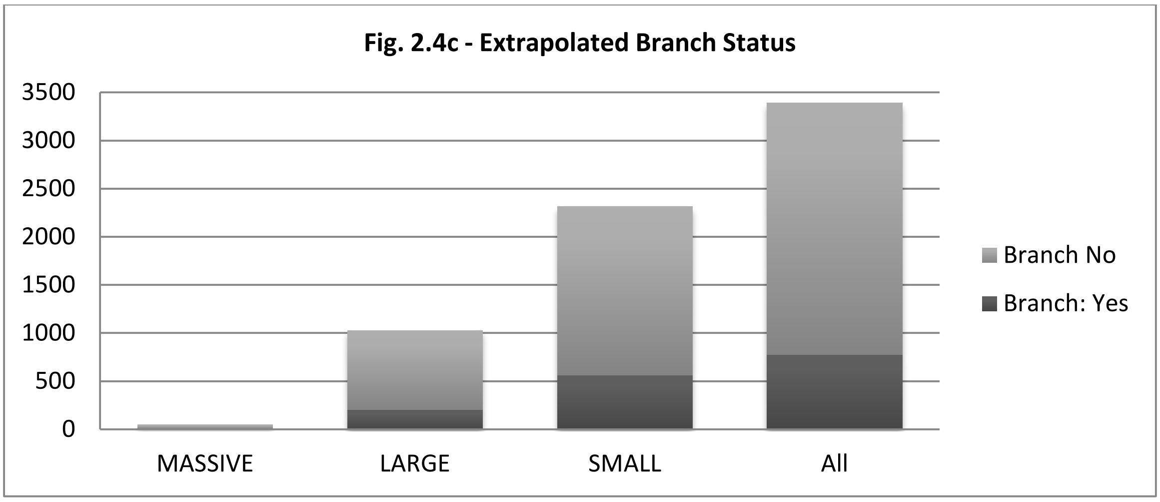
2.4b) Social/charitable aims: Most TSOs aim to improve local areas and community life.



These aims are closely followed by supporting children and youth, with somewhat less attention to sporting activities (including outdoor recreation). We can also consider aims in broader 'sectors'.



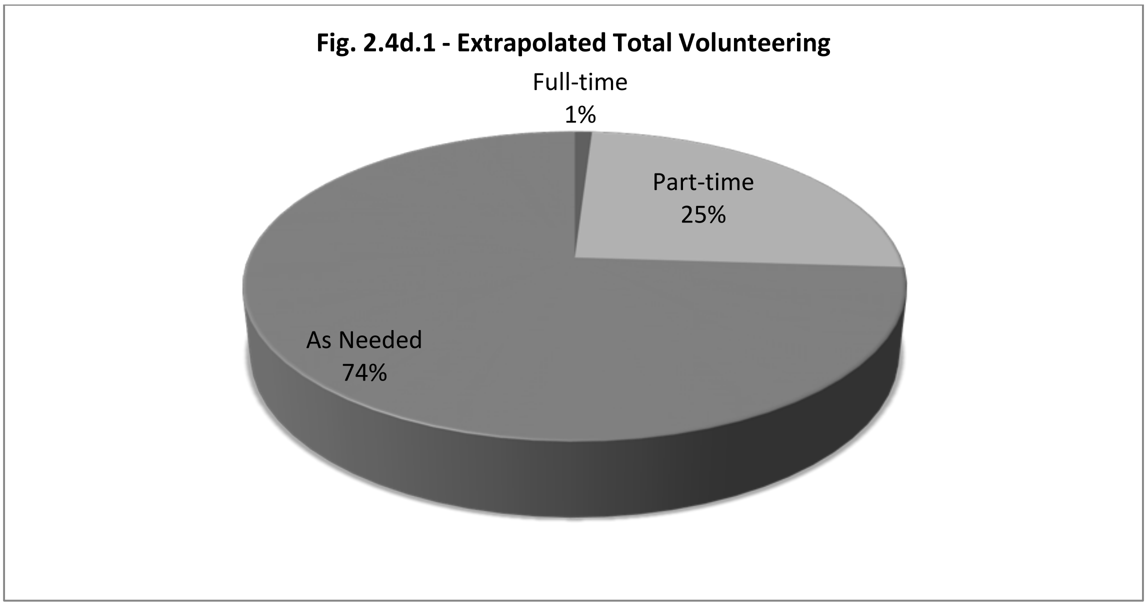
2.4c) Branch Status: TSOs also specified whether or not they were responding from a branch of a larger organisation (e.g. a national charity).



Overall, extrapolation from the census suggests 23% of Highland TSOs are branches (776 in total). Branch TSOs are (proportionally, 24%, as well as absolutely as shown by Fig. 2.4c) most likely to be small. Note that the extrapolation is based only on TSOs providing financial data, which branches were less likely to do (39% of all TSOs *not* giving finances were branches, see 1B). As a result the extrapolated proportion is lower than the overall rate found in direct results (26%), but this is likely closer to the balance in practice.

2.4d) Numbers/hours of volunteers and staff;

Extrapolation suggests a total of 54,200 volunteer roles, 1% full-time, 25% part-time, and 74% casual.

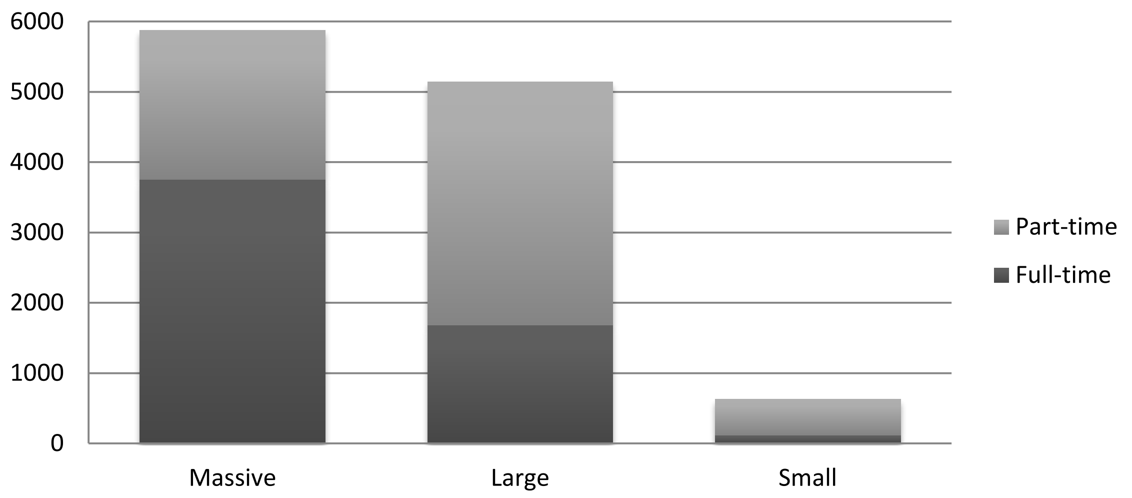


Around 2300 of these volunteer roles are with massive TSOs (4% of roles), 25,650 with large (47% of roles), and 26,250 with small (48% of roles). Patterns of volunteering also vary with size: for massive

TSOs, 3% of volunteers are full-time, 35% part-time, and 62% as needed/casual. For large TSOs, this is: 1%, 35%, 64%. For small, the pattern is 1%, 13% and 86%.

Staffing: Extrapolated total roles total 11,700 (8605 FTE) being 48% full-time. Again (for obvious reasons) the pattern varies with TSO income size.

Fig. 2.4d.2 - Extrapolated Full & Part-time Employees, numbers by size



Small TSOs employ very few staff (c. 630, or 5% of posts) and these are overwhelmingly part-time (c. 514, or 81% of these posts). In contrast, massive TSOs provide the majority of all posts (c. 5880, 50%) and these are mainly full-time (c. 3760, or 64% of these posts). Large TSOs provide the remaining 45% of paid posts (c. 5200) but their balance of full- versus part-time employment is reversed, at 68% part-time (compared to 32% full-time). (This pattern is therefore even clearer for full-time equivalents, for which the extrapolated 47 massive TSOs provide 56% of all employment, while the extrapolated 2315 small TSOs can offer just 4%.)

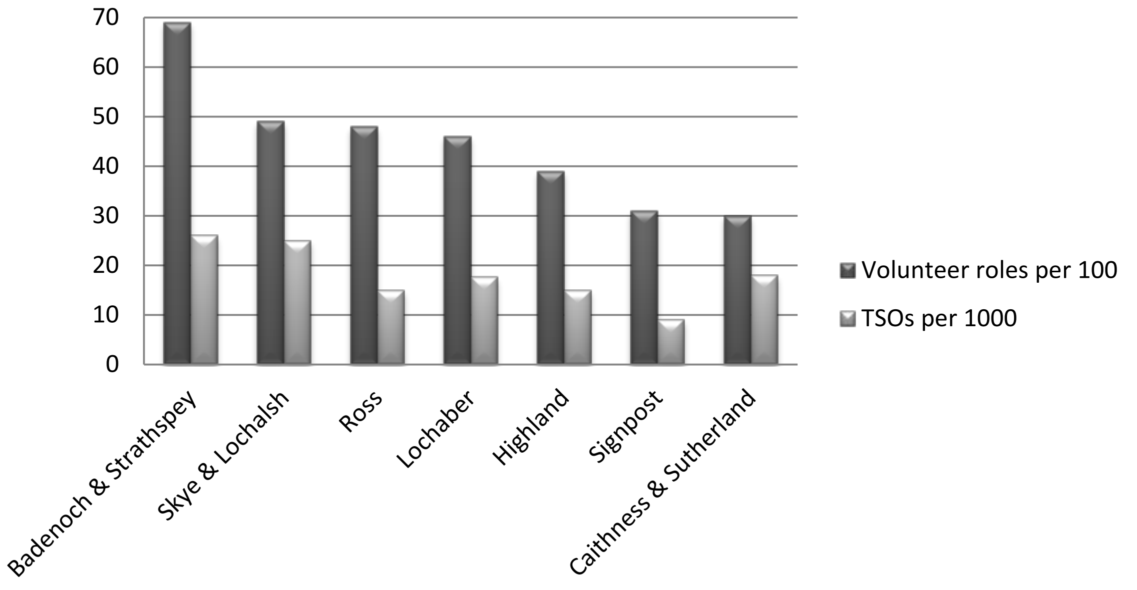
2.4e) Single/multiple volunteering roles;

This variable is useful for calculating approximately the total number of individual volunteers (since the perception of single role varies with TSO income). If the perception by massive TSOs is correct, 1820 of the roles they offer equate to individual volunteers, with 480 roles being among multiple roles played by other individual volunteers. For large TSOs, 11,030 of the roles they offer would equate to an individual volunteer, with 14,600 roles being among multiple roles fulfilled by individual volunteers. And for small TSOs, 11,525 of the roles they offer would equate to an individual volunteer, with 14,700 roles being among the multiple roles played by individual volunteers.

This equates to 24,375 individual volunteers in single roles, and 29,800 roles held by 'overlapping' volunteers. It is not possible to assess the overlap accurately from the census figures, but we might take the proportion of single-role volunteers to be 57%, as suggested by analysis of MILO data, giving a total of c. 42,800 individual volunteers (31% of all non-disabled 16-74 year old Highland residents).[21] This is a lower rate than could be expected from previous national research (suggesting 47% for volunteering in rural areas) but this is a finding which has not been replicated: e.g. the Scottish Household Survey 2014 now gives average volunteering as 27% (2015:158).

However, due to the demographics of Highland, one would not expect the overall figure to capture rates of volunteering accurately across the area. That is, most volunteers by number are based in Inverness (as is the single largest group of residents) and therefore, the average must reflect this area over others. The chart below instead gives the relative volunteer roles and TSO numbers per capita found by the series of Local Reports. The chart is illustrative (as Local Reports include all TSOs working in each area, and therefore, a high presence of Highland-wide TSOs will increase numbers of roles reported for that area, although not all the volunteers may be based there. It is important also to note that the figures shown are roles per 100 residents, not percentage of people volunteering.)

Fig. 2.4e - Locally Assessed Roles per 100, TSOs per 1000 residents



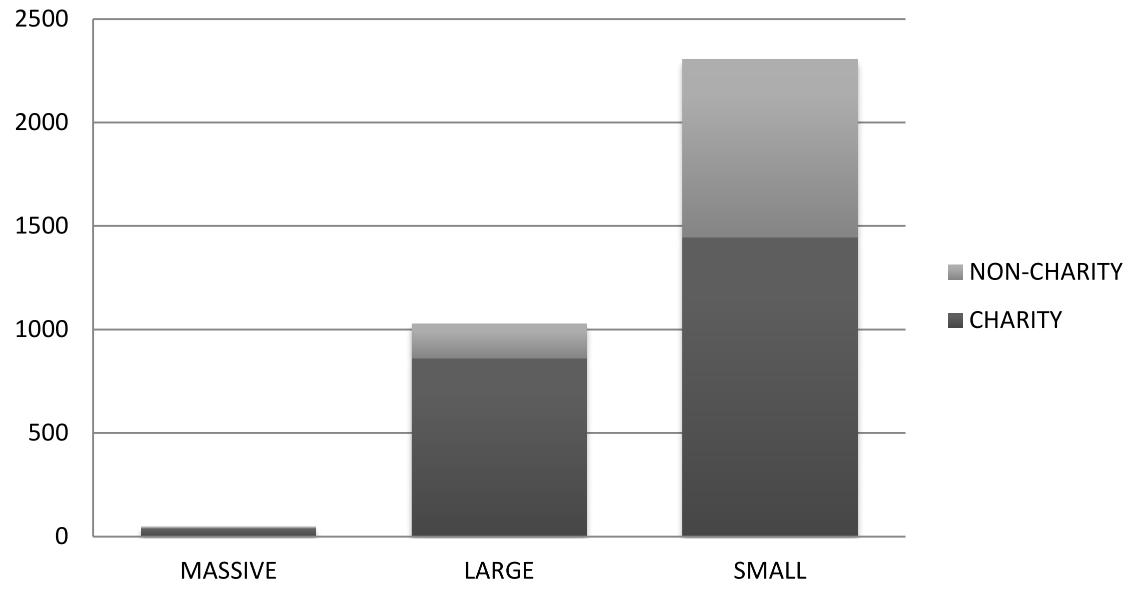
We can see that from Census findings, there is a very high number of volunteer roles per capita – suggesting a high local percentage of volunteers – in the more rural areas (figures from Caithness

[21] Different Highland areas have widely varying age demographics and rates of disability. This analysis does not suggest that people 75 and over, or disabled people, do not volunteer, only that using the figure for non-disabled 16 to 74 population corrects for these disparities in Highland populations.

suggest a different impact from remote towns). As discussed further below, proportions of people volunteering vary significantly with rurality.

2.4f) Charitable status; Extrapolation also considered whether or not TSOs were charities. 85% of massive and large TSOs in Highland are charities, but just 63% of smaller TSOs.

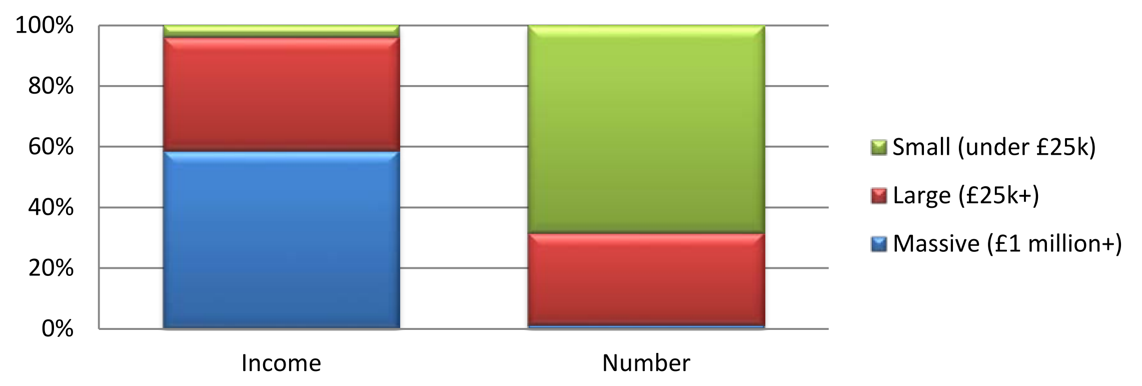
Fig. 2.4f - Extrapolated Totals with Charity Status..



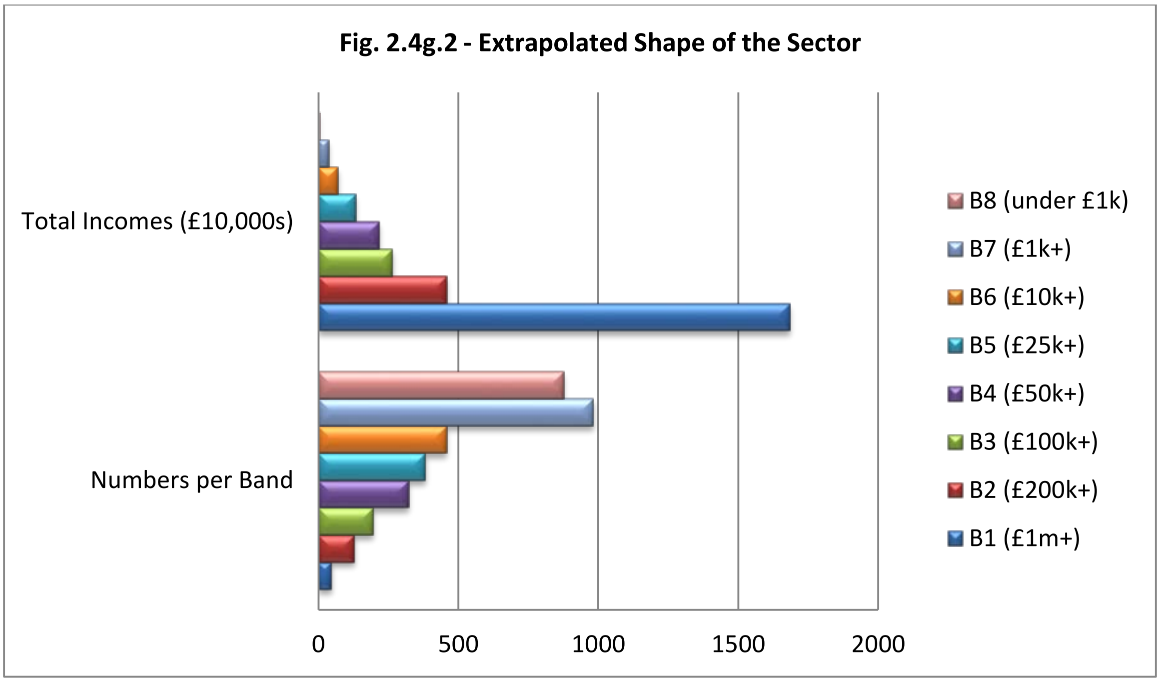
As this numeric presentation shows almost all non-charitable TSOs in Highland are small.

2.4g) Total Annual Budgets & Income Sources Total extrapolated income was £286.7 million (over and above a likely £70 million held by super-massive TSOs, as discussed above). Of the extrapolated income, 59% was held by massive TSOs, 37% by large TSOs, and just 4% by small.

Fig. 2.4g. 1 - Extrapolated % of income and total numbers



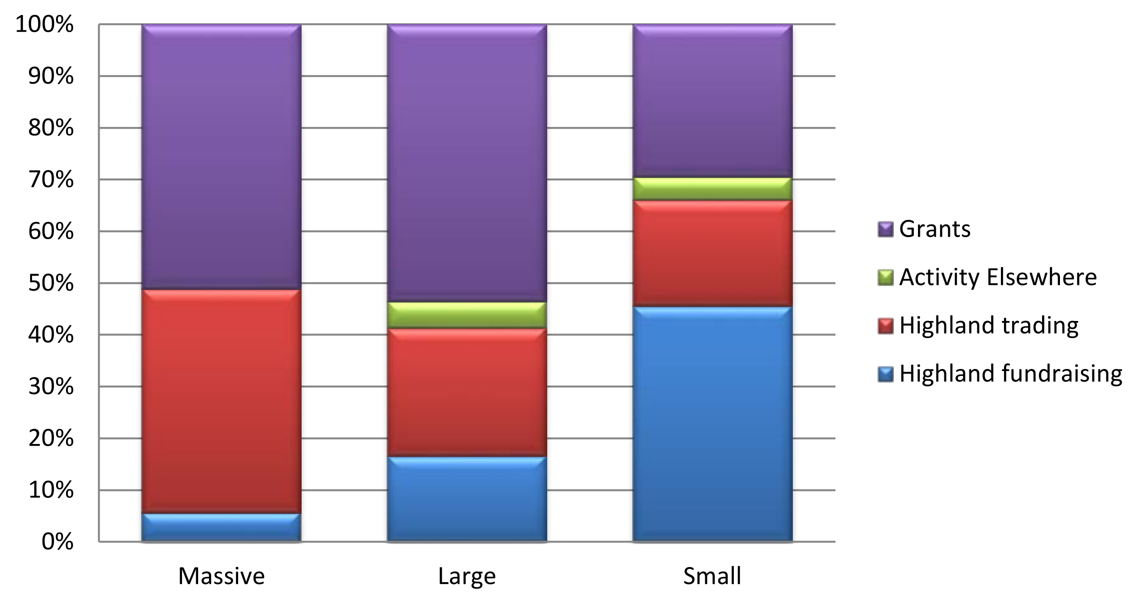
In more detail, the number and total income of TSOs by income band (smallest to largest) is described by the following pyramids:



Income Sources: Given this inequality, the extrapolated *totals* for division of income sources are next to meaningless (a total of £146.7 million, or 51% n grant funding, £101.7 million or 35% from trading in Highland, £32.3 million or 11% from Highland fundraising, and £6 million or 2% from fundraising and trading elsewhere). Interestingly, census data suggests that Highland TSOs overall are not much more grant-funded than e.g. social enterprises (51% to 31%, *Social Value Lab* 2015:42).

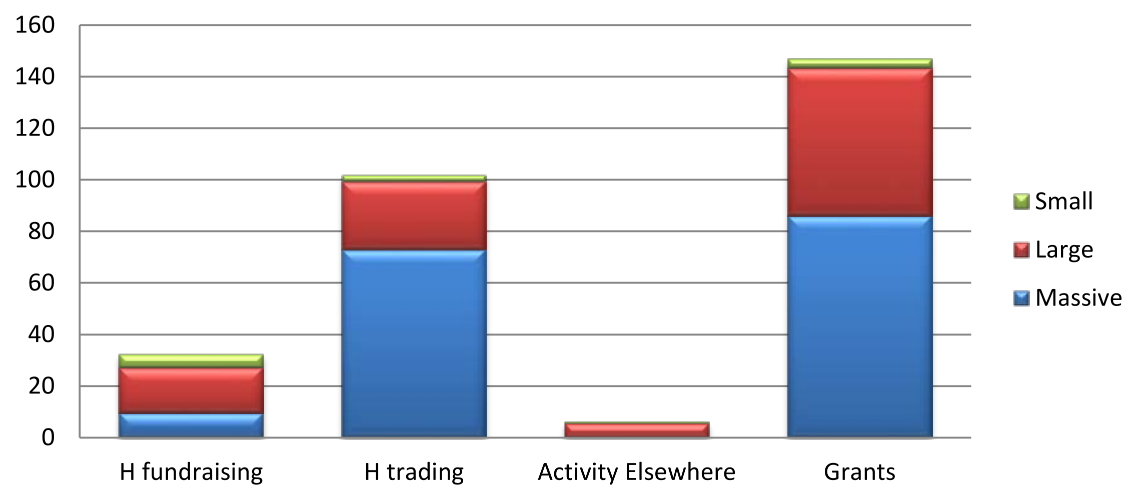
Looking instead at broad bands, TSOs gain income from Highland fundraising, Highland trading, activity beyond Highland and grants, as follows:

Fig. 2.4g.3 - Extrapolated Income Sources, by TSO size



Even proportionally, small organisations are the least grant-dependent (and in absolute terms, they receive just 2% of all granted funds). Massive TSOs raise the highest proportion from their trading activities. All Highland TSOs are 95% to 100% supported by their in-Highland activity. The same figures (instead presented numerically by source) also show points of interest:

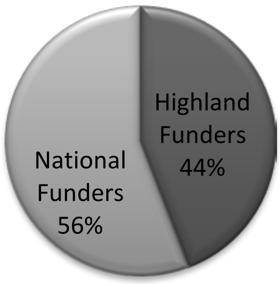
Fig. 2.4g.4 - Extrapolated Income by Source, £millions



In practice, all the small organisations combined manage to match more than half the total funds raised in Highland by massive TSOs, but get far less support from other sources. Large TSOs raise more funds locally and nationally/internationally, but still cannot match the trading income of massive TSOs. Fundraising income is the most equally distributed between all sizes of Highland TSO, trading income the least.

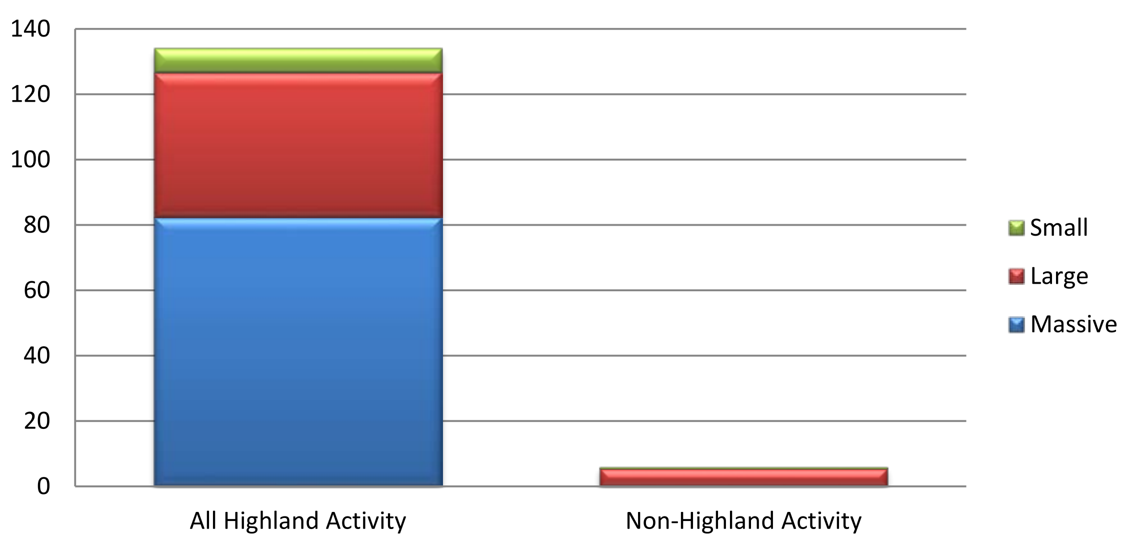
2.4h) Grants from within and beyond Highland; Only small TSOs depend mainly on Highland funders: large and massive TSOs gain most of their (much larger) grant income from national funders. Therefore, of all grant funding received by Highland TSOs (£146.7 million) the proportions from Highland and national sources are:

Fig. 2.4h - Extrapolated Grant Origin



2.4i) Income raised by trading and fundraising, within and beyond Highland; A proportion of Highland TSOs are nationally and internationally active (see above) yet few derive significant income from fundraising or trading in outside Highland. For total Highland and extra-Highland fundraising and trading activity, extrapolated amounts for each broad income group are as follows:

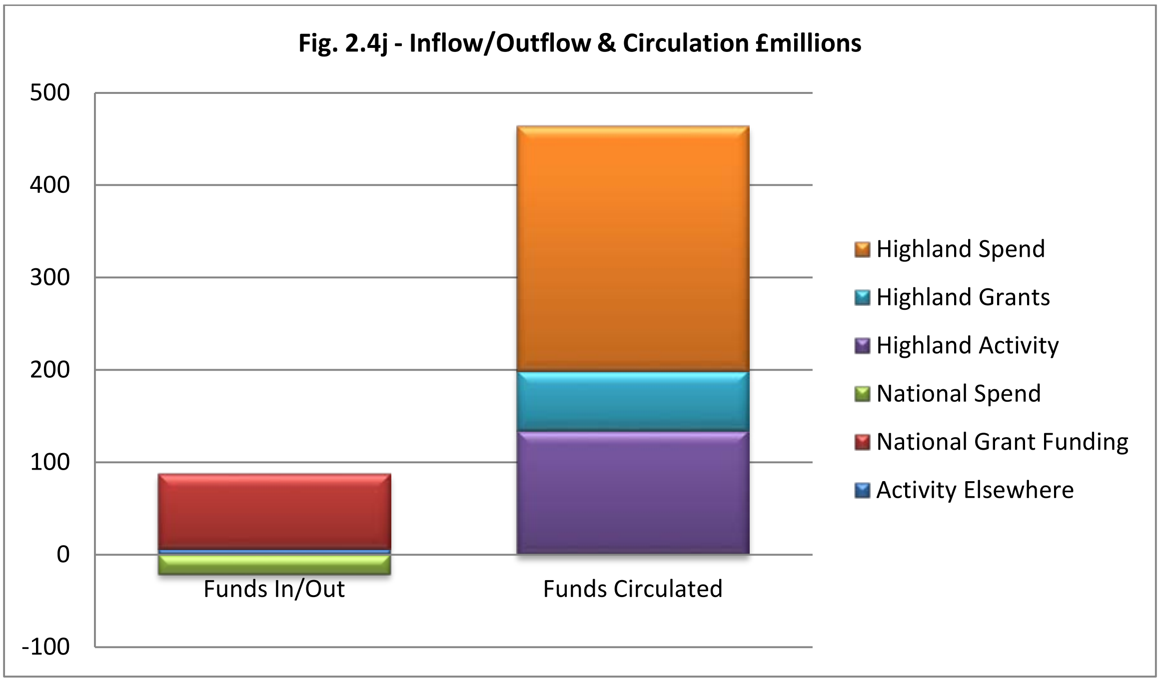
Fig. 2.4i - Extrapolated total self-generated income, £millions



Almost all non-grant funds gained from beyond Highland are raised or traded by large TSOs. The fundraising and trading economic activity of Highland TSOs overwhelmingly (96%) takes place within the Highland economy.

2.4j) Destination of spend within/beyond Highland; net inflow/outflow

Likewise, almost all funds spent by Highland TSOs are spent in Highland (93%). Only smaller TSOs spend slightly less than this (90%) which is likely to do with the destination of their spending on goods/services rather than wages. Combining these figures allows for a calculation of relative inflow/outflow of third sector funds by these TSOs (see p.25 for explanation).



The net inflow to Highland of TSOs is £66.5 million, which is additional to a total economic circulation within Highland of £464.3 million, for a total impact of £530.8 million (46% higher than income alone).

2.4 Extrapolation Conclusions

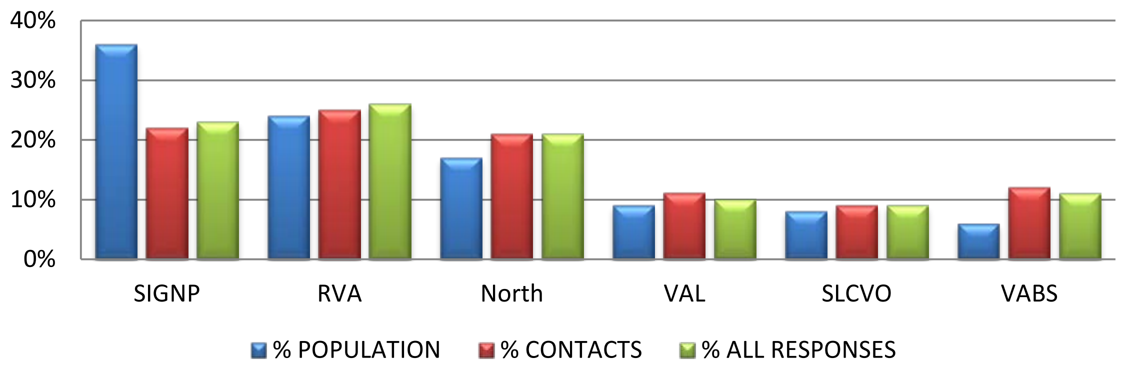
Extrapolation from census figures indicates a very significant third sector contribution to the Highland economy. As the headline figures are summarised elsewhere, they need not be reprised here (see 1a-k). The census also provided data which could be analysed to assess how this economic contribution manifests in the very diverse local economies of Highland.

2.5 Is third sector density contiguous with population density (centred in accessible areas)?

As noted above, one aspect of the uniqueness of the Highland third sector and its context (which contributed to the particularly urgent need for mapping) is the diversity of settlement types. In areas with less diverse settlements, it is less important to understand whether businesses, TSOs and services organise themselves according to population centres or according to communities. This is however, a very important issue for Highland, where the majority of distinct and relatively self-contained communities do not register as population centres on the national scale. Detailed analysis of census results suggests that both forms of 'centering' exist in the Highland third sector, and that – significantly – the number of TSOs active in an area does not reduce proportionately to population density. Instead, we find higher (sometimes exceptionally high) numbers of TSOs per resident in remote communities.

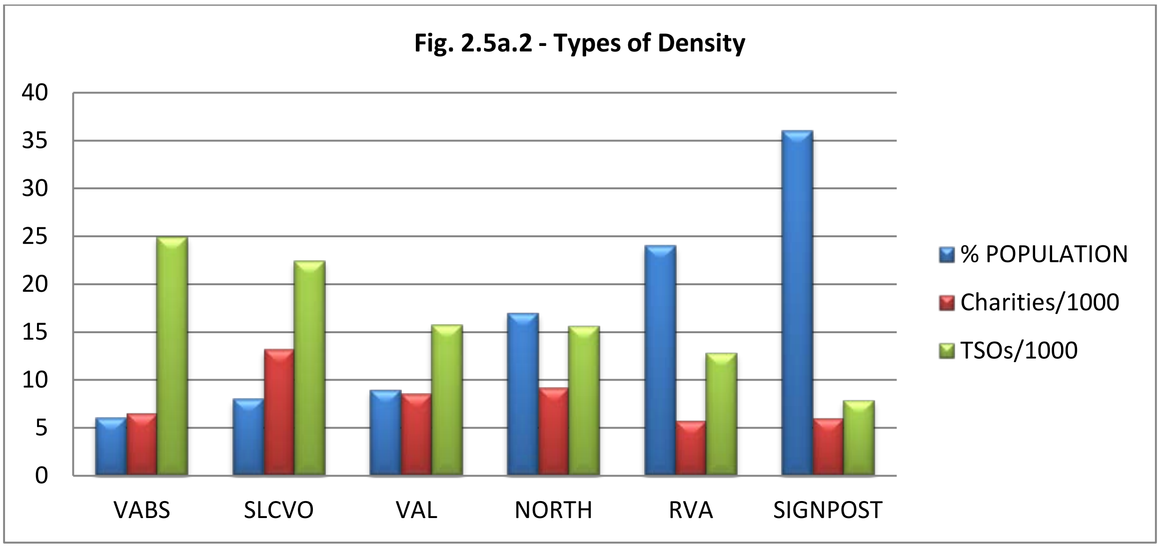
2.5a Basic Highland Density Data: Estimates of the number of TSOs in each Partner area were created throughout the census run, rather than from all data. As response rates always vary (and in this case, may do so with third sector as well as outreach characteristics) numbers of contacts found were considered the more secure basis. The estimates have since been checked against the full picture of OSCR numbers, contacts discovered by research, and responses (each applying to establish-able postcodes). As Fig. 2.5a.1 shows, the number of TSOs per Highland area does not appear to correlate to either high or low population.

Fig. 2.5a.1 - Highland Third Sector Geographic Distribution



While the high-density areas of Inverness & Nairn (Signpost) has a high proportion of all TSOs contacted for the census, and of all responses, this is notably lower than their proportion of all Highland residents. By contrast, the other areas (to a greater or lesser extent) have correspondingly higher TSO density compared to population density.

The size of a local third sector is not determined by the number of people in an area, it is therefore necessary to look at other factors. The research question posed above is specific to density, on which some data is available from both published sources and the census: population, registered charities per thousand, and projected TSOs per thousand. In Fig. 2.5a.2, Census areas have been arranged left to right by ascending percentage of population: this creates a declining trend of TSOs per 1000 residents.



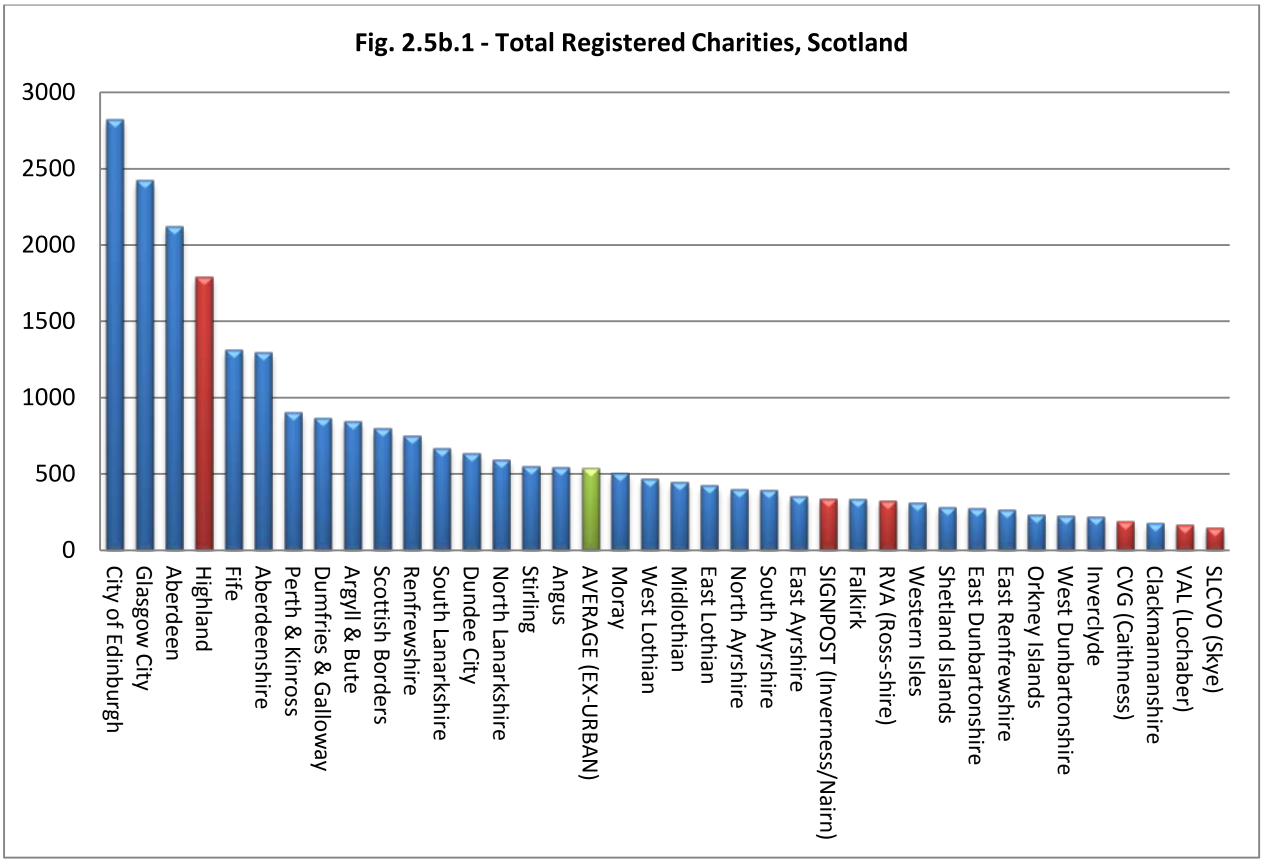
This comparison is suggestive (although office postcode is not the only predictor of where charities or TSOs work, see 1a, 2.4a). Notably, the Signpost and RVA areas have the highest *numbers* of charities, TSOs, and residents among the Highland Partners, but also have the lowest *densities* of charities and TSOs. There are obvious practical explanations for this (where there are many people, close together, one charity or TSO can serve more people: where there are fewer people, and particularly where they live far apart, more TSOs will be needed to provide the same or less service[22]). This does not render the trend less important, not least because the former situation is the national norm, but of the Highland Partners, only Signpost works in an area fully resembling this situation, and only RVA, VAL and CVG work in *any* local areas where it applies.

2.5b National Context:

In order to understand this variable better, it is necessary to consider the impacts of rurality and remoteness further, as in the final part of this Report, Analysis & Implications. Before doing so, however, it is instructive to place the above numbers and densities in the national context of other TSIs, to approach objective data available to compare demands on the eight Highland TSI partners, relative to whole-TSI areas elsewhere.

[22] However, because these TSOs will be smaller, they will also be less likely to register as charities, affecting the extent to which OSCR data is reflective of local third sectors within the Highlands.

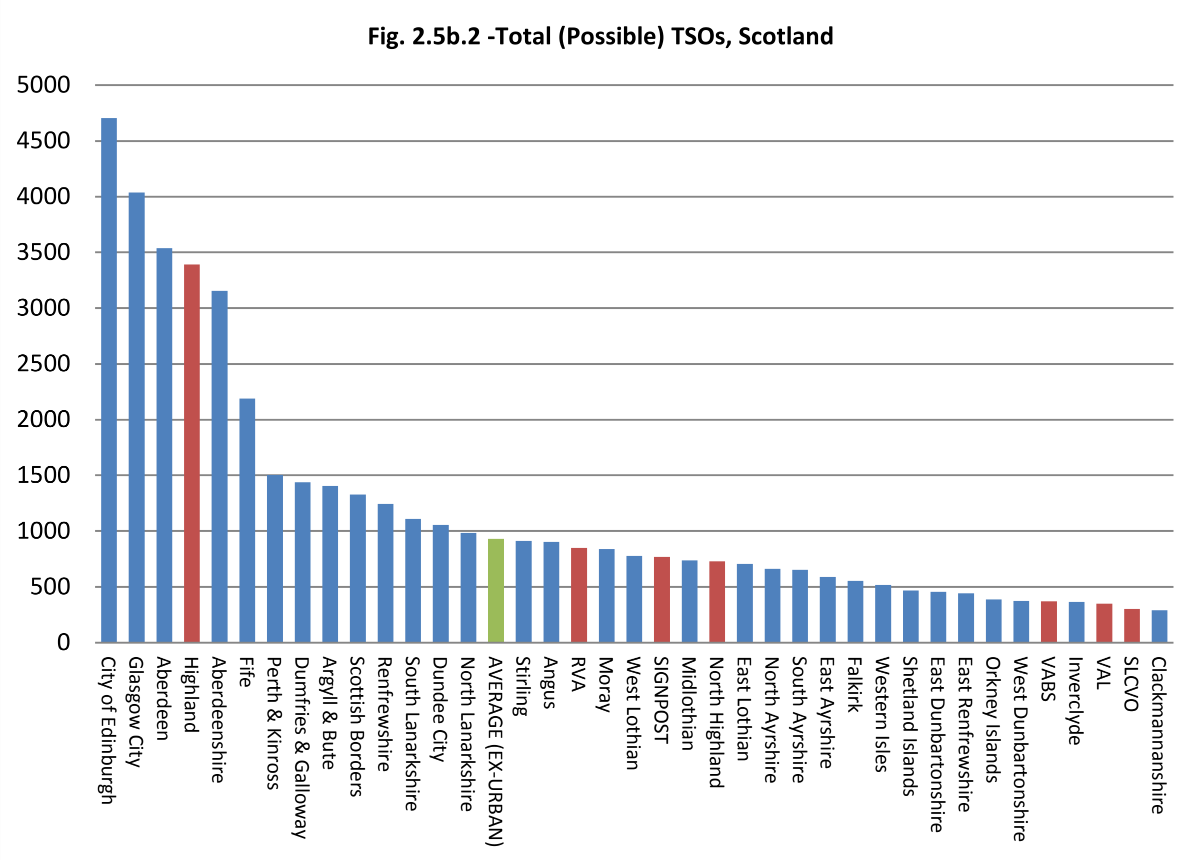
Previous to the Census, the only figures were for registered charities. Highland has one of the highest rates of charities per capita. It also has the fourth highest *total* number of charities. This chart shows total charities registered in each of Scotland's LAs. Five of the Highland Partners have as many or more charities in their areas alone as whole LAs/TSIs elsewhere in Scotland.



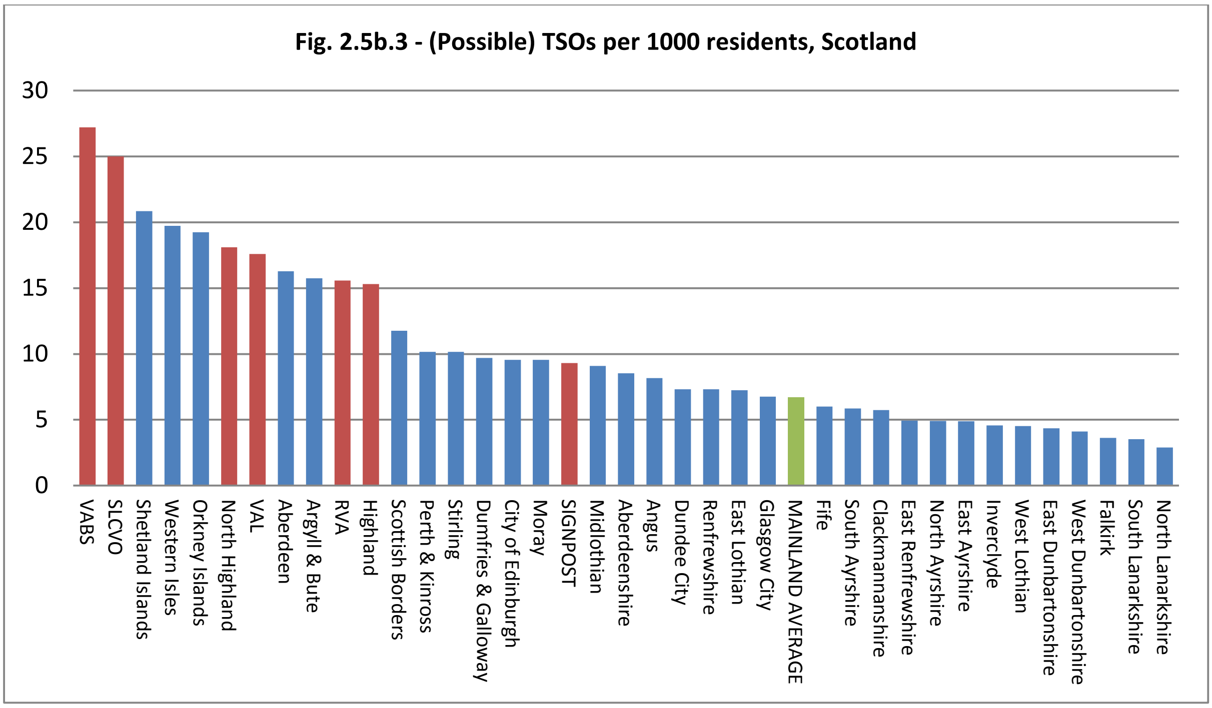
Excluding Scotland's three major cities, the average number of charities per Local Authority is 536. Highland overall has more than three times this, and several Partners are close to it individually. It is important to note that these are national figures; part of the justification for conducting a detailed census, but not at all based on its results.

Using Census data, it is also possible to project from these charity figures the relative numbers of TSOs (assuming 60% charities).[23]

[23] Using SCVO's projection of the total number of TSOs (including non-charities) and assuming parity with the extrapolated proportion of charities from the census, as detailed estimates are not available from national figures. As above, these estimates may actually be high for other areas, given their settlement composition, and Highland therefore even more distinctive than the chart suggests.



The overall Highland ranking for all TSOs is the same as for registered charities, while Highland as a whole, however, has 32% fewer charities (for 53% less residents) than the City of Edinburgh. In terms of *all* TSOs, Highland has just 28% less than the City of Edinburgh. In terms of all TSOs, RVA rises up the national ranking to the exact middle: 50% of whole TSIs work in areas with fewer TSOs than Ross-shire alone. Signpost work with more than Midlothian, and there are more TSOs in North Highland than in East Lothian, North, South or East Ayrshire, and 9 other TSI/LA areas (41% of all). Three more Highland Partners also have larger third sectors than whole TSIs. These figures translate to TSOs per capita as follows.



Several Highland Partners have the highest per capita TSOs anywhere in Scotland, and most have higher rates than anywhere in mainland Scotland. All Highland Partners have more TSOs per resident than the national average. This national context is important not only to understanding the work and needs of Highland TSI Partners, but also to understanding the work and needs of the TSOs they represent.

To understand these distinctive features, it is necessary to consider the Census results in more detail, as follows.

3. Introduction to Analyses and Implications

Results & Methods, and Bigger Picture considered the direct and extrapolated results of the Census, and introduced the national context. This part addresses the remaining key factors:

6. Data on the in-practice impact of rurality (especially extreme rurality and remoteness) on third sector organisations.
7. How operational norms and standards differ (if at all) from national norms (and statistics) in remote-rural and remote-town contexts (given known differences in volunteer practices). In particular, information about highly mixed contexts, as exist in several Highland Partner areas.
8. Objective data to compare demands on the eight Highland TSI partners, relative to each other.

The first five research questions were answered above. This section considers those results in more detail, to approach the remaining questions.

3.6 In-practice impact of rurality (especially extreme rurality and remoteness) on the third sector.

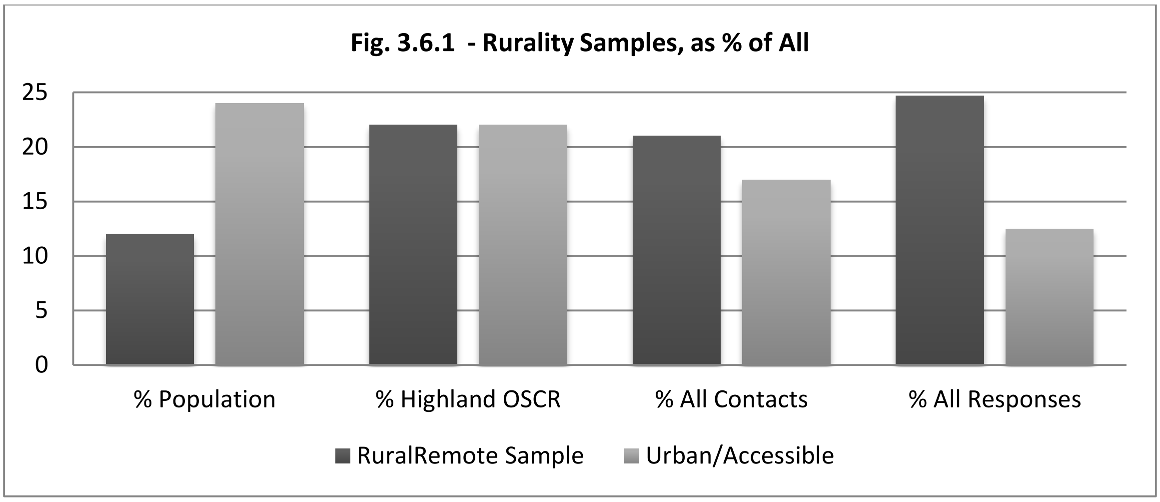
Highland is very diverse in terms of settlement types, with every type in the Government's 8-fold classification except 'large urban' (whereas most of the rest of Scotland falls comfortably within 5 of the narrower 6-fold definitions, i.e. all but remote rural). Preparation to analyse this factor was made by including both partial-postcode and area of operation questions in the census.

Neither results nor their context, however, proved ideal. In practice, respondents did not make consistent distinctions between e.g. IV2 7 and IV27. And most Highland postcodes cover a variety of settlement types, e.g. IV6 7 includes the dense settlement of Muir of Ord and its remote-rural surrounding, accessible rural areas of the Black Isle, plus very remote rural areas out to Loch Monar. This applies also to Local Authority Wards, e.g. the otherwise simple-to-analyse Fort William postcode is included with remote-rural areas in both Lochaber Wards.

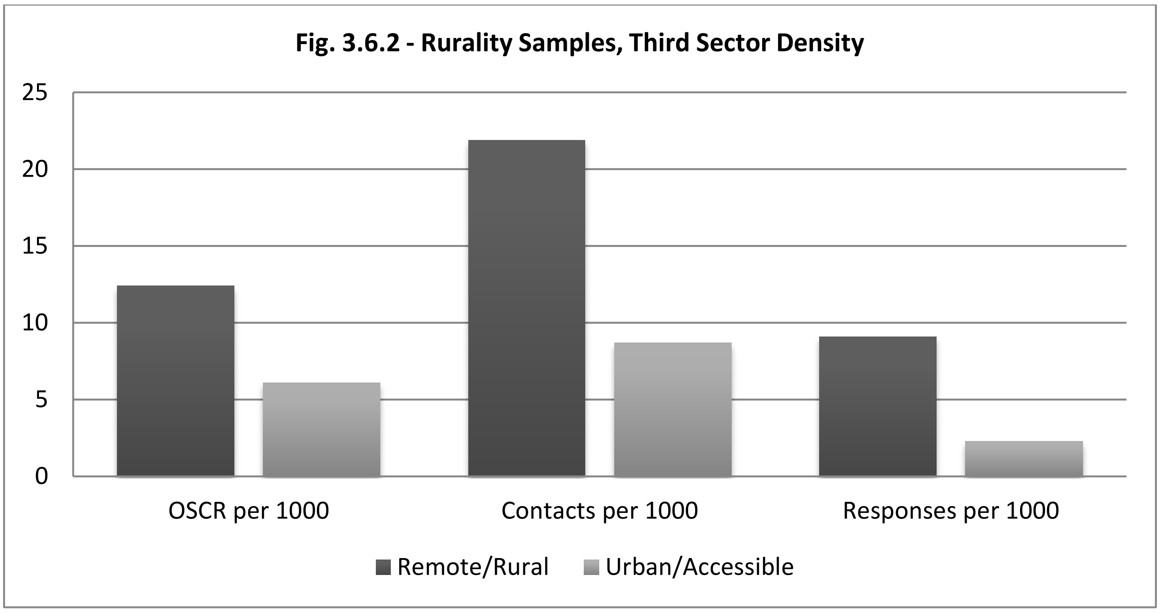
It is therefore not practical to analyse all responses, or all areas, in terms of rurality/remoteness vs. urban/town/accessible. Instead, this analysis will present the highest contrast areas: the *wholly* very-remote-rural postcode areas of North and West Sutherland, Wester Ross, and Skye & Lochalsh[24], with the *wholly* urban or accessible postcode areas of Inverness and Black Isle. Mapping of postcode to Ward (for context statistics) is still not exact, but probably the best that can be done manually. In the event, although these areas obviously contain radically different areas, numbers and patterns of residents[25] they contain approximately similar numbers of OSCR charities. These two samples (total 390 responses) compare to the whole of Highland as follows:

[24] For Skye & Lochalsh, where a large proportion of contacts were email-only (no postcode) these have been assigned to the postcode areas according to the proportions set by postcoded contacts.

[25] E.g. the Inverness district 900+ persons per square kilometre vs. North and West Sutherland, 1.3 persons per square kilometre (demographic figures are from Highland Council website and/or reports.)



For a similar number of OSCR listings, a higher proportion of non-charitable (or at least non-*Highland* charitable) third sector organisations were found by preparatory research in the remote-rural area. The percentage of responses received was also distinct. The latter perhaps suggests greater awareness, in remote-rural areas, of being part of 'a third sector' as a socio-economic force (e.g. as opposed to thinking of one's organisation as 'just a club'). One might also link this to higher general reliance on volunteers and volunteering (see 3.6d) or to residents' higher awareness of issues in public and private sector service provision[26], or indeed, to more intense awareness of community in certain senses (see 3.6b). We can also compare these samples to each other, rather than to the whole census, for instance by considering OSCR listings, contacts, and response 'density' (per thousand residents).

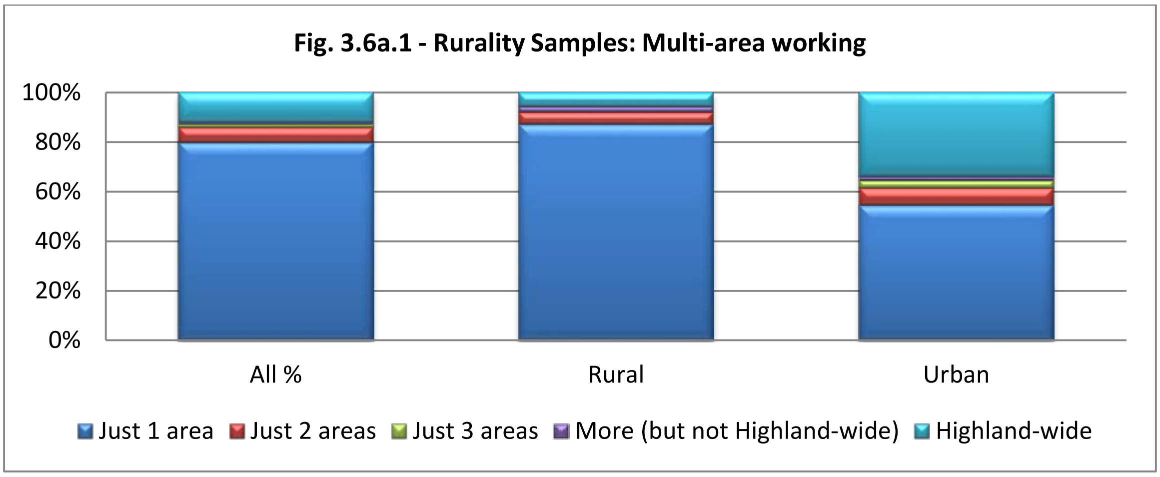


[26] Paula Gilder Consulting (2004).

The difference in charity density is a given, since these areas contain around the same number of registered charities but the rural sample covers only half as many residents. This continues a wider pattern, of Highland itself having 4% of Scotland's population, but double that percentage of its charities. (Such consistency implies that population density is an operative factor here, not some other feature of Highland life.) It is notable, however, that differences in per capita numbers of known TSOs, and in response rates, are even larger between remote and accessible areas than the OSCR disparity.

Overall, 27% of the TSOs contacted in the Urban/Accessible area responded, as against 42% of those in the Rural/Remote area. This alone demands consideration of the differences between these samples in more detail (for comparison, in the same order as other samples were considered above).

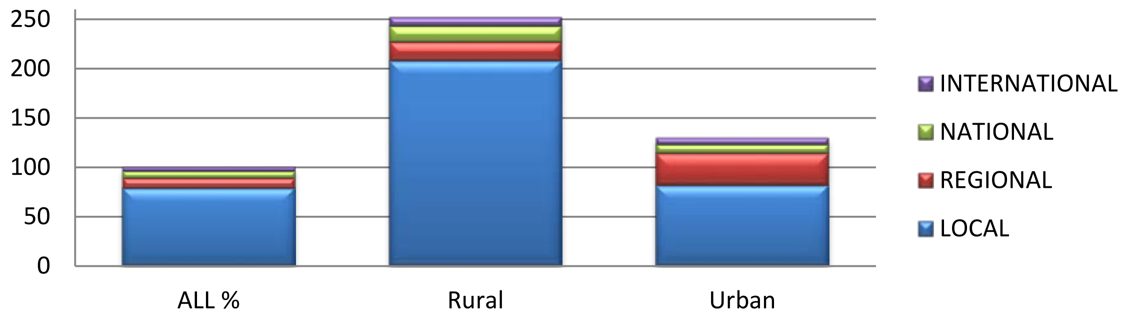
3.6a) Areas of Operation: In terms of multiple areas of operation, remote-rural TSOs showed around half the average rate of working Highland-wide, and were more likely to work in a single Partner area. However, a higher than average proportion specified working across a 'quadrant' (e.g. North or West Highland) and around the average proportion of remote-rural TSOs worked in two Partner areas.



By contrast, the urban/accessible TSOs were much more likely than average to operate Highland-wide, and correspondingly less likely to work only in their own (Signpost or RVA) area. In part, this will be to do with the greater *geographic* potential for multi-area working: the urban/accessible area borders East Sutherland, Badenoch & Strathspey and Lochaber, making 3-area working relatively simple.

One might also suggest that TSOs working in Signpost/RVA-plus-one more readily consider that to be 'Highland-wide' (even if operation does not actually extend to *non*-neighbouring areas like Caithness or Skye & Lochalsh) than the reverse for TSOs based in North & West Sutherland or Skye & Lochalsh, also working in their neighbouring area only (e.g. Wester Ross, Caithness, Lochaber).

Fig. 3.6a.2 - Rurality Samples, Scale of Work

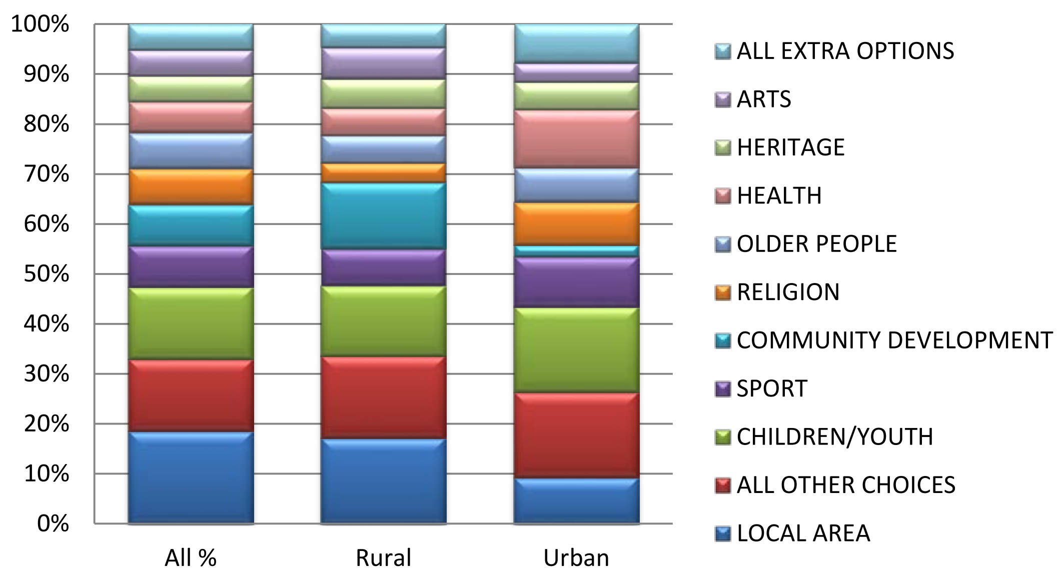


Remote-rural TSOs were also less likely than average to work regionally, while urban/accessible TSOs were much more likely to do so. This can also be linked to the Highland-wide TSOs subsample, see 1A. Rural TSOs were, however, also slightly *more* likely than average to work nationally or internationally, not just locally. Fig. 3.6a.2 shows these figures numerically for the urban/rural samples, instead of as percentages, to highlight that there are more TSOs working nationally and internationally from remote-rural areas than urban/accessible communities.

3.6b TSO Aims.

There were also notable differences in the prevalence of the different aims reported by respondents in these two samples.

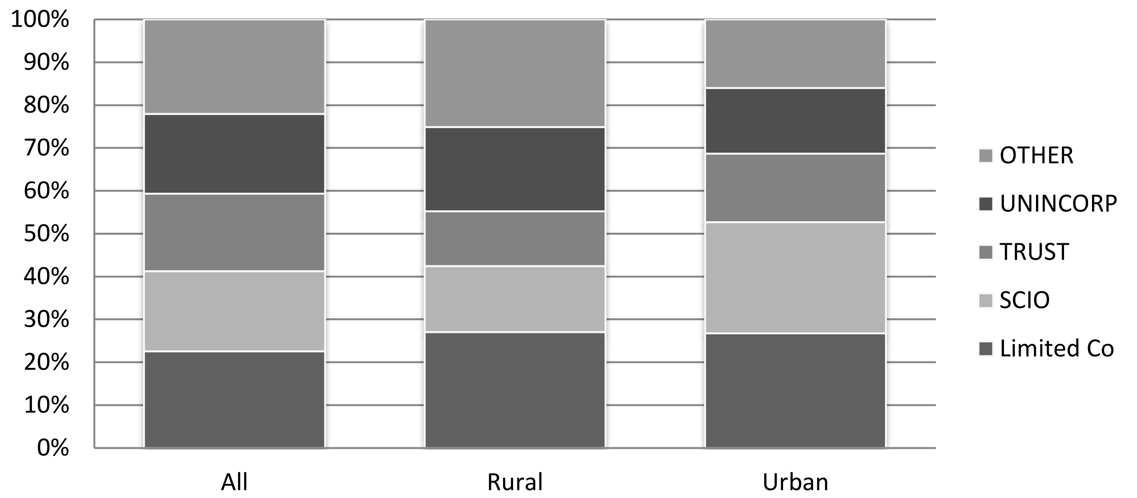
Fig. 3.6b.1 - Rurality Samples' TSO Aims



Urban/accessible TSOs were less likely (compared to all, and even considering the high proportion working Highland-wide) to have aims concerning their area or community development. Remote-rural TSOs were less likely (compared to all) to focus on religion, older people or health. (In terms of numbers – the remote-rural sample being larger - this does not mean that *fewer* remote-rural TSOs have such aims, only that these aims are not present in proportion to the larger community of remote-rural TSOs.)

3.6c) TSO Structures. For legal structure, both samples contained a higher proportion of limited companies than the whole-Highland sample overall.

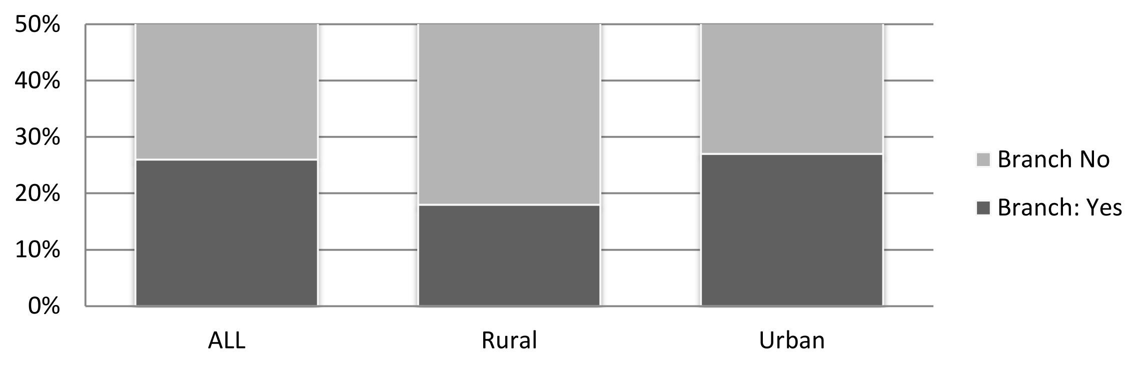
Fig. 3.6c.1 - Rurality Samples' Legal Structures



The rural sample contained a lower proportion of both SCIOs and Trusts than average or urban/accessible. The urban sample included higher proportions of both, and fewer unincorporated or other structures. This translates to almost 1 in 2 remote-rural TSOs having an unincorporated, unusual or unknown legal structure, compared to just 3 in 10 of the urban/accessible TSOs.

In terms of branch status, remote-rural TSOs were notably less likely to be branches of larger organisations (18% vs 26% average). This lower proportion will be partly national organisations less likely to choose remote-rural bases for branches, and partly due to the relatively higher overall number of TSOs in remote-rural communities.

Fig. 3.6c.2 - Rurality Samples' Branches

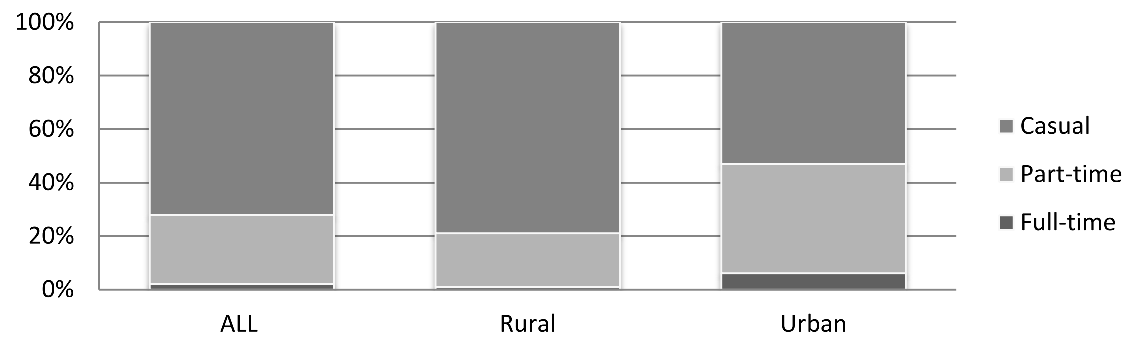


Urban/accessible TSOs were very slightly more likely than average (27%) to be branches. In part, this will be due to practical considerations of geographical access and operational norms on the part of the parent organisations: on various aspects examined here, TSOs in urban/accessible areas of Highland more closely resemble the national third sector (see pages 6-9, and section 2.5b).

Further, these areas offer access to a larger proportion of the Highland population, as well as better prospects for operating as 'the Highland branch' of an organisation. The extent to which this conflates with the higher proportion of Highland-wide organisations in the urban/accessible sample was noted in 1A.

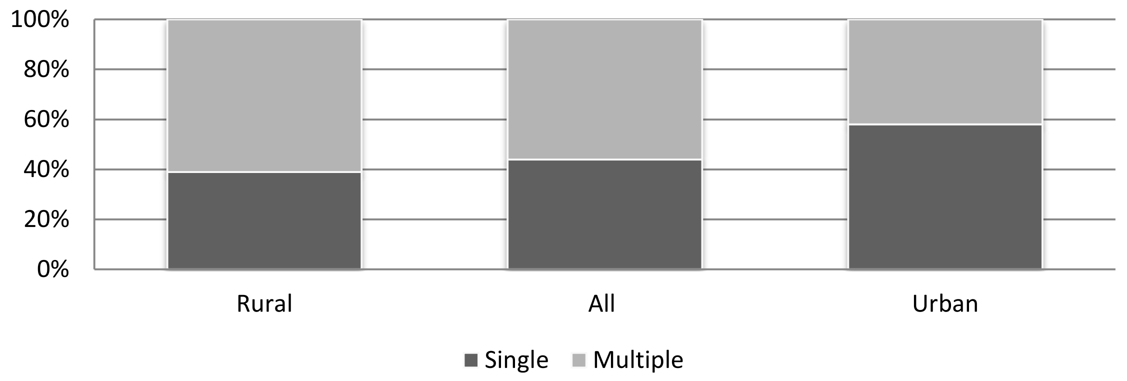
3.6 d & e) Volunteering: The remote-rural and urban/accessible samples of TSOs altogether, offer 6760 volunteering roles. As one can imagine from population, urban TSOs have a higher average number of people volunteering per TSO (23 vs. 14 per TSO in the rural sample). Nevertheless, 55% of all these roles are with rural TSOs, and rates of volunteering per 1000 total population vary enormously. In the remote-rural areas covered by the sample, there are 130 volunteer roles per 1000 people *with responding TSOs alone*. In urban accessible areas, responding TSOs offer just 54 roles per 1000 residents (and a high proportion of these may actually be Highland-wide). In part, this must be due to the notably different patterns in volunteer hours:

Fig. 3.6d - Rurality Samples' Volunteering Hours



For obvious practical reasons – fewer TSOs per person, ease of access, etc. – full- and part-time volunteering are more common than Highland average with urban/accessible TSOs, and less common than Highland average with remote-rural TSOs. It is possible to adjust for this, to some extent, by considering rates of multiple roles.

Fig. 3.6e - Rurality Samples' Volunteering Roles



On average, 56% of all Highland TSOs specify (believing that) their volunteers have multiple roles. In remote rural areas, this rises to 69%, but in urban/accessible areas, it falls to 42%. For the Local Reports, a very approximate calculation of total individual volunteers was used: applying this to the rural and urban samples suggests 2575 and 2412 individual volunteers performing the 3706 and 3054 roles detailed.[27] This would lessen the disparities in number (making the rural/urban proportions 52% vs 48%) and the difference in volunteers per 1000 (90 to 43, respectively).

It is abundantly clear, nevertheless, that notably different percentages of all resident individuals volunteer in remote-rural areas than in urban/accessible areas. Highland volunteering is therefore unusual because of the prevalence of remote-rural communities, and not primarily due to other socio-cultural or economic factors. This feature of the Highland third sector will also therefore apply more to some Partners than others, and vary significantly between different communities within some Highland Partner areas.

[27] Number of total roles multiplied by % single, remainder divided by 2, these added.

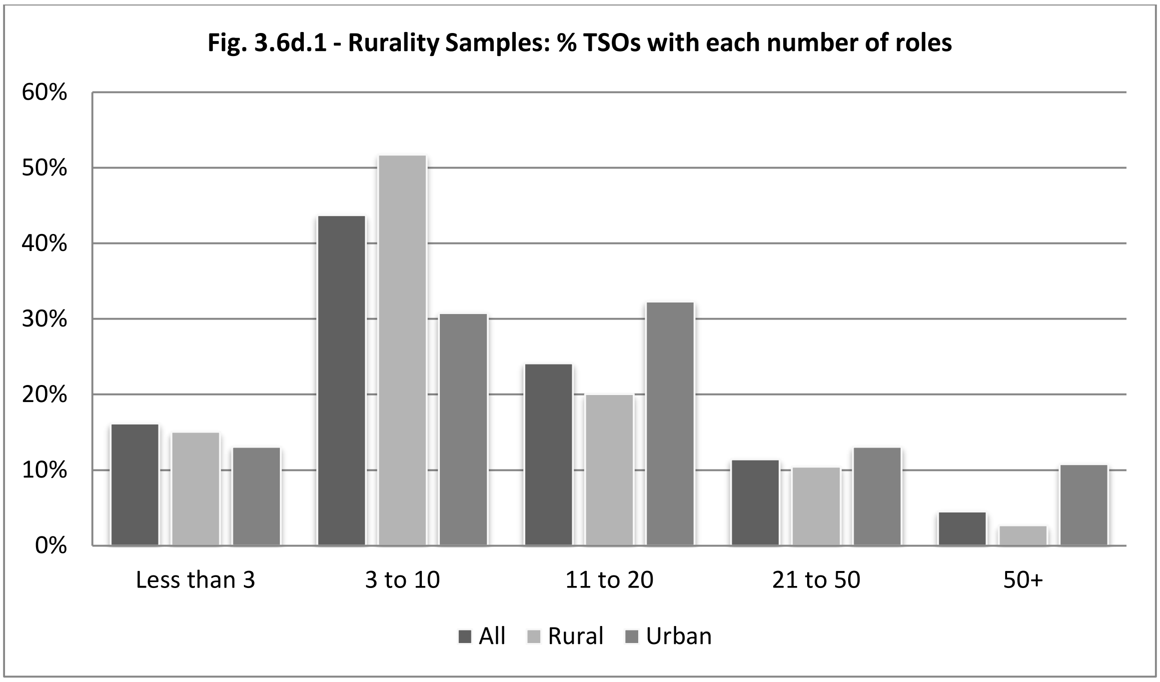
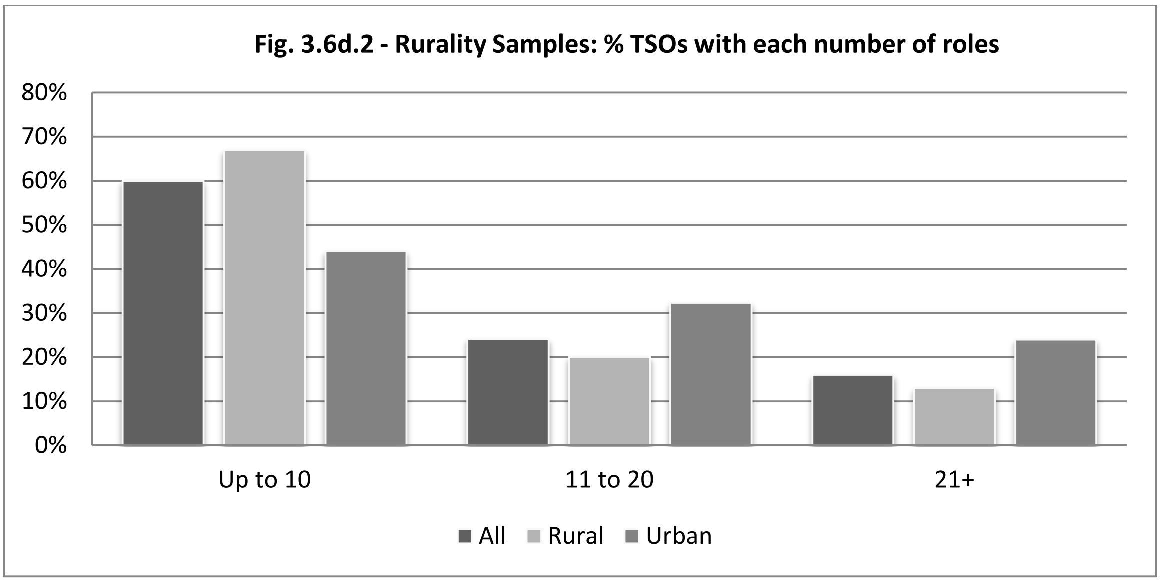


Fig. 3.6d.1 shows the distribution of volunteer roles (of all types) among TSOs. Compared to the whole sample, remote-rural TSOs show an intensification of the overall pattern: a higher peak of TSOs with 3 to 10 volunteers, and correspondingly less in the other brackets. Urban/accessible TSOs, however, show a *different* pattern: a more even distribution, with a slight majority instead having 11 to 20 volunteers.

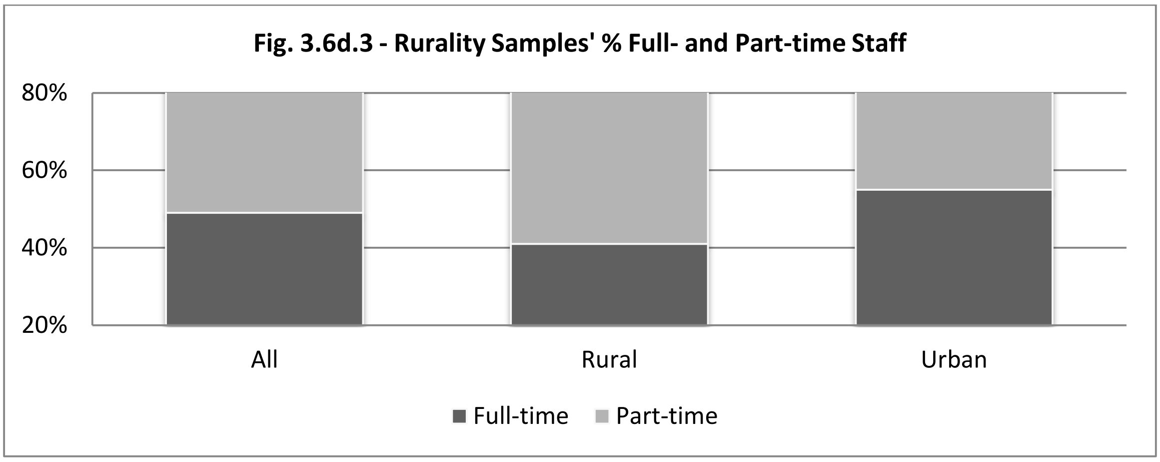
This difference is even more obvious when the same figures are arranged in broader brackets below. These are suggested to equate to: TSOs with board members/office bearers only (up to 10); TSOs with some non-executive volunteers (11 to 20); and TSOs with high numbers of volunteers and intensive co-ordination (21+).



This presentation of the data suggests that the remote-rural norm is for TSOs to function with office-bearers only, taking on whatever tasks are required (as is suggested by other research[28]). Relatively few remote-rural TSOs have very many volunteers, and one might suggest that these could also be the Highland-wide organisations (so that it is not a given that all 21+ volunteers with these TSOs are based in the remote-rural area).

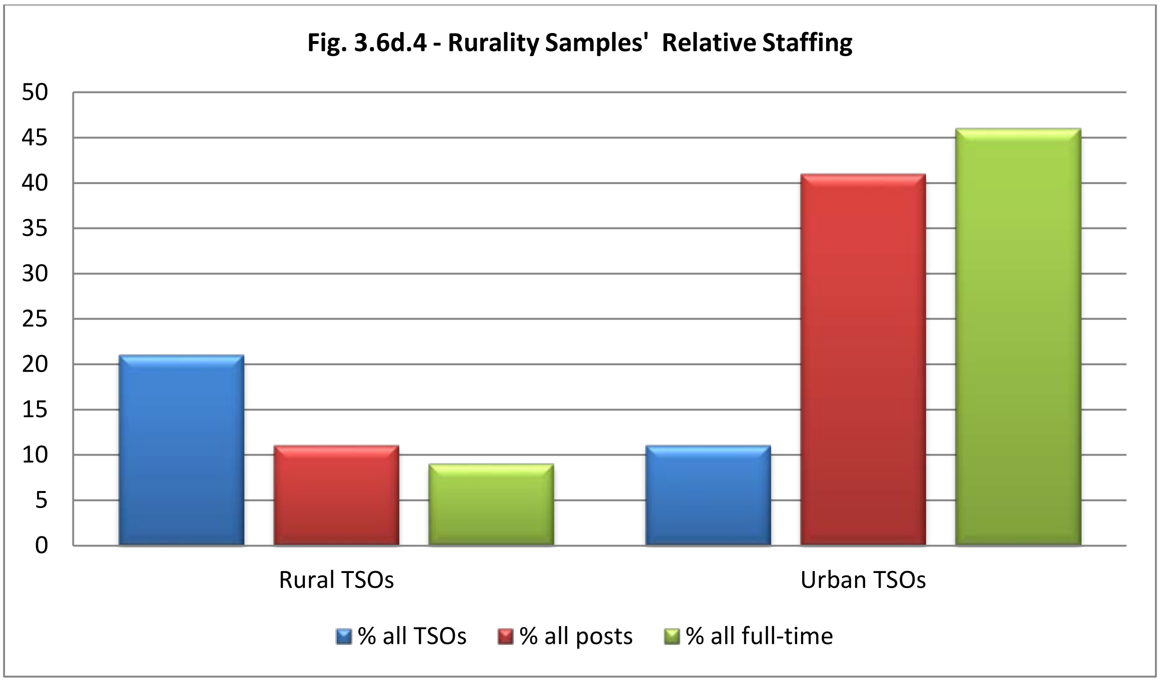
Meanwhile, office-bearers only appears to be the case for a minority of urban/accessible TSOs (although still the largest single category). Most of these have more than a few additional volunteers, and almost a quarter have many.

Staffing: This financial information obviously has an impact on staffing patterns. For remote-rural TSOs, the total number of posts reported is 668, just 41% full-time. For urban/accessible TSOs, total posts reported is 2569, being 55% full-time.



The chart below highlights this difference showing the proportion of all TSOs in each sample (blue), the proportion of all reported posts these TSOs employ (red) and the proportion of all full-time posts they employ (green)

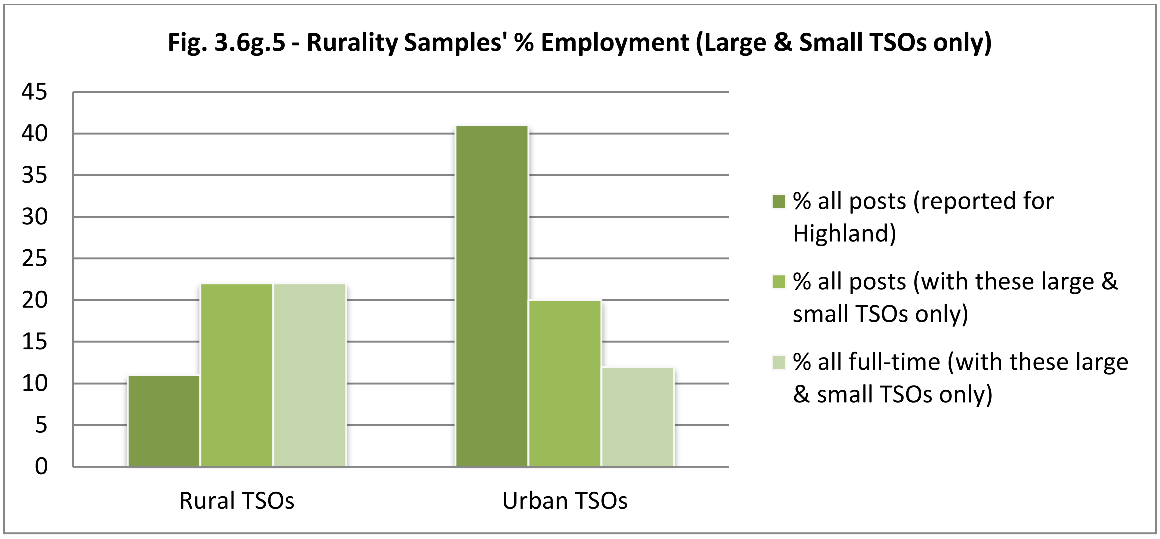
[28] Mapping



Remote-rural TSOs employ a low percentage of all reported staff, for the percentage of TSOs the sample contains (and a particularly low percentage of full-time posts). Urban/accessible TSOs, by contrast, employ a very high (almost 4x) percentage of staff relative to sample size, and their percentage of full-time posts to all posts is 14% higher even than that.

Further, in absolute terms, almost half of all full-time posts reported to the Census are with these urban/accessible TSOs (although all posts themselves may not all be based in the areas studies, as almost half work Highland-wide, it seems reasonable to expect that most jobs with these will be at or near head office). Furthermore, although more than 1 in 5 of all TSOs are based in these specific remote-rural areas (by no means all the remote-rural areas of Highland) just 11% of all third sector posts are based there, and only 9% of all full-time third sector posts.

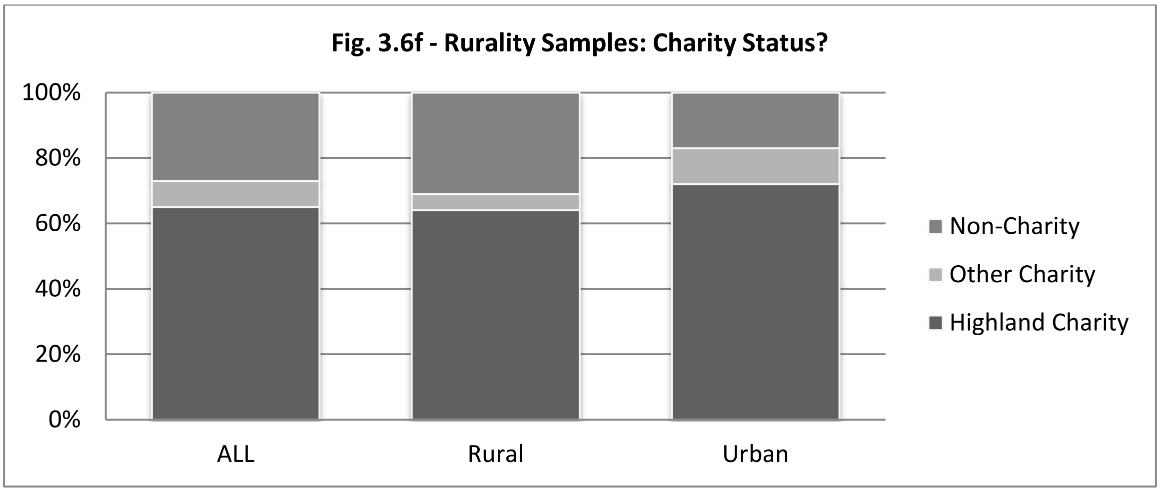
To compare like with like, however, we should be looking at TSOs with less than £1 million incomes (see 3.6g). For remote-rural TSOs, the total number of posts reported by large and small TSOs is 363 (237.5 FTE) being 31% full-time (average). For large and small urban/accessible TSOs, the total number of posts reported is 328 (195 FTE) being just 19% full-time.



By these measures, it is clear that *outside the group of multi-million TSOs*, third sector full-time employment is comparable to third sector presence in both remote-rural and urban/accessible areas (that is, the samples contain 22% of all full-time posts and 22% of all TSOs, 11% of all full-time posts and 11% of all TSOs respectively).

The urban/accessible area still reports a higher percentage of total posts, due to the presence of relatively few full-time posts with non-multi-million urban TSOs (which may relate to different wage and working patterns in these areas, but will also be to do with the relatively equal numbers of large and small TSOs in this area, as above).

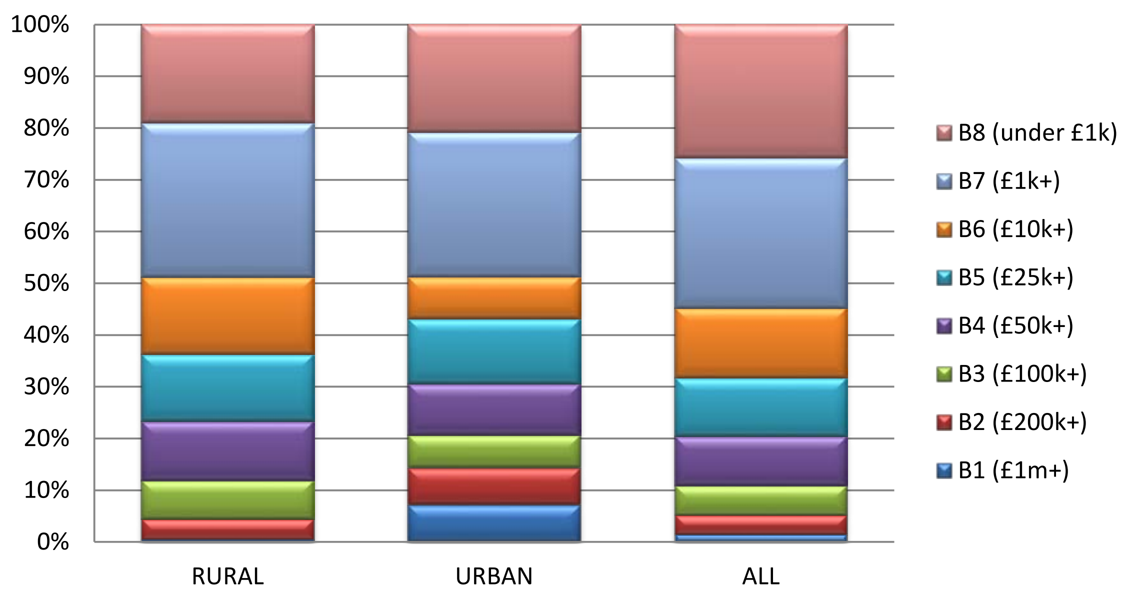
3.6f) Charity Status. In terms of charity status, remote-rural TSOs show an average rate of being Highland-registered charities, but a lower rate of being registered elsewhere (this was 8% among all, 5% among rural, 11% among urban/accessible TSOs). This may well also correlate to differences in branch status.



Urban TSOs were significantly more likely to be registered charities, by 10% over the whole-Highland sample, and by 14% over remote-rural TSOs. Again, this is likely to correlate with other factors, such as TSO size, as discussed further below. The higher proportion of registered-elsewhere charities (which would not necessarily be listed with OSCR, or found as local contacts – although some certainly were) may also go some way to explaining the relatively low density of overall charities and contacts found in urban-accessible postcodes by preparatory research. At the same time, the degree to which those unfound branches/operations actually act within Highland third sector norms (as opposed to alongside them) is not obvious. This would, again, deserve further study.

3.6g) Urban/Rural Income Bands:[29] In both extreme types of area, 50% of all TSOs are working with less than £10,000 annually, and so with few or no staff (a lower proportion than average, shown right for comparison).

Fig. 3.6g.1 - Rurality Samples' % Income by Size

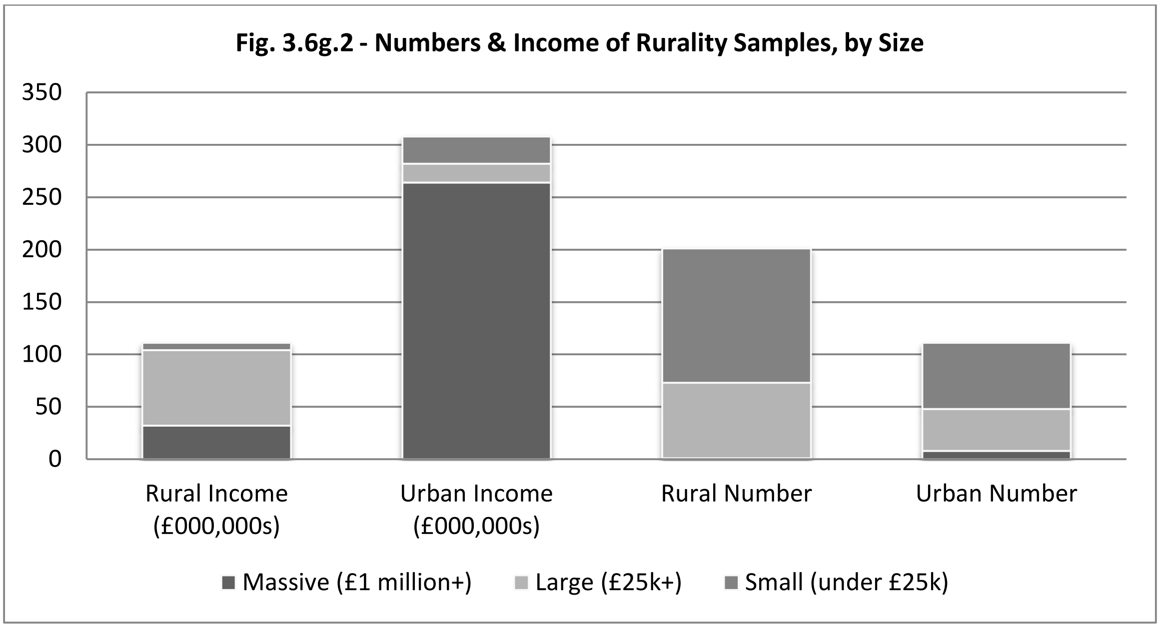


The main differences are at the very top and bottom of the remaining 50%. In remote-rural areas, there are many more TSOs working with over £10k but less than £25k and many fewer working with anything over £200k. In urban/accessible areas, the group working with £1 million plus incomes is very prominent. This is natural, given the number of residents served, and the proportion working Highland-wide. (Given such Highland-wide working, it therefore does not imply that no multi-million pound TSOs *work* in remote-rural areas, only that they tend not to be based there.)

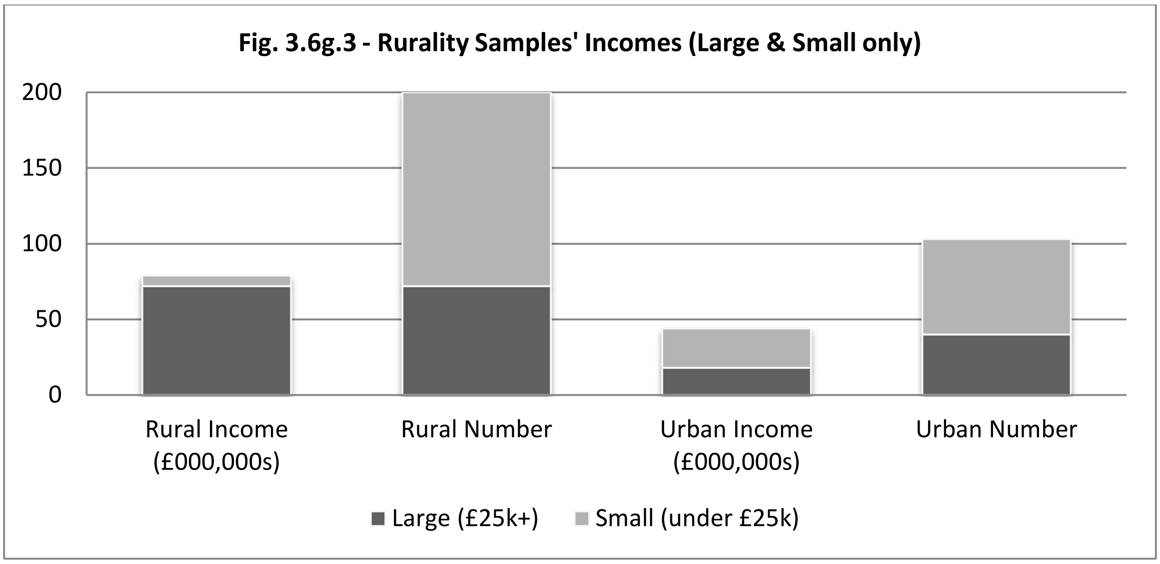
[29] Of 111 urban TSOs providing total budget information, 23 work with under £1000, 31 with under £10k, 9 with under £25k, 14 with under £50k, 11 with under £100k, 7 with under £200k, 8 with under £1 million, and 8 with £1 million plus. Of 201 rural TSOs providing total budget information, 38 work with under £1000, 60 with under £10k, 30 with under £25k, 26 with under £50k, 23 with under £100k, 15 with under £200k, 8 with under £1 million, and 1 with £1 million plus.

It is by no means implied, however, that remote-rural TSOs are therefore 'poorer' than other Highland TSOs. In fact, compared to the whole sample, there are *fewer* low income TSOs in the remote-rural sample, and more *large* income TSOs (although in part, this may be due to the methodology of the Census Trial, which led to adjustments in reporting for low income TSOs – this will be tested with the specific Wester Ross report, using only the newer data).

Looking at both numbers and income by broad bands gives the following division:



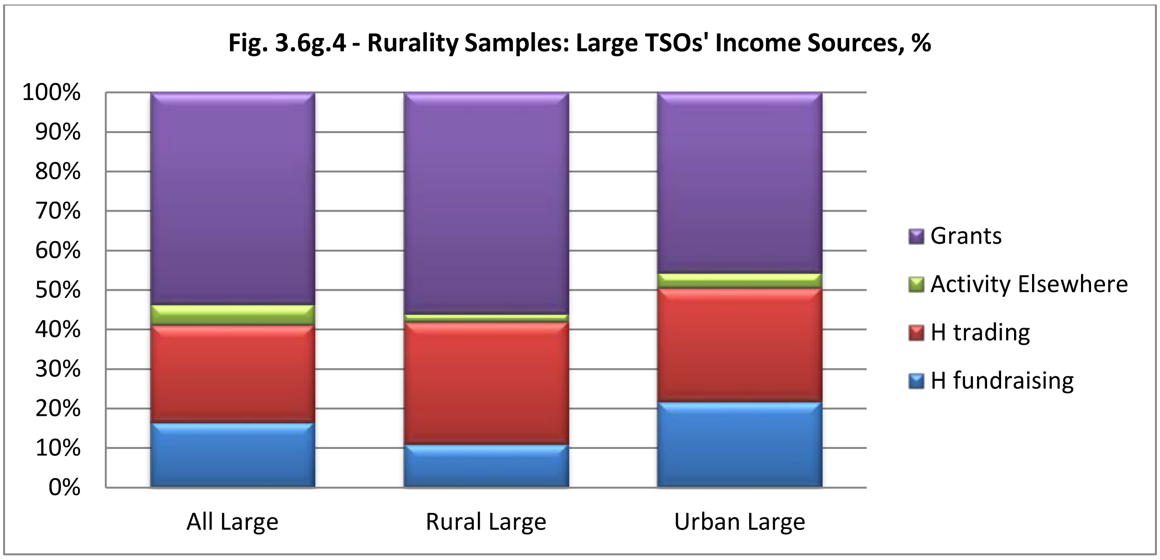
Income inequality (at least among responding TSOs) is significantly lower among remote-rural TSOs than among those in urban/accessible areas. It is also apparent that the total income disparity between these samples (£30.8 million urban, vs. £11.1 million rural – nearly three times, despite the rural sample containing almost twice as many respondents) is accounted for twice over by the multi-million TSOs alone. Given the extremely small sample size of multi-million remote-rural based TSOs (n.1) and their unusual prominence – often working Highland-wide – in the urban/accessible sample, to offer comparable data the analysis of income sources here generally focuses on large and small TSOs only. It is worth, therefore, first considering *their* relative total income:



Unlike the total income pattern, income inequality between large and small remote-rural TSOs is much *higher* than urban/accessible or Highland average. This is particularly notable as the proportion of small to large TSOs is Highland-average in remote-rural areas (whereas the two groups are closer to 50-50 among responding urban/accessible TSOs). That is, this larger number of small remote-rural TSOs works with a much *smaller* proportion of overall income.

In the proportional analysis (not shown) large and small urban/accessible TSOs have an equivalent proportion of income and numbers (c. 40% large). That is, large TSOs make up a disproportionately high proportion of urban/accessible TSOs, but have a disproportionately low proportion (50% under Highland average) of all TSO income held by under-million-pound income groups.

In terms of income source, to compare like with like, TSOs are considered in broad income groups of large and small. For large TSOs:



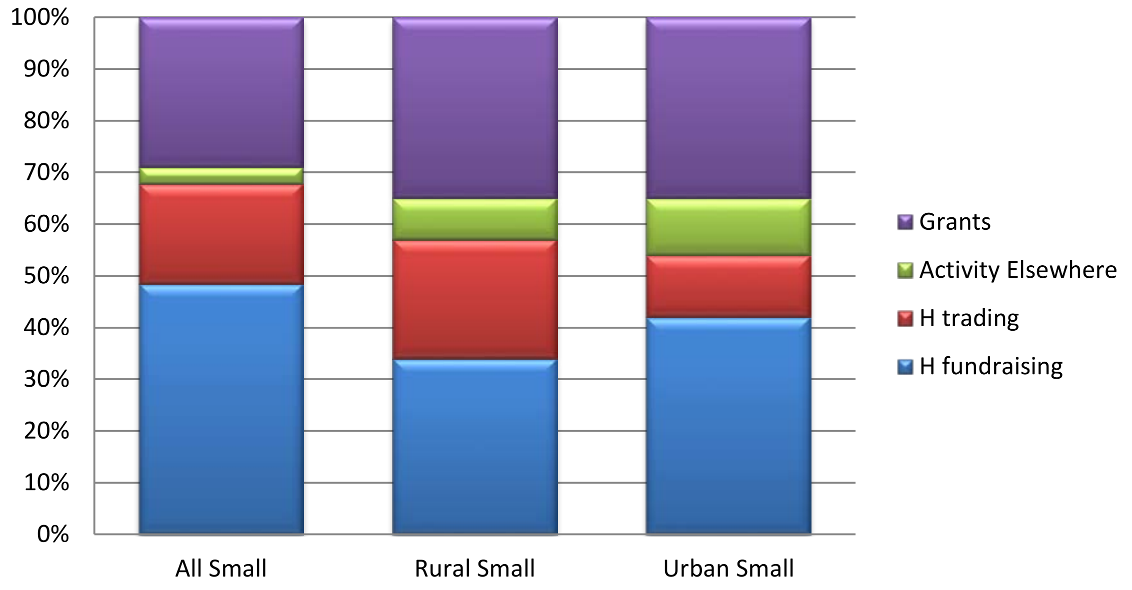
Large remote-rural TSOs have less access to Highland fundraising income and to funds from fundraising or trading outside Highland, and therefore depend more than average on both grants and trading. It is notable, however, that they are still less dependent than average on 'outside' support, raising more than 40% of their funds by their own activity in Highland.

Large urban/accessible TSOs – by contrast with both – are able to raise 50% of all their funds from trading and fundraising, and also have more access to funding from activity elsewhere (than large remote-rural TSOs, also see above, branch status). They are thus less grant dependent.

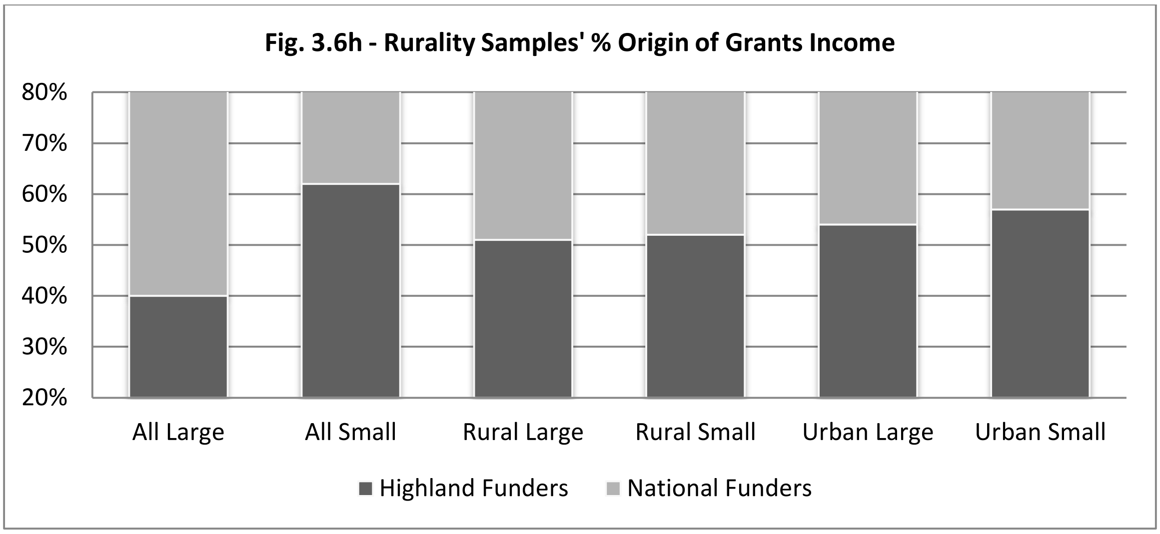
It is worth remembering, however, that the total income of these 40 urban TSOs (£4.5 million) is considerably less than that of their 72 remote-rural peers (£7.2 million). Average income among large urban TSOs nevertheless skews higher (at £112,600 vs £99,700 for large remote-rural TSOs).

Small TSOs have the same (higher than average) level of grant-dependence in both extreme areas. Small urban TSOs, again, raise a higher proportion in fundraising than remote-rural, but this is still less than the overall average of 50% for this size of TSO; and again, small remote-rural TSOs do more trading than average, but have much less potential for trading or fundraising beyond Highland (see also above, branch status).

Fig. 3.6g.5 - Rurality Samples: Small TSOs' Income Sources, %

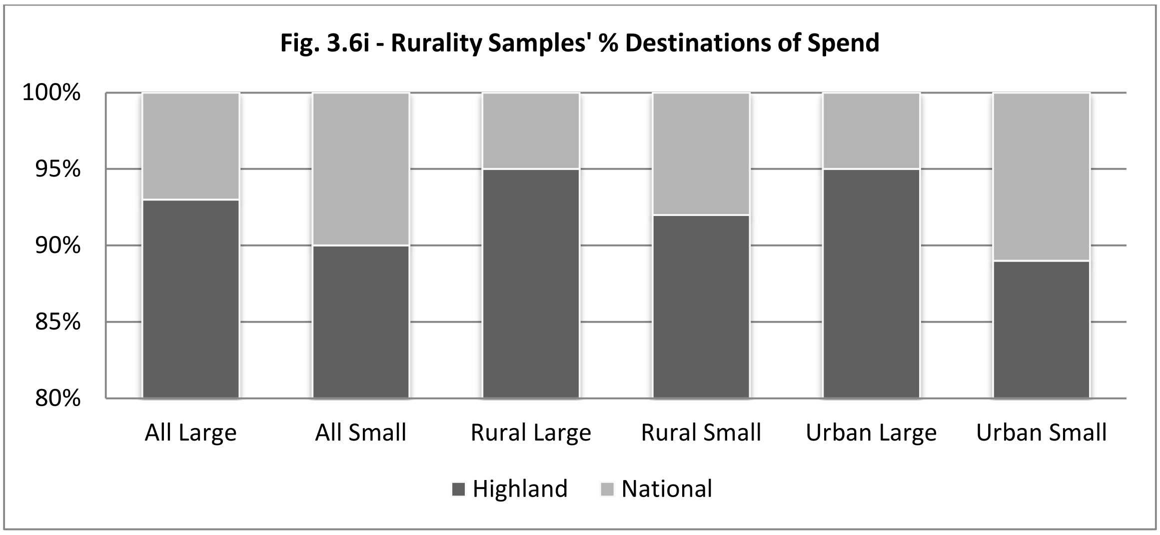


3.6h) Origin of Grant Income: In the Highland sample overall, there is a 20% difference between large and small TSOs in terms of the proportion of their grant income coming from within Highland.



For both extremes of geographic situation, there is much less difference than average. Very slight majorities of grants are coming from Highland funders to both sizes of TSO. Small urban TSOs are closer to the Highland norm of 60%+ Highland grants, while large urban TSOs get significantly more than average (and somewhat more than large remote-rural) from Highland funders.

3.6i) Destination of Spend: The final finance variable investigated was where TSOs spent their total incomes (chart shows detail of 80%-100%).



Both small remote-rural and small urban/accessible TSOs spend slightly more of their income outside Highland than the average for all small TSOs. This was even more pronounced in the urban sample (95% to 89%) whereas for remote-rural TSOs, the *difference* was average (3%) but was at a lower level (between 95% and 92%). This may have both geographic and organisational explanations:

- In practical terms, it is much easier for organisations in urban/accessible areas to purchase goods/services from (neighbouring areas) outside Highland than this is for remote-rural TSOs (all the postcodes included being distant from such areas).
- In organisational terms, it is to be expected that the higher proportion of branches exchange funds with their national parent organisations (note that although smaller TSOs are spending 11% beyond Highland, they also appear to be receiving that proportion from beyond Highland, see Fig. 3.6g.4 above).

The latter is indeed the case for small TSOs in both areas, so that higher spend-outflow for small TSOs is actually a near zero net outflow, whereas *less* of larger TSOs' external spend is compensated for by their external fundraising and trading. (All are negligible alongside the much larger amounts of grant funding inflow from national funders.)

3.6 Overview: Comparing these extreme samples (remote-rural-only, urban/accessible-only postcodes) allows us to address some of the wider questions underlying the census.

It offers objective data towards comparing demands on the eight Highland TSI partners (relative to each other, and whole-TSI areas elsewhere) since each Partner works with a different mix of these contexts. Some, like SLCVO and CVS North, work in wholly very-remote-rural areas. Signpost works in almost entirely urban/accessible areas, but like VAL, also has remote-rural communities. RVA, VABS, VGES and CVG all have very mixed communities (especially the former). Comparison of the Wester Ross Local Report to the whole Ross Local Report may allow more study of remote small towns, which is outside the scope of this Final Report. (This is precluded on a postcode basis in Caithness, the obvious example, by the size and region-spanning nature of KW14 and its similarity for respondents to KW1 4).

In particular, we can definitively say that in Highland lower/sparser population does not mean lower or sparser presence of TSOs: remote-rural communities support more TSOs than would be expected from OSCR figures, and do so more self-sufficiently of other areas (of Highland, Scotland or the UK).

The Census has also significantly added to other available data on the in-practice impact of rurality (especially extreme rurality and remoteness) on third sector organisations. As above, remote-rural TSOs are much less likely to have multi-million incomes, be branches or charities, work Highland-wide, or employ full-time staff than their urban/accessible peers. They are more likely to work on aspects of community, and to lack a standard (company, SCIO or trust) legal structure.

These remote-rural TSOs rely on the contribution of significantly more volunteering per capita, and their volunteers are significantly more likely to hold multiple roles than in urban/accessible areas. Although these remote-rural TSOs are more likely than average, and more likely than urban/accessible organisations, to work locally, they are also more likely to work nationally or internationally (that is, the principle absence is regional working). They also on average gain more from trading than their urban counterparts. By and large, the norms of remote-rural TSOs are closer to the whole-Highland norm of the census sample than their urban counterparts (and vice versa – on average, Highland TSOs overall are more like the remote-rural than the urban/accessible sample).

Highland TSOs based in urban/accessible areas may, in turn, more resemble the national third sector. In particular, there appear to be radical differences between multi-million and all other urban/accessible TSOs. Income distribution is much more unequal between these two classes, but then more equal between the large and small urban/accessible TSOs. Urban/accessible large and small TSOs get higher proportions of their grant funding from Highland funders, and higher proportions of fundraising and trading income from beyond Highland.

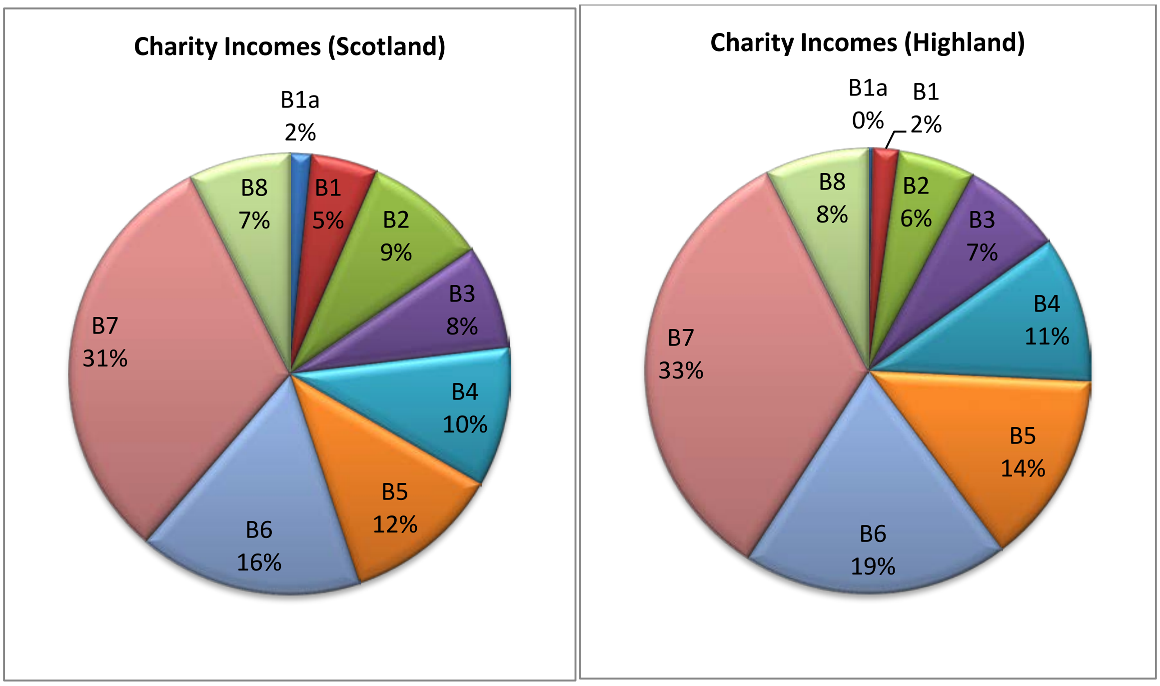
It was not previously known how operational norms and standards differed (if at all) from national norms (and therefore statistics) in remote contexts. In particular, very little information was available about highly mixed contexts, as exist in several Highland Partner areas. Given the patterns in responses above, we may suggest that mixed contexts are Highland-normal, and are thus reflected by the whole sample. Meanwhile, notably remote and accessible areas both differ (from the average, and from each other) as has been explored by this section.

3.7 Highland in National Context:

The issue of comparison to national norms is complex, as by and large, national data is restricted to charities,[30] and the census emphasises that these are not always characteristic of the Highland norm. On 7th September 2015, OSCR listed 20,935 active charities in Scotland (with incomes over £100). Their incomes were distributed as follows (left) compared to the OSCR subset for Highland (right).

[30] E.g. SCVO (2015) posits 45,000 TSOs, but claims to cover only a ‘regulated sector’ of 19904 including 19635 charities, or 99%.

Fig. 3.7a Charity Income Norms, Scotland and Highland



That is, the income norm for Highland (compared to all of Scotland) is for proportionally fewer massive and very large charities (15% vs 24%) with instead more large (25% vs 22%) and small charities (60% vs 54%). Or, in another perspective, Highland charities form the following percentages of the national charity sector (Highland charities being 8% of Scottish charities overall):

Fig. 3.7b - Highland Charities as % of National per Income Band (0%-19%)

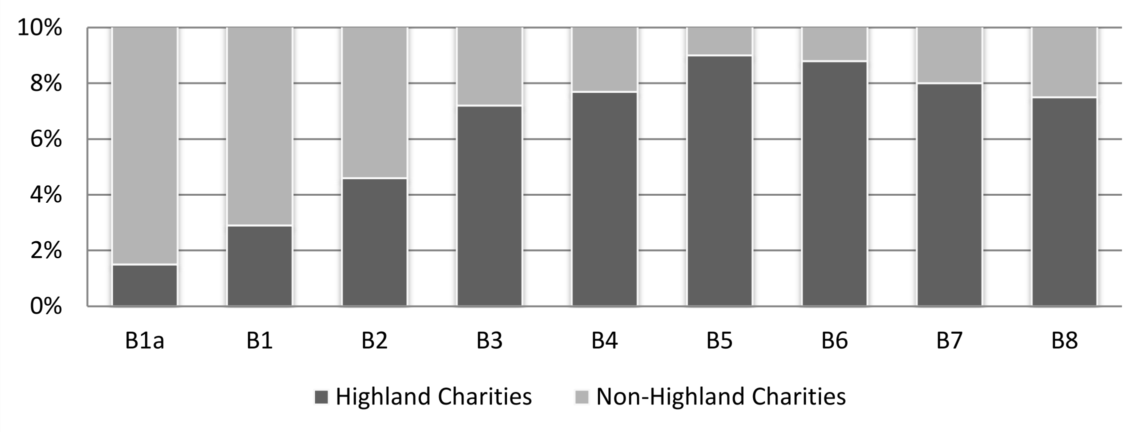
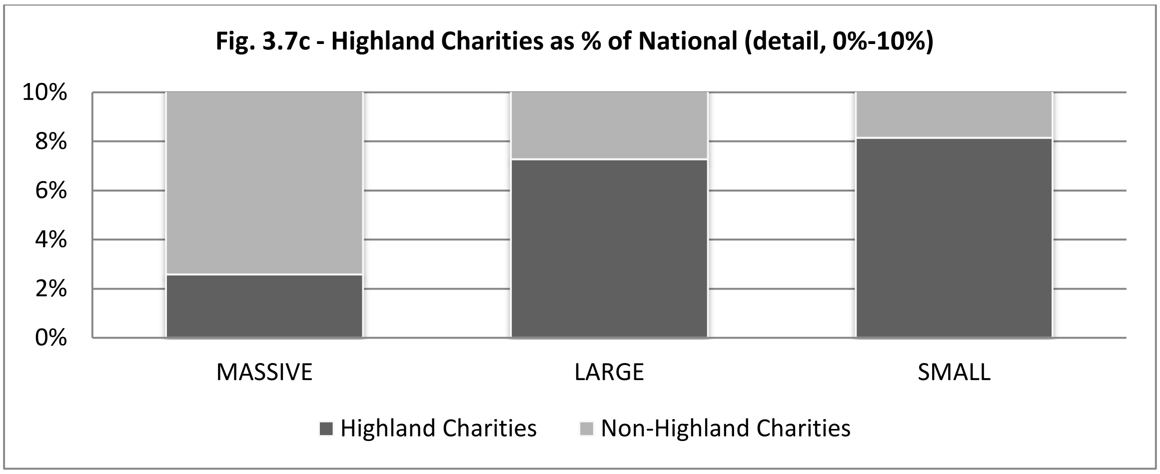


Fig. 3.7b illustrates that the high overall population of charities in Highland (8%, double the human population of 4%) is made up primarily of medium and smaller sized organisations, of which there are exceptionally high proportions in Highland. In combination with census data, it also implies that

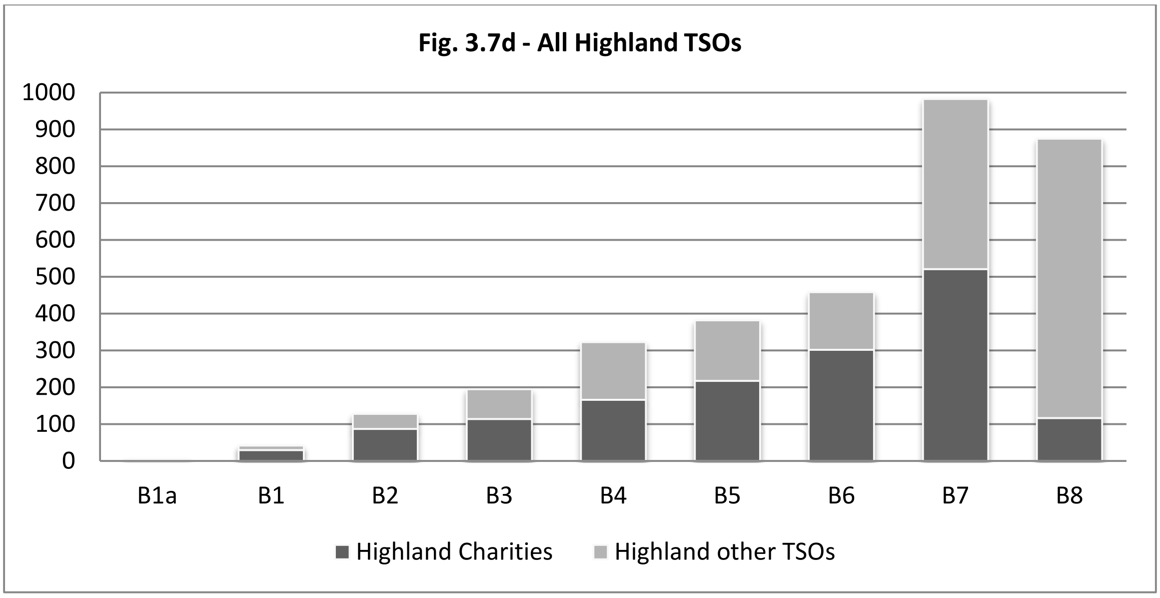
the very smallest TSOs in Highland are less likely to be *charities*, not less likely to be present in communities. If we expected the Highland third sector to follow national norms, we would expect Fig. 3.7c below to show around 4% for each group. Instead we find:

- somewhat fewer massive charities,
- many more large charities, and
- more than double the expected per capita number of small charities.

The columns shown are percentages of the actual numbers within each group across Scotland: the respectively small and large totals of larger and smaller charities in Scotland, which were shown in the pie charts above.



The census, however, has indicated that Highland-registered charities from OSCR are likely only around 3 in 5 of all Highland TSOs. Further, it suggests that these non-charitable TSOs are even more likely to be working with lower levels of income (but many more volunteers).



This chart makes it very clear that the operational norm within the Highland third sector in practice is working with relatively low incomes (under £10,000 per year). The difference between the number of OSCR-registered charities with under £1000 per year, and the number of all types of Highland TSO working with this income is stark, and indicates why OSCR figures must provide a very poor guide to the total number of TSOs in Highland, their activity, and the numbers of volunteers mobilised.

In turn, these figures confirm that (e.g. in Results & Methods, or throughout this Final Report) it is equally correct to term 'small' TSOs simply 'normal' TSOs. Therefore, in considering the TSO norm for all of Highland, we can simply summarise the reported experiences of this type of Highland TSO (with the remote-accessible spectrum suggested above in mind).

3.7a Conclusions on Highland in National Context: This raises another issue however: once focus turns to 'small' TSOs as being the norm, there is a tendency to assume it is also 'normal' for the Highland third sector itself to be small. However, this is emphatically not the case. Although the Highland third sector is mainly made up of small TSOs, it is large as a whole. With 8% of all Scottish charities (plus those with branches in Highland), 7.5 charities per 1000 residents (compared to 3.9 nationally) and in total 15 TSOs per 1000 residents, the Highland third sector is definitely larger than would be expected. Research conducted this year also indicates disproportionately high per capita presence of social enterprises in Highland, at 2.2 (vs. 0.9 across Scotland), with 10% of all Scottish social enterprises based in the region.[31]

This should perhaps not be surprising. After all, the distinctive feature of the third sector (versus private and public sectors) is that it is enabled, not constrained, by finances. The contribution of volunteers – of prime importance to Highland TSOs – enables third sector organisations to act in ways, and with means, that are impossible for private companies or public bodies in Highland. Communities can and do organise for themselves activities which could never make a profit, and services which competition for resources from more populated areas would never allow.

For example, in densely-populated areas, economies of scale make providing e.g. a sports facility or childcare profitable (many users, each paying a little more than the service costs) yet this model cannot be 'scaled-out' to sparse communities. Meanwhile, by disregarding profit, TSOs can provide

[31]Social Value Lab, 2015:13. Note that this research suggests that 11% of all Scotland's TSOs are social enterprises, with a higher rate of 15% in Highland. This is in accordance with the census finding of a high proportion of all Highland TSO income gained from trading.

the same value at less cost. For the public sector, expenditure is defined by the cost of delivering services over small areas, efficiency built around serving most people at once. Again, this approach cannot be scaled to supersparsity: it inevitably costs more to deliver less service in many small centres. However, again, by working bottom-up (focusing on only what people need, only where and when they need it, and without having to staff partially-unused posts) TSOs can offer more effective responses to Highland needs.

In short, TSOs are not required to take more than they give (the basis of profit) or offer more than is required (the nature of universal public services) and so they can exist in communities where few private or public sector organisations can venture. They can also be very flexible in meeting the challenges of the various geographic, social and community-of-interest scales within Highland.

This is the specific feature of the Highland third sector that can never be measured financially: measuring 'income in' can only be one factor in the *activity* such funding seeds. Arguably, this is also the feature of the wider third sector that has attracted the attention of policy-makers, and therein lies a problem: the Highland third sector is already massive (double per capita presence elsewhere), already filling a wide and unusual variety of socio-economic niches, already developed in ways the national sector is not. Therefore, there may be significant issues with expanding capacity, since these multiplier effects depend on people: on the value generated by time (enabled by money) not by money paying for time.

The rural/urban data above, and indeed the census data overall, suggest that distinctive features of the Highland third sector arise from – and are therefore inherently limited by – the resource that the area famously lacks: population. The data also raises questions about factors often assumed to be limits of participation (high levels of self-employment, part-time working, multiple roles, unpaid caring, aging demographics, geographic deprivation) as enabling, as well as requiring, high relative rates of third sector activity.

3.8 Relative Demands on HTSI and Highland Partners.

Discussions above (especially sections 1 and 2.5) have summarised various ways in which the Highland third sector, and therefore the needs met by HTSI and the Highland Partners, vary significantly from national norms and expectations. Other discussions (especially 1A and 3.6) have also noted various ways in which local third sectors within Highland are distinctive, both in comparison to each other and to national norms, creating unique demands on each of the Highland Partners. While such issues have always been clear in practice, justifying the uniquely diverse Partnership structure of HTSI, there has been limited data available to understand them in detail, or to relate this detail to external norms so that it can be clearly appreciated by funders, policy-makers, and TSOs in other Highland areas. The census process has provided a starting point for improvement on all these aspects.

In practical terms, the census process has offered not only comparable objective data, but also a detailed series of Local Reports, placed in broader context by this Final Report. The Local Reports also contextualise the census data using published government and other statistics about local economies, human geography and demographics. The volume of data involved is very large (see also the separate document summarising all Direct Results by locality, for comparison) and therefore cannot be re-summarised here. The overall conclusion, however, can be stated: there are demonstrable, meaningful, practical differences in the needs and challenges of the third sectors supported by each Highland Partner, and the overall demands placed on each Highland Partner are objectively of similar or greater scale to those on whole TSI areas elsewhere in Scotland.

Appendix

Extrapolation Methods (detail)

These bands were analysed as follows:

1. The sample of TSOs which can meaningfully be separated into income bands (i.e. those giving total budget figures, n. 976) was separated out from all responses.
2. These were sorted by income, and organised into bands (above, derived from previous analysis of incomes reported to OSCR, confirmed as relevant by analysis of trial results)
3. The number and percentage of responding TSOs in each was noted.
4. For each band:
    a. every numeric (number of reported volunteers/incomes/staff) value was totalled;
    b. every binary variable (responses giving a positive/negative value for e.g. multiple volunteer roles, charity status) was expressed as a percentage.
5. All data relating to number of TSOs was considered, as above, to give an extrapolated total number of TSOs.
6. Each projected income band was assumed to contain the proportion (item 5 of this list) suggested by item 3 of this list.
7. The figures obtained by item 4 of this list were applied to this likely number of TSOs.
8. These numeric values by band (i.e. of volunteers/staff, of TSOs reporting each binary possibility, and of incomes/source/spend) were then added
9. To cross-check for bias, the resulting contribution of each income type (massive, large, small) to the extrapolated figure was compared to direct responses.

Form & Outreach

Considerable cost and efficiency savings could clearly be achieved in future census processes by decreasing reliance on paper forms, and this should be assessed during the contacts research. However, it is notable that paper forms proved very popular, and as above, particular types of TSOs are (at least at present) resistant to online outreach.

The form used in this outreach is reproduced below. For future iterations, several improvements can be suggested for streamlining:

Postcode proved to be a valuable tool in analysis, but the wording ‘first character group of postcode’ might be more effective for TSO area-specification.

In terms of locations, the ‘quadrant’ options were minimally taken up, and therefore, the Partner areas plus Highland-wide would be sufficient detail.

In terms of volunteering hours, the clear preponderance of as-needed roles would suggest harmonising with e.g. the Scottish Household Survey and/or SCVO State of Sector practice of the time.

In terms of legal structure, again the volume of ‘other’ structures found (compared to very minimal presence of ISP/Co-ops and CIC) would suggest replacing these with e.g. Community Council (or contemporary equivalent) and ‘Other Club structure’ to account for the most frequently commented variants.

For investigating finance, the questions shown worked well, and it is difficult to suggest any which might work better. However, there was in some cases an implied confusion between direct fundraising from the public, and funds obtained (as grants) from other organisations. Considering this further could be worthwhile.

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1. We only want you to give information in a way that can *never* be linked to your organisation. However, we do need to exclude any duplication. Please therefore give the first four characters *only* of your group or organisation's Highland postcode

2. What is your organisation's main focus (please choose one answer that best applies)?

- ☐ Disability
- ☐ Health
- ☐ Older people
- ☐ Arts
- ☐ Children/Youth
- ☐ Education
- ☐ Environment/Animals
- ☐ Poverty
- ☐ Heritage
- ☐ Sport
- ☐ Religion
- ☐ Transport
- ☐ Community Development
- ☐ Community Activity/Local Area

Other:..

3. Where does your organisation operate in Highland? Please choose the answers that best apply (select 2 or more if necessary).

- ☐ Caithness
- ☐ North & West Sutherland
- ☐ East Sutherland
- ☐ Ross-shire
- ☐ Skye & Lochalsh
- ☐ Lochaber
- ☐ Badenoch & Strathspey
- ☐ Inverness or Nairn (central)
- ☐ Inverness or Nairn (area)
- ☐ North Highlands
- ☐ East Highlands
- ☐ West Highlands
- ☐ Central Highlands
- ☐ South Highlands
- ☐ Highland-wide

4. How many volunteers usually work with your organisation? (Please enter zero as appropriate.)

Full-time (30+ hours per week)

Part-time (up to 30 hours per week)

Casual (no regular times, as needed)

5. Do most of your volunteers...

- ○ Volunteer with yourselves only?
- ○ Volunteer with a variety of groups?

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6. Is your organisation a registered charity?

- Yes, registered with OSCR in Highland.
- Yes, registered elsewhere.
- No

7. Are you responding from a branch (or project) of a larger organisation?

- Yes
- No

8. What is the legal structure of your organisation?

- Unincorporated Association
- Limited Company (Ltd)
- Scottish Charitable Incorporated Org. (SCIO)
- Trust (with Trustees)
- Industrial Provident Society or Co-op
- Community Interest Company (CIC)

Other (please specify):..

9. How many paid staff work *full*-time in your organisation? (30 or more hours per week.) If your organisation also operates outside Highland, please only include your local or Highland branch.

- None
- Some

If some full-time paid staff, please give number

10. How many paid staff work *part*-time in your organisation? (Less than 30 hours per week.) Please only include your local/Highland staff.

- None
- Some

If some part-time paid staff, please give number

11. Where is your organisation mainly active?

- Locally
- Regionally
- Nationally
- Internationally

Finance:

We want to show the economic impact of groups like yourselves (and better target the help we offer) to make a more informed case for the economic and social benefits of voluntary groups across the Highlands. Actual figures (e.g. nearest thousand pounds) are most useful

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here. We need some information from all groups/clubs, however small, and your help is very much appreciated (remember, all answers are anonymous).

12. What is your organisation's normal yearly budget? (If responding from a national organisation, please only give figures for Highland or your own area, whichever is appropriate.)

- ○ We work with less than £1000 a year (skip to Q16, or answer next questions)
- ○ We work with more than £1000 a year, and our

normal (or most recent) annual budget is: £..............................

13. Of that annual total, how much comes:

a. from fundraising in Highland? [ ]

b. from trading in Highland? [ ]

c. from fundraising or trading *elsewhere* (if any)? [ ]

d. in grants from other organisations? [ ]

14. Of the grants from other bodies, how much of the grants total comes from:

a) Bodies WITHIN Highland (e.g. Council, NHS Highland, charities or trusts based in Highland)? [ ]

b) Bodies OUTSIDE Highland (e.g. Lottery, Scottish Government, national/international charities)? [ ]

15. Roughly how much of the total budget above is spent/invested:

In the Highlands? [ ]

Outwith the Highlands? [ ]

16. To help us reach people more effectively, could you tell us how you found out about this census?

- ☐ Email/e-newsletter
- ☐ Newspaper
- ☐ Radio
- ☐ Received in post
- ☐ Word of mouth
- ☐ Phone
- ☐ Link on website/Facebook

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