EDINBURGH VOLUNTARY ORGANISATIONS' COUNCIL

Edinburgh's Third Sector

State of the Sector Report 2025/26

A report on the state of the third sector in the City of Edinburgh

Contents

Profile of Edinburgh's Third Sector	5-9
The Third Sector Interface (TSI)	10
The City and the Third Sector	11-14
Macro Concerns	15-18
Looking Forward	19
References	20

List of Figures

Figure 1: Percentage of charities in Edinburgh 5
Figure 2: Beneficiary groups in Edinburgh 6
Figure 3: Charities in Edinburgh 6
Figure 4: Percentage chg. y-o-y registered charities in Edinburgh (2021-2024) 7
Figure 5: Annual Turnover (2024) 7
Figure 6: Edinburgh's Third Sector Turnover 8
Figure 7: Top challenges for third sector organisations 9
Figure 8: Edinburgh Charities Closure 15
Figure 9: Y-o-Y percentage chg. Edinburgh charities closure 16
Figure 10: Edinburgh income percentage chg. 2023 - 2024 16
Figure 11: Edinburgh charities Surplus/Deficit 2024 17
Figure 12: The State of the Third Sector in Edinburgh (SWOT Analysis) 18

List of Tables

Table 1: Unmet needs per locality in Edinburgh 12
Table 2: Unmet needs per client group in Edinburgh 13

Welcome

I am really pleased to present the 2025/26 state of the sector report, produced by EVOC on behalf of Edinburgh's Third Sector Interface.

As we reflect on the last five years, our communities have had to respond to increasing challenges, including the COVID-19 pandemic, the ongoing war against Ukraine and cost of living crisis. Edinburgh's third sector continues to be resilient, supportive at the point of crisis, however remains fragile as the needs of communities continue to exceed available resources.

This research looks at a range of metrics for the sector's income and composition, as well as it's change over the last five years. The report reflects on the sector's role as a partner in our communities, how it meets the city's needs, and the crucial role the third sector plays in collaborating with the public sector. Finally, the research looks into the macro-economic issues that have impacted the sector's progress.

This research will strengthen Edinburgh's Third Sector Interface in shaping policy discussions with public-sector partners and ensuring that third-sector perspectives are embedded in the city's strategic priorities. By providing a clear, evidence base of the sector's needs and contributions, the findings will support more informed collaboration and help influence the development and implementation of policies that align with Edinburgh's long-term ambitions for inclusive growth, community wellbeing, and social impact.

Bruce Crawford

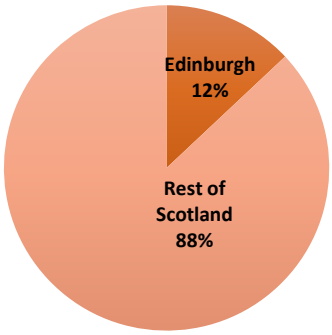
Chief Executive Officer
Edinbugh Voluntary Organisations Council (EVOC)

Profile of Edinburgh's Third Sector

1. What is the third sector?

The third sector is comprised of charities, voluntary organisations, social enterprises and community groups. Currently there are in Edinburgh 2,893 active charities, and 776 social enterprises. This represents 12% of all charities registered in Scotland (23,479) (Figure 1) (OSCR, 2025; Social Enterprise Scotland, 2025).

Figure 1: Percentage of charities in Edinburgh

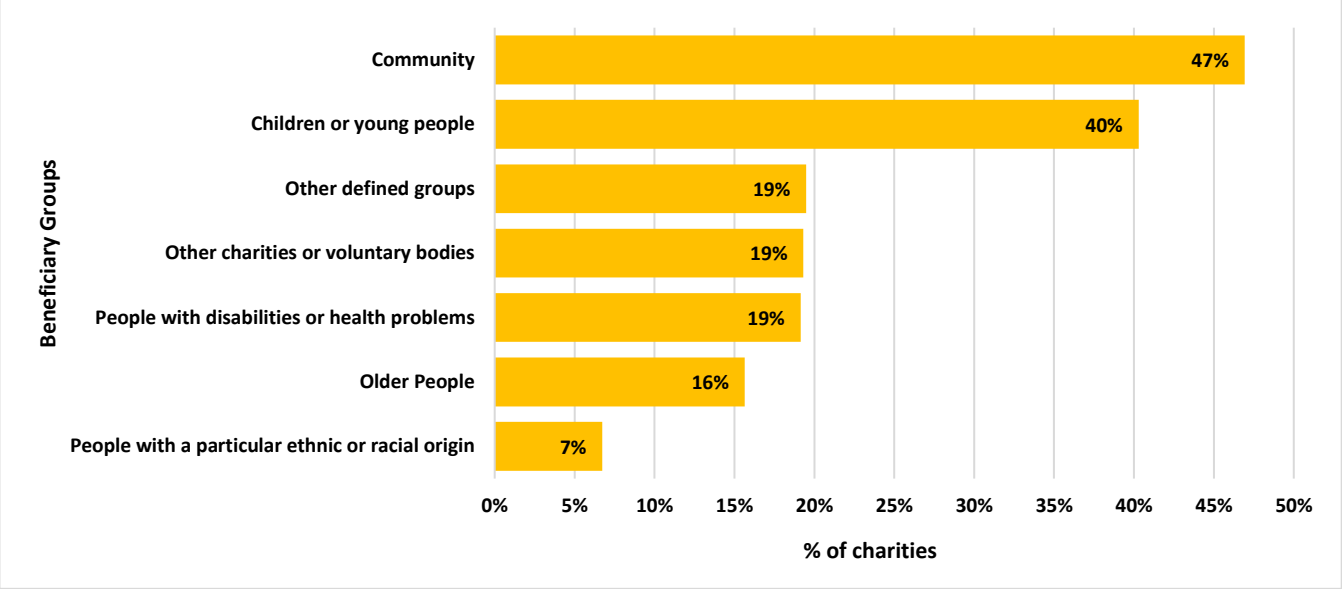


To be registered as a charity in Scotland, organisations must identify as having one or more charitable purposes. These are usually set out in the objects, aims or purposes section of its governing document. A charity's intentions must fit within at least one of the 16 charitable purposes set out in section 7(2) of the 2005 Act (most usually state more than one). Scotland's independent regulator and registrar for charities in Scotland - The Office of the Scottish Charity Regulator (OSCR) lists the following categories of charitable purposes in Edinburgh (OSCR, 2026)[1]:

Charitable Purposes
(a)the prevention or relief of poverty,
(b)the advancement of education,
(c)the advancement of religion,
(d)the advancement of health,
(e)the saving of lives,
(f)the advancement of citizenship or community development,
(g)the advancement of the arts, heritage, culture or science,
(h)the advancement of public participation in sport,
(i)the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended,
(j)the advancement of human rights, conflict resolution or reconciliation,
(k)the promotion of religious or racial harmony,
(l)the promotion of equality and diversity,
(m)the advancement of environmental protection or improvement,
(n)the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage,
(o)the advancement of animal welfare,
(p)any other purpose that may reasonably be regarded as analogous to any of the preceding purposes.

Beneficiary groups that charities support include children and young people, older people, ethnic or racial origin, disability/health problems, other defined groups (e.g., faith based, research, refugees, substance abuse groups etc.), other charities/voluntary bodies (e.g., Trusts), and community (no specific group but for the benefit of the community). A charity can support one, or several beneficiary groups; in Edinburgh 47% of charities serve the community as a whole, while 40% focus on children and young people, 19% in people with disabilities or health issues, 16% specialise in the elderly, and 7% on people with particular ethnic or racial origin (Figure 2).

Figure 2: Beneficiary groups in Edinburgh

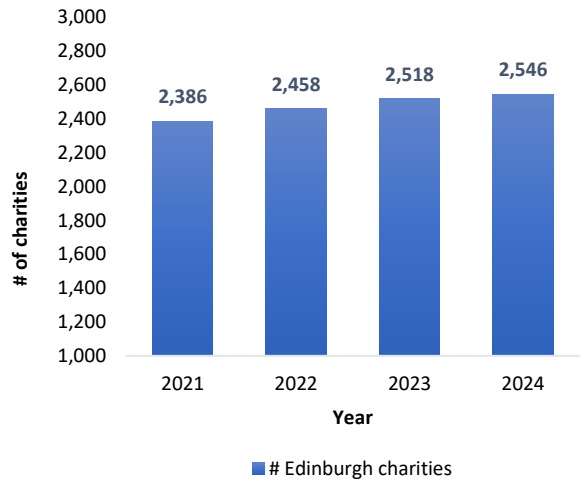


Source: (OSCR, 2024)

1.1.1 Five years on

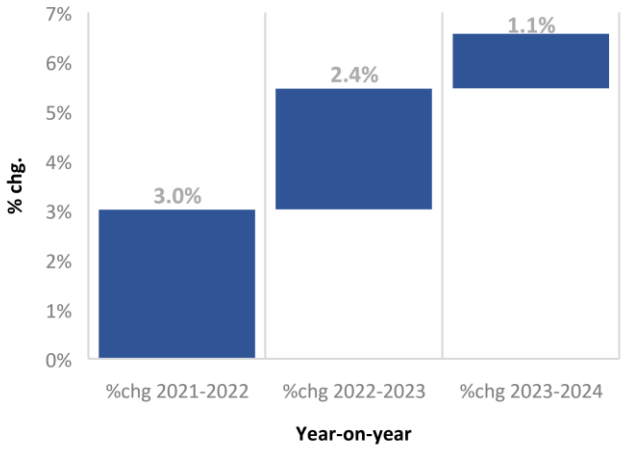
Over time, the number of registered charities in Edinburgh increased by 7%, from 2,386 in 2021 to 2,546 in 2024 (Figure 3). Despite this rise, the rate at which new charities were opening, decreased from 3% in 2021–2022 to 1.1% in 2023–2024. This decline is due to a number of factors that will be discussed later in the report (Figure 4).

Figure 3: Charities in Edinburgh



Source: (OSCR, 2026)[2]

Figure 4: Percentage chg. y-o-y registered charities in Edinburgh (2021-2024)



Source: (OSCR, 2026)[2]

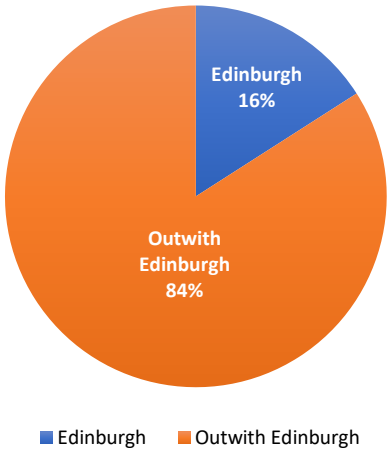
1.2 Turnover

Edinburgh's annual turnover contribution to Scotland's third sector, makes up around 16% of the sector's total turnover in 2024 (Figure 5).

1.2.1 Five years on

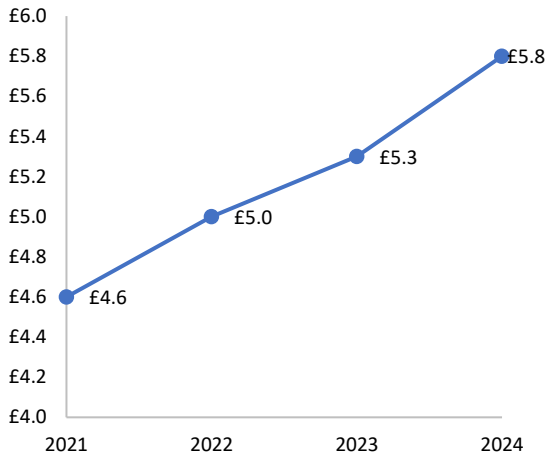
During the period 2021 to 2024, Edinburgh's third sector turnover rose by 28% (from £4.6B to £5.8B), growing at a fairly consistent rate of around 7% annually between 2021 and 2023, before rising by 11% between 2023 and 2024 (Figure 6). This growth resulted from a notable increase in the nation's public sector funding during the COVID-19 pandemic. In addition to this, additional revenues were seen from grants and contracts, grant-making trusts, donations and legacies, sales and trading, investments and interest, and grants and gifts from the private sector (SCVO, 2025)[1].

Figure 5: Annual Turnover (2024)



Source: (SCVO, 2025)[1]

Figure 6: Edinburgh's Third Sector Turnover



Source: (OSCR, 2026)[2]

1.3 Volunteering

The Scottish Household Survey (SHS) is a useful longitudinal indicator of how many people in Edinburgh are active volunteers. In 2024 the formal volunteering rate was 28% and as is historically typical, Edinburgh's rate of volunteering was higher than the Scottish average of 25%. Viewed over 10 years the average rate of volunteering in Edinburgh has been 29%. It is worth noting a sharp decline in 2022, down to just 19%, and for the first time lower than the Scottish average volunteering rate. What caused this decline is up for debate. It could be a survey sample blip or a post-pandemic malaise, regardless increasing rates in 2023 and 2024 demonstrate that participation in volunteering is increasing again (The Scottish Government, 2025).

The SHS also breaks down the differences between rates of formal and informal volunteering. This suggests that 48% of adults took part in some form of volunteering in 2024, be it formal, informal or a combination of both. In 2024 the average volunteer donated 4.4 hours per week, up slight from 2019. The average number of hours donated to organisations by all their volunteers increased significantly to 10,325 hours a year in 2024.

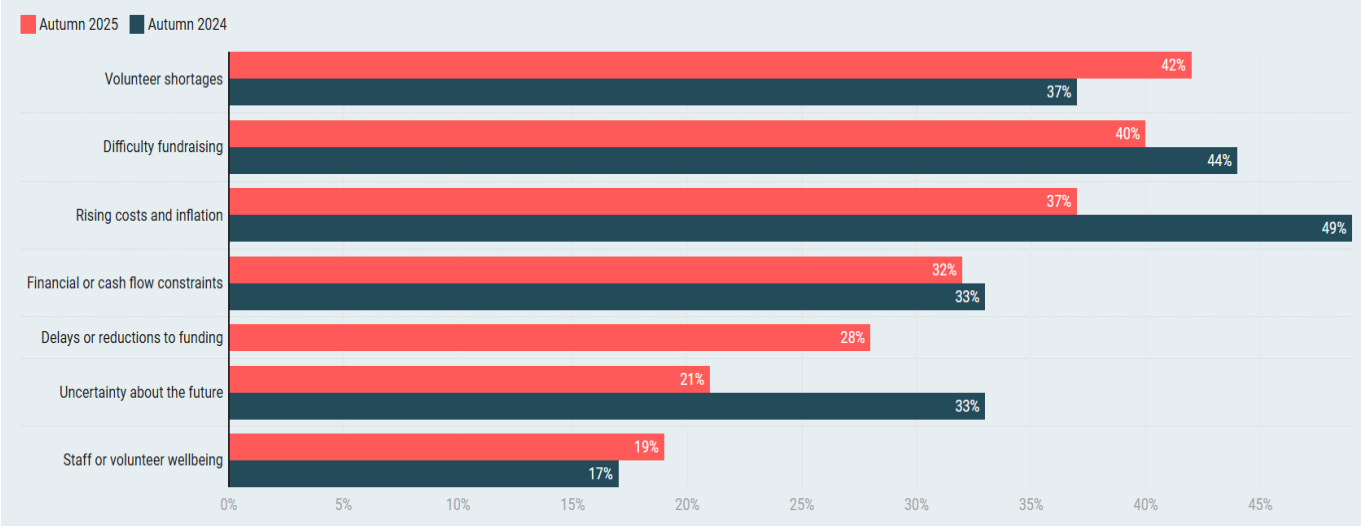
That's the equivalent of 5.7 full time posts and demonstrates clearly the vital operational contribution that volunteers make. If we use Edinburgh's average hourly pay rate (£19.85) it is a financial equivalency contribution of over £204,000 per organisation.

Although individual volunteers appear to be donating slightly more time and the average number of hours donated overall increased in 2024, there was also an increase in the number of organisations reporting they need more volunteers, up to 71% (The Scottish Government, 2025).

Volunteer Edinburgh currently have 1,270 volunteering organisations registered with them, although not all will be actively recruiting. Over the financial year 25/26 there were 79 new organisations registered. Available opportunities change constantly but at any one time during 25/26 there were 550 opportunities available and 403 new opportunities were registered (Volunteer Edinburgh, 2026).

Tracked over time the need for more volunteers is escalating. In the last quarter of 2025 volunteer shortages in Scotland ranked the top challenge for 42% of third sector organisations (Figure 7). This may be indicative of the pressure organisations are under to continue to deliver services with fewer resources and the increasing demand that many organisations report facing. With participation rates broadly static and the increase in the number of hours donated by those who do volunteer, this is further evidence that if we are to meet the need for volunteers then we need to dramatically increase overall participation rates from all segments of the community.

Figure 7: Top challenges for third sector organisations



Source: (SCVO, 2025)[2]

The Third Sector Interface (TSI)

Three important organisations work in cohesion to support and develop Edinburgh's community, social enterprises, and voluntary sector:

2.1 Edinburgh Voluntary Organisations' Council (EVOC)

EVOC serves the needs of the people and communities across Edinburgh, by supporting its members and third sector organisations to be effective, and driving the change they might need. Support is provided through services under three strategic objectives: advocacy, capacity building and collaboration.

2.2 Edinburgh Social Enterprise Network (ESEN)

Edinburgh Social Enterprise Network's mission is to create opportunities for Edinburgh's Social Enterprise community to develop and thrive, recognising its positive impact on society and the local community. According to the most recent data, there are approximately 776 social enterprises in Edinburgh, which make up 13% of all Scotland's social enterprises (Social Enterprise Scotland, 2025).

2.3 Volunteer Edinburgh (VE)

The goal of Volunteer Edinburgh is to encourage more individuals to volunteer in order to improve their own lives, the lives of others, and the development of resilient communities. With the goal of becoming Edinburgh the UK's top volunteer city, VE works to build strong social connections, reduce inequalities and support vibrant communities through volunteers and volunteering activities.

The City and the Third Sector

3.1 The Third Sector as a partner in the city

The Third Sector is a vital part of Edinburgh's infrastructure. There are few aspects of city life that the third sector, social enterprises and volunteers do not impact, influence or support and the sector is also a key collaborator with and delivery partner for the statutory sector.

There are many third sector organisations that are involved in helping to inform and develop policy and community planning, the Third Sector Interface is an important part of this. Its role is to represent the views and the needs of our city's diverse third sector in a range of strategic conversations. This includes high level planning structures such as the Edinburgh Partnership Board, the Edinburgh Integration Joint Board, Children's Partnership, Local Employability Partnership and the City Region Deal. The TSI is also represented across a wide range of city thematic forums and local area networks.

In addition, the TSI is a key founding partner in the Third Sector Reference Group (TSRG) which was established late 2024 initially to support and lobby on behalf of organisations impacted by Third Sector Grants cuts from the Edinburgh Integration Joint Board (EIJB). Since then, it has become a place for sharing and distilling ideas and insights from our diverse sector to help city leaders make better policy and investment decisions. Harnessing the unique knowledge and reach of our sector the TSRG helps influence policy, strategy and service design that affects communities across the city via the TSI.

The TSRG is governed by a Terms of Reference and its membership is made up of volunteer sector representatives. There are twelve places on the TSRG core group plus representation from the Third Sector Interface partnership.

3.2 Meeting the city's needs

In order to solve and/or mitigate societal problems in Edinburgh, participation has helped identify community concerns and build strategic and preventative solutions. For instance, to address the increasing need for mental health and wellness initiatives arising out of the COVID-19 pandemic, the Scottish Government established the Communities Mental Health and Wellbeing Fund in 2021. Since then, 200+ community projects in Edinburgh have benefited from more than £5.24M million over the past five years. In Edinburgh, a wealth of evidence on gaps in support, demand, and need, workshops with the third sector, coordinated by EVOC, identified Edinburgh's needs and priorities for mental health and wellbeing support at a microlevel, in each locality (Table 1).

Table 1: Unmet needs per locality in Edinburgh

South West	***South East***
• Translators needed in key services however due to cost are not sustainable – use digital solutions • Need Bipolar Edinburgh Peer Support • Young adult (16-25) youth club – currently needing to travel to NW. Need space and collaboration (Speech, language, Lego therapy work) in SW. • Poor housing in SW – big problem due to strong links between housing and mental health • Promoting volunteering more to fill gaps – services exist but lacking volunteers to function • Befriending/peer supporting – big gap for middle age group 20s - 50s • Speech language and communication difficulties for 16–25-year-olds • Isolated people struggle with confidence to participate in any service • Disability support services in Wester Hailes	• Need to ensure that services are accessible to BME and LGBTQ+ communities – communities should be able to approach mainstream services with confidence that their needs will be addressed - must avoid tokenistic tick boxes • Disability services should include BME • Nothing identified re literacy - Adult Basic Education • Gypsy travellers missing – MECOP – N.E. (but other areas?)—need for working together • Need to prioritise men specific issues • Alcohol and drug issues
North East	***North West***
• Minority ethnic communities/outdoor activities • English language/ interpretation • School age counselling/CAMHS (for refugee/asylum seeking families) • Christmas day events in local communities for those who fall between gaps in terms of needs • Early teens provision • Adult counselling – multi-lingual • Digital support • Social media to connect • Accessible and affordable counselling • No BME support for young people in NE • Support for family and friends affected by completed suicide • Isolated elderly men – no activities program – need social activity • Elderly bereavement support -> need to go to their home on first contact • Agoraphobia – no statutory service for this now! Increase in all ages since pandemic – need to help people get out • New mum's isolated with anxiety/depression in deprivation and isolated • No support with managing personal finances • Gaps in services or projects for BAME communities; young people; mental health services; women experiencing domestic violence	• Offering support to young families • Children's activities aimed at helping parents engage in support and have respite time • Encouraging outdoor activity i.e., walking - using local green spaces • Encouraging healthy eating to improve wellbeing • Social isolation for older people • Digital skills gap (older people) • Transport for older people • Activity clubs for over 50 plus • Need equity based older people services in NW Edinburgh e.g., focus upon Muirhouse for over 65 • Group support - really key for sharing of experiences • Support for carers • Long term conditions and learning disabilities • Make services more inclusive • Alcohol brain damage support

Source: (EVOC, 2023)

Furthermore, client groups provided evidence of the pandemic's impact on the welfare of older adults, LGBTQ+ individuals, residents of SIMD (Scottish Index of Multiple Deprivation) areas, people with disabilities, young adults, and assistance for women and unpaid carers. The needs identified - included physical activities, befriending services, food support, one to one peer support, and group activities, counselling, and advice and information of city-wide support available, along with the removal of language barriers for ethnic minority groups (Table 2).

Table 2: Unmet needs per client group in Edinburgh

Client Group and Activities	Evidence of Need	Client Group and Activities	Evidence of Need
Support for older people and people with dementia: digital, music, therapy, befriending	The pandemic has increased referral numbers for older people seeking digital support, inability to access online services damages mental health and wellbeing. Older people are also requesting a return to face to face services and physical activities. Therapeutic support services for older people in care homes and people with dementia were highlighted.	LGBTQ+ activity groups, peer support, physical activity	COVID19 has exacerbated existing social isolation of LGBTQ+ people. Additionally public attitudes towards trans people have worsened due to issues over the Gender Recognition Act reform. Gap in safe physical activity opportunities and increased isolation among older community members.
Support for people living in SIMD areas: advice and information, food support, activity groups, coaching	Advice services offer benefits through a reduction in stress and anxiety. Food support has also been identified throughout the pandemic as a need which can have an impact on mental and physical health. Activity/outdoor groups in SIMD areas is highlighted as a need to improve wellbeing and reduce isolation.	Physical activity for multiple groups	Physical activity groups are oversubscribed citywide. These groups can improve wellbeing, confidence and self-esteem.
Support for people with physical disabilities	Service users face issues such as isolation, loneliness, discrimination and distress, with some of these issues being exacerbated due to the pandemic. One to one support for people with a disability is needed.	Support for carers	The pandemic has increased pressures on unpaid carers and many feel their mental and physical wellbeing has declined. Peer support groups and respite for carers are needed to focus on their own wellbeing.
Young adults education opportunities, outdoor workshops, art therapy, counselling	There tends to be a lack of interdisciplinary, hands-on, peer to peer learning and outside activities available to students. Young adults are reporting low levels of mental wellbeing due to COVID19.	Activity groups, peer support, befriending for the autistic community	Uncertainty, routine disruption, changing restrictions caused trauma and anxiety. Many autistic service users reluctant to venture outside due to unclear messaging, fear being challenged due to hidden disabilities. Organisations have witnessed social regression. One to one support and befriending services are needed.
Family support, parent carer support	Many families spend a long time on waiting lists for statutory services and require support quickly, it is important to access this at point of need. Organisations highlight the need for parental wellbeing support, workshops and peer support groups to reduce isolation.	Support for BME communities: physical activities, art therapy, peer support, group work, outdoor activities	There is a gap in physical activity groups for refugees, gypsy and traveller communities. Group work and peer support for BME communities to improve wellbeing and reduce social isolation. In particular services for BME women and families with children. The language barrier to accessing services is identified as a need.
Art therapy for multiple groups	Art therapy can allow time and space to explore how you are feeling and during the pandemic services have received increased referrals for support. Creative strategies can help overcome isolation in communities through peer support and sharing interests.	Support for women who have experienced trauma: group work, peer support, employability	Research findings suggest women specific organisations need to focus on mental health as needs are often not considered when support is established Physical activities, group work and therapeutic approach to women's wellbeing is highlighted.

Source: (EVOC, 2023)

3.3 The relationship between the third sector and the public sector

The public sector at local and national levels continue to value the third sector as a delivery partner of vital services, for local communities in Edinburgh. The principal public sector bodies that work with the third sector are - The Scottish Government, The City of Edinburgh Council (CEC) and the Health and Social Care Partnership (HSCP).

The Edinburgh Health and Social Care Partnership (EHSCP) and the Edinburgh Integration Joint Board (EIJB) work together to oversee the health and social care services in Edinburgh. The EIJB has the governance oversight of the EHSCP and is responsible for commissioning services. In 2024, organisations receiving Integrated Joint Board (IJB) Third Sector Grants faced the possibility of budget cuts. In order to support these organisations affected by the proposed cuts. This resulted in the TSI establishing the Third Sector Reference Group (TSRG). Its original goal was to assist the IJB's collaborative lobbying regarding the proposed grant disinvestment. After that, it collaborated with officers to help inform the design of the council's Third Sector Resilience Fund. Additionally, it has undertaken a range of policy work with statutory partners. The aim of the TSRG is to provide a strategic space to distil the many voices of our diverse sector and amplify the message to:

- assert the value of the sector
- shape sector investment
- support sector change, and
- inform city governance structures.

The TSRG aims to ensure that it can articulate and represent the views of the sector as effectively as possible.

In order to help the community through a number of initiatives, the City of Edinburgh Council (CEC) and the TSI have formed a long-lasting and strategic cooperation. The funds and assistance given demonstrate the council's dedication to the work of Edinburgh's third sector. In order to meet the requirements of vulnerable groups and

guarantee that the volunteer sector in the city may continue to flourish by providing services, this collaboration remains crucial. Work led by CEC in 2025 is currently developing a long-term model for funding support for third sector organisations. This has involved the third sector in design and development of application processes.

A significant opportunity for the third sector has come in the form of Scotland's Community Wealth Building Bill. This Bill was passed on 10 February 2026 and became an Act on 25 March 2026. It is called the "Community Wealth Building (Scotland) Act 2026" and is the first of its kind in the world. Community Wealth Building intends to benefit local communities across the country by requiring public bodies to commission contracts with local community enterprises. It requires each local authority to prepare a Community Wealth Building plan that will aim to increase and retain economic value locally and sustain the incomes of local people.

This legislation aims to transform local economic development, focusing on retaining wealth within communities. Beneath the 'five pillars' approach, it offers third sector organizations opportunities to win public contracts, access localised investment, gain ownership of land/property, and lead in fair work practice.

In Edinburgh we are fortunate to have an array of Anchor Institutions (City of Edinburgh Council, Universities and Colleges, NHS Lothian, ESES Communities) who are fully engaged and determined to drive this work forward in collaboration with the sector.

3.4 Fair Funding

There is a growing momentum to support the SCVOs call for Fair Funding for the third sector. The six demands are listed below and are being promoted to public funders as well as trusts and foundations that award funds for development and delivery of work by the third sector.

- Longer-term funding of three years or more;
- Flexible, unrestricted core funding, which enables organisations to provide security, plan effectively, and fulfil good governance requirements;
- Sustainable funding that includes inflation-based uplifts and full costs, including core operating costs;
- Funding that accommodates paying staff at least the Real Living Wage and pay uplifts for voluntary sector staff on par with those offered in the public sector;
- Accessible, streamlined, proportionate, and consistent approaches to applications and reporting, timely processing and payments, and partnership between the grant-maker and grant-holder; and
- A comprehensive and proportionate approach to financial transparency around grant funding to support organisations and the public to understand spending decisions.

Feedback from some third sector organisations provided evidence that some funders have moved to make multi year awards and providing inflationary increases year on year, but that is not consistent. The Edinburgh Council review of the third sector identified that lack of this led to a "build and bleed cycle" that saw organisations recruiting staff in the first quarter and without long term commitments many saw employees leave during the last quarter as continuity was not certain. This is hugely inefficient for both funder and recipient, so hope is that the situation could improve.

The sector welcomes the Scottish Government's fairer funding pilot launched in 2025/26 offering more than £60m for pilot projects focusing on essential services and eradicating child poverty. Edinburgh's Third Sector Interface manages the Communities Mental Health and Wellbeing Fund for adults, 81 organisations in Edinburgh have been awarded a multi-year grant for 2026/27 and 2027/28.

Macro concerns

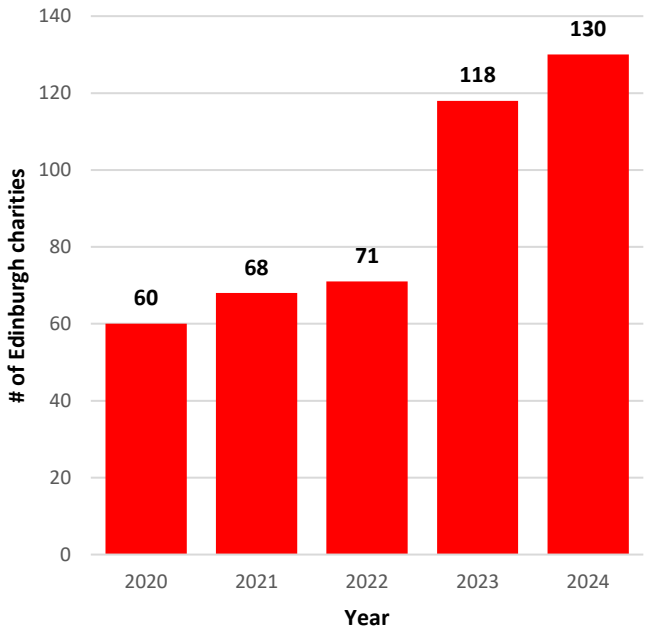
4.1 Macro concerns

The Scottish Government continues to provide councils with direct funding, which accounts for about two-thirds of their total income (Audit Scotland, 2025). While funding has increased in real terms in 2024/2025 and 2025/2026, there have been growing signs that councils continue to experience financial difficulties. With a 1.3% increase in total income in 2024/2025, councils have had to rely on savings and reserves to stay afloat, due to a £542 million budget deficit. Additionally, when budgets were set for 2025/2026, a total budget gap of £647 million was identified (Audit Scotland, 2025). As a result, the third sector's core grants and essential services have been curtailed, as councils are having to re-evaluate their spending practises.

Furthermore, rising operational costs due to inflationary pressures, uncertainty, lack of funding due to oversubscribed grant pots, and increasing demand for services, are reasons Scotland's third sector is undoubtedly experiencing a serious financial crisis. Many organisations are struggling to sustain employment and service levels, and an increased reliance on reserves. Recruitment of volunteers and employees, as well as retention to a lesser degree, are important concerns. Despite this, organisations are still providing services effectively, and are actively seeking out funding and assistance from alternative sources in order to improve resilience.

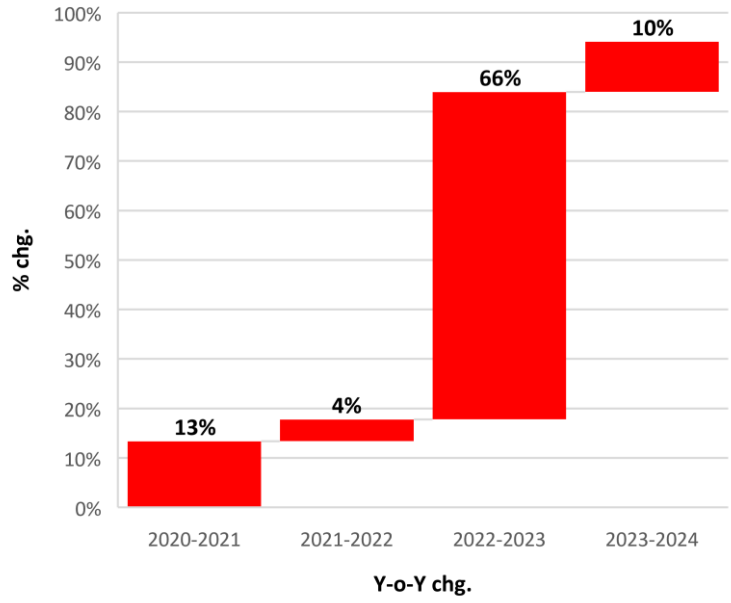
Edinburgh's ongoing housing crisis, which focuses on preventing homelessness, and budget cuts to the city's social and health care services are some of the main issues that the third sector has found difficult to keep up with due to financial limitations. This has also led to the unfortunate closure of a number of charities that assist the most vulnerable. All of this has led to a disturbing trend of charity closures in Edinburgh. The number of charities that ceased operating has increased from 60 in 2020 to 130 as of 2024 - an alarming increase of 117% over the past years (Figure 8). Moreover, a noticeable percentage increase of 66% between 2022 and 2023 (Figure 9). In general, the rate at which the number of charities closing over the years, have greatly exceeded the number of new ones opening (Figure 4 and Figure 9).

Figure 8: Edinburgh Charities Closure



Source: (OSCR, 2026)[2]

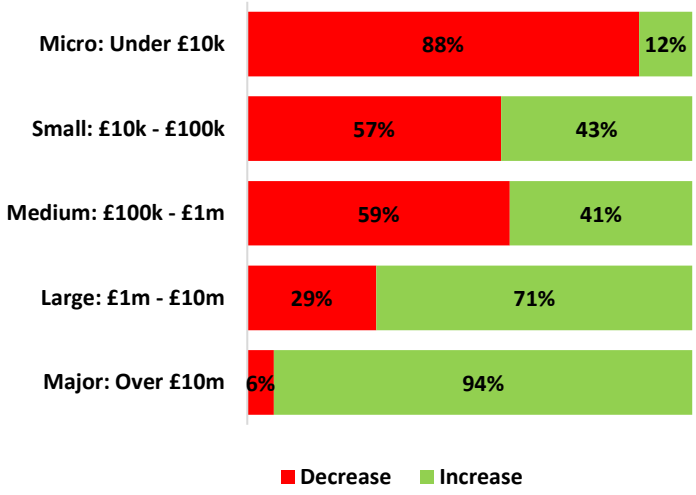
Figure 9: Y-o-Y percentage chg. Edinburgh charities closure



Source: (OSCR, 2026)[2]

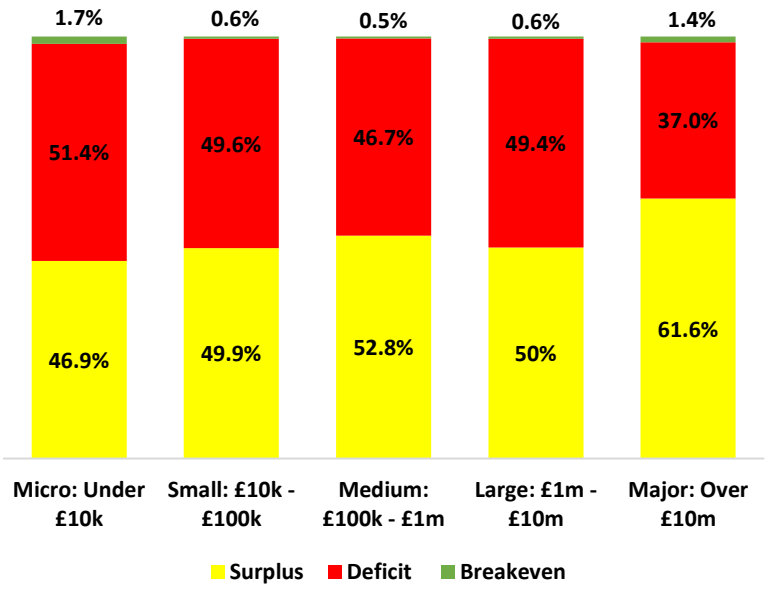
Additionally, between 2023 and 2024, there was a noticeable decrease in the incomes of micro, small, and medium-sized charities. As smaller charities used their reserves to stay operational, their overall income decreased as compared to larger charities. Larger charities reported a 29% (£1M-£10M) and 6% (over £10M) fall in incomes, while micro charities for instance reported an 88% decrease in income, followed by medium (59%), and small (57%) charities (Figure 10). Almost half of Edinburgh charities reported a budget deficit during the same period, and this was noticeable among smaller charities with lower incomes (Figure 11). A decline in income, resulting in budget deficits were directly caused by grant reductions and higher operating expenses, including staffing, transport, energy, governance, charitable activities and grant expenditure (SCVO, 2025)[3].

Figure 10: Edinburgh income percentage chg. 2023 - 2024



Source: (SCVO, 2025)[1]

Figure 11: Edinburgh charities Surplus/Deficit 2024



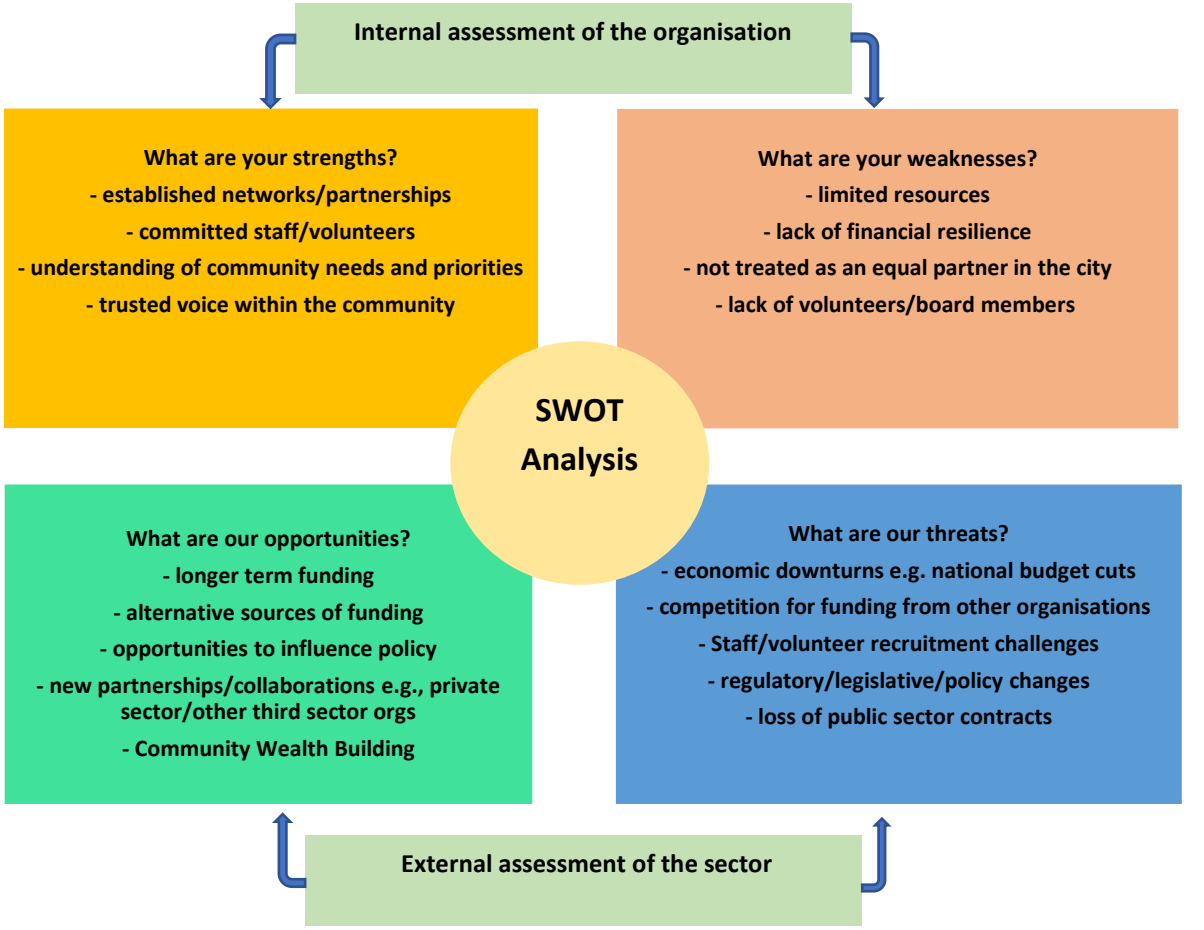
Source: (SCVO, 2025)[1]

4.2 SWOT Analysis of the Third Sector

The third sector faces challenges on many fronts, and by exploring these, this report highlights the most pressing issues. By carefully evaluating the sector's strengths, weaknesses, opportunities, and threats (SWOT), strategic plans that maximise impact and guarantee long-term success can be developed, even in the face of national obstacles beyond the sector's control.

In conducting a SWOT analysis with the sector, gathering insights and analysing the survey responses can help to better shape decision making in Edinburgh. We asked organisations what their strengths and challenges were, and what the wider sector faces (Appendix 1). The results of the survey revealed limited resources, partly due to competition for funding and smaller grant pots, and lack of financial resilience. In the midst of this, the sector continues to persevere. With established networks/partnerships with public bodies and other third sector organisations, and dedicated staff/volunteers, it continues to be a legitimate, trusted and respectable voice on behalf of communities and vulnerable groups. Additionally, opportunities may arise that increase public interest and support for a variety of current social issues, which puts it in a better position to influence policy at the national and local level, and seek out more sustainable alternative sources of funding (Figure 12).

Figure 12: The State of the Third Sector in Edinburgh (SWOT Analysis)



Strategic areas that third sector organisations in Edinburgh seek to develop:
Collaborations/partnerships
Strategy/policy development
Financial resilience
Affordable/appropriate accommodation

Source: (EVOC, 2026)

Looking forward

Over the past five years, Edinburgh's third sector has been examined in this State of the Sector Report. What does this possibly tell us about the years ahead? Undoubtedly, the sector is essential to the growth and support of the community, meeting the needs of the most disadvantaged and vulnerable. Yet, it is expected to continue meeting city needs but, with fewer resources. This puts pressure on achieving organisational goals and aspirations. Due to reasons such as volunteer recruitment challenges, fundraising challenges, budget cuts, rising costs and inflation, and other factors, ultimately the rate at which third sector organisations are closing down is increasing quicker than the rate of new ones opening.

In the State of the Sector 2019/20 report, we asked the sector what the most pressing issues confronting organisations were. They mentioned ongoing funding, fundraising difficulties, competition, availability of volunteers, in the face of increasing demand. Five years on, and these crucial factors still remain an ongoing challenge, inferring they haven't been fully resolved in order to mitigate the risks, that each pose to organisations. Despite this, opportunities nevertheless arise that can help the sector grow, innovate, and achieve its goals (EVOC, 2020).

Organisations also anticipated that they would need ongoing support with - access to training, supporting volunteers, making sure their voices were being heard, strategy development, and evaluation and monitoring. Through the ongoing support of the TSI (EVOC, VE & ESEN), a positive difference has been made, but demand continues to outweigh capacity across much of the sector. The sector is now focussing on new key strategic areas for support. In the face of current challenges, these strategic areas of focus – which direct resources, actions, and decisions toward achieving goals - are readjusted. These include continued support with strategy development, but also collaborations/partnerships, financial resilience, policy development, and affordable/appropriate accommodation.

The third sector continues to play a vital role despite increasing pressures, demonstrating resilience and impact, though long-term sustainability remains a concern, these areas are crucial for enhancing community and individual outcomes, relieving the burden on statutory services, and guaranteeing organisations remain essential collaborators in service delivery. It is with anticipated confidence that the public and even private sector would embrace this initiative. Furthermore, one of the key things that will unfold in the coming years is what the City of Edinburgh Council includes in its Community Wealth Building plan, and the extent to how it benefits third sector organisations. The third sector will also be keen to see to what extent other public bodies embrace the ethos of Community Wealth Building.

The sector has been calling for the widespread adoption of the SCVO's Fair Funding Principles since post pandemic in 2022 and the sector is pleased that some funders have adopted the principles and increased the rollout of long-term agreements, inflationary increases over time and flexibility to embrace allocation of funds to cover some core costs. However, the key ask of this pilot is for Government to extend this approach to funding across Government portfolio areas to ensure consistency and fairness of access for the sector. There is more that could be done in this space and the third sector would welcome positive change being more widely adopted.

Many in the third sector recognise that further pressures and changes will impact third sector organisations. There is a willingness among those we have consulted, to engage with partners and collaborate in ways that ensure positive outcomes can be achieved.

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edinburgh third sector interface partnership

EDINBURGH SOCIAL ENTERPRISE NETWORK

EDINBURGH VOLUNTARY EVOC ORGANISATIONS' COUNCIL

volunteer edinburgh

Edinburgh Third Sector Interface is a partnership of three organisations that exist to support the third sector, volunteers and social enterprises in the City of Edinburgh. This report has been written by EVOC as the lead TSI partner, thank you Volunteer Edinburgh, Edinburgh Social Enterprise Network and other partners for their contributions to our research.

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