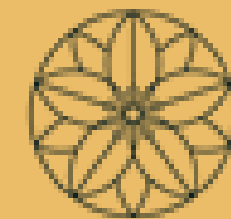


Support in Challenging Times



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ACORNS TO TREES

ENABLING COMMUNITY DEVELOPMENT



**We work closely with
DTAS, the central
support hub, to ensure
our support is targeted
to deliver maximum
impact**



Agenda

What we'll discuss in this workshop



→ Your ideas – likely causes of a crisis in a trust?

→ Findings from the DTAS Crisis Support Pilot

→ Deep-dive into some examples






→ Support available – DTAS and other partners

→ Building Resilience

Causes of a crisis?

- On post-its – list 3 things you think contribute to a crisis in an organisation.
- Rank these according to the impact on the organisation and ability to resolve

Ranking the impact of suggestions

	HIGH IMPACT	MEDIUM IMPACT	LOW IMPACT
Easy to implement			
Medium to implement			
Difficult to implement			



A new report sharply exposes the challenges facing the sector - and chimes alarmingly with new Scottish data

One in three charities expect to be “overwhelmed” by demand they cannot meet this autumn.

A new report sharply exposes the challenges facing the sector, as it also reveals that one in five voluntary organisations have been forced to cut back on the number or scope of services they offer as a result of rising costs.



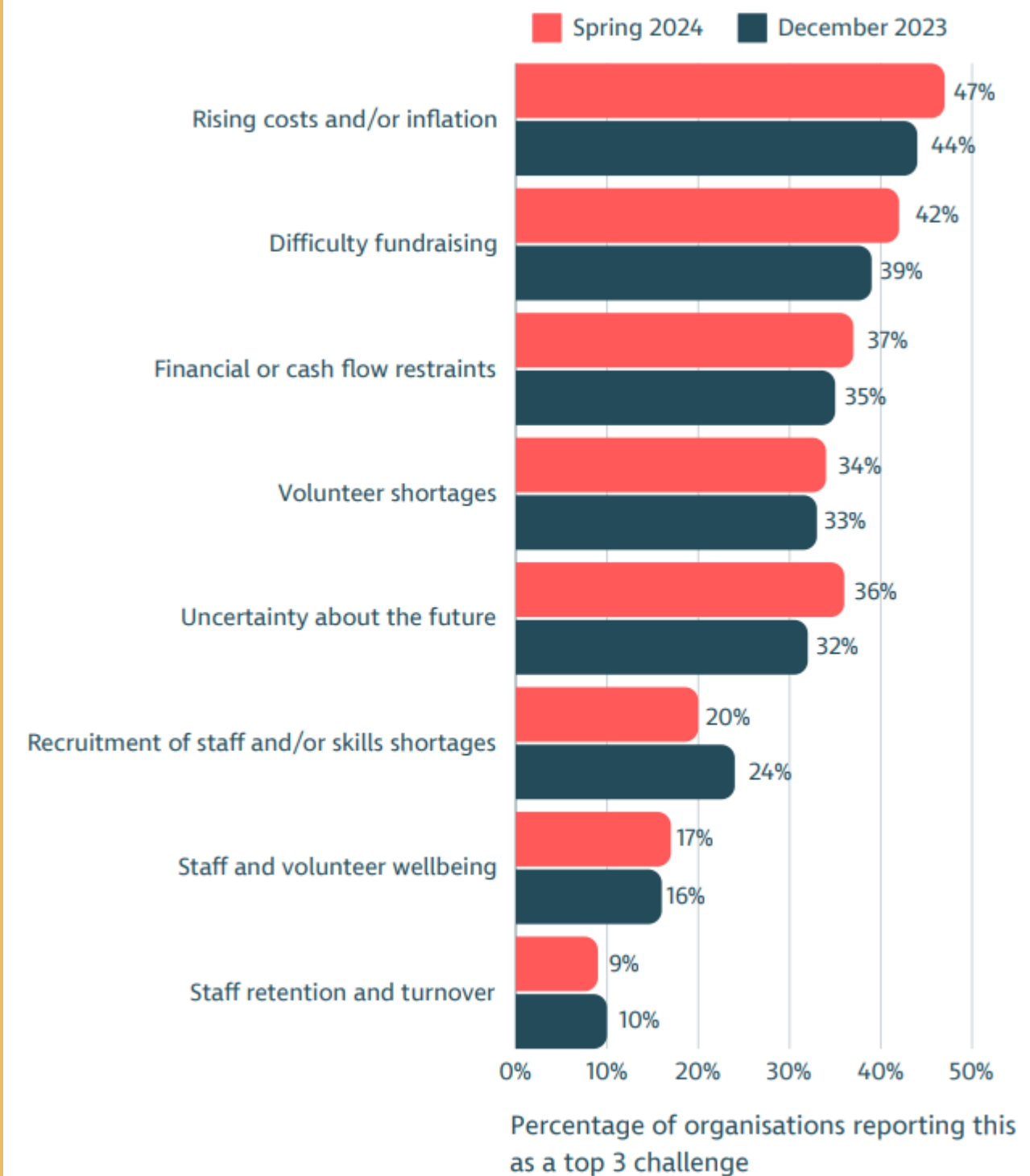
Job cuts and depleted reserves: the troubled state of the Scottish charity sector

NEWS

20 Aug 2024

When considering organisations' top three challenges, the most frequently reported were: rising costs and inflation (47% of organisations), difficulty fundraising (42%), and financial or cash flow restraints, 37%. When aggregated, challenges relating to finances are the most frequent response options selected by organisations, 77% of organisations, up from 76% in the Winter. This is followed by staffing and volunteers, 58%, down from 62% in Winter.

Figure 1. Top three challenges for third sector organisations



Common Indicators of a Crisis

Responding to a looming crisis is not always fast enough and members are coming to us very late in the day, for the following reasons:

- Not fully understanding the basics of the financial reporting (restricted and unrestricted reserves)
- Lacking financial information, particularly on cash flow and forecasting
- Sudden increases in energy prices and other running costs (insurance)
- Avoiding difficult decisions around staffing
- Avoiding closing a popular but loss-making service or project (particularly a community café)
- Over-reliance on one person, who leaves or goes off with stress, compromising access to key knowledge and systems
- Prolonged staff absence
- Trustees not turning up to Board meetings or leaving the Board
- Poor reputation in the community

DTAS Crisis Support Pilot (November 2023- present)

TOTAL TO DATE	LIVE	COMPLETED
20 cases	14	6

Financial	Governance	Hub/ FM	Staff
16	20	14	15

Financial includes 3 trusts that were technically insolvent when they asked for help. 1 has since wound-up.

All the members in Crisis have deep-seated governance issues: Board not functioning properly, lacking financial oversight, unable to work together, in dispute with staff, poor communication internally and externally.

Emerging Patterns

- Of the 20 members who have officially recognised themselves as being in a crisis, 4 were running community hubs, with cafés, in high SIMD areas. 2 have had to close them and make staff redundant to save the charity.
- All were running with marginal levels of unrestricted funds before the pandemic.
- Many did not get the main grants they were anticipating and did not have an alternative income plan. Key grant decisions being delayed, led to loss of key staff.
- Many had business plans for assets they purchased, often through grant funding, that were not fit for purpose, given their location, staff and Board capacity and the condition of the asset itself.



Outline of DTAS' Intervention

Stage	Time + Resource	Action
Logging the case	60 mins	Highlighted with DTAS Crisis Lead (DCL) and marked on CIVI. Area DO or Advisor informed (if didn't make initial referral)
Agreement and Requesting Info	120 mins	DCL sets up initial virtual discussion with lead Trustee. Written agreement sought from Trustees to engage DTAS. Acknowledgement of Crisis with all Trustees and Staff. Access to accounting system (if crisis is financial); MOUs; contracts etc as needed
Diagnostic	1 day	Complete Financial and Organisational Health Check: accounts; management and governance structure; staff chart; business plan; recent Board meetings
Analysis and Interim Report	2 days	Outline of core issues identified and agreed on. Action plan and costings
Expert Help	5 days	In-house DTAS resource. Free support through Just Enterprise portal. Additional Expert Help through Green Shoots (Acorns to Trees funding).
Exit and Final Report	2 days	Report of actions taken. Any further steps needed. Removal from Crisis list.

Assessment Quadrant

Financial	Governance
People	Assets

- Review of accounting system – internal Xero support if relevant, Referral to Just Enterprise if needed.
- Governance- Board training and review of all systems.
- People- issues with staffing or internal conflict or community conflict.
- Projects – review of original aims and outcomes. Capacity to deliver and impact on purposes/community.
- Asset Review – Referral to DTAS Facilities Management project where relevant for assessment to reduce running costs and maximise targeted spend on improvements in energy efficiency and building use.

Community Hub in Crisis

- ❑ Anytown Trust purchased their hub from the local council through funding from the Scottish Land Fund.
- ❑ Their community café was to be an income generator but since Covid, the café has been making a loss.
- ❑ Reserves are running low and morale is very low in the staff team.
- ❑ The Board are all exhausted and meetings are struggling to be quorate.
- ❑ It has become harder to secure funding for the core running costs.
- ❑ DTAS DO approached the Board to reassure and introduce the DTAS Crisis Support service.
- ❑ Board minuted their desire to engage DTAS support.
- ❑ A Crisis sub-group was set up to work with DTAS across several strands:
 - ❑ Financial health check (access to financial system and referral to Just Enterprise if needed)
 - ❑ Staffing, services and projects
 - ❑ Facilities Management
 - ❑ Communications support – listening to the community, the staff and the volunteers
 - ❑ Support to make the necessary changes to save the organisation
 - ❑ On-going resilience support – DTAS wellbeing and coaching support; training in financial management; reviewing the vision, mission and strategy

Help that DTAS has secured and provided



PEER LEARNING
USING A
COMMUNITY
LEARNING
EXCHANGE



**FORMING A KEY
PART OF A
PARTNERSHIP
TEAM** – JUST
ENTERPRISE
PARTNERS; LOCAL
AUTHORITY; TSI;
HIE; SOSE



**FACILITIES
MANAGEMENT** –
ENGINEERING
AND MECHANICAL
SURVEYS;
COSTING OF
REMEDIAL WORKS
(BALANCED
AGAINST SAVINGS
IN RUNNING
COSTS); SUPPORT
TO NEGOTIATE
NEW CONTRACTS
(FUEL, WASTE
MANAGEMENT,
ETC)

SUPPORT TO
DEVELOP
ACCURATE
BUDGETS



**FINANCIAL
REPORTING** – IN-
DEPTH ANALYSIS
OF THE FINANCIAL
REPORTING
SYSTEM
(PARTICULARLY
XERO); STAFF
TRAINING AND
MENTORING
SUPPORT

SECURING
EXTERNAL
SUPPORT USING
THE GREEN
SHOOTS FUND .



**STAFF
MANAGEMENT
ISSUES** –
REFERRING FOR
SPECIALIST HR
SUPPORT FOR
REDUNDANCY
AND CHANGING
STAFF
CONTRACTS.

HELP TO RECRUIT
NEW DIRECTORS/
TRUSTEES



**COMMUNICATIONS
SUPPORT** – SUPPORT
TO TALK THROUGH
CRISIS COMMS
INTERVENTIONS;
SUPPORT WITH
INTERNAL
COMMUNICATION
BREAK DOWN.

REFERRING TO
SPECIALIST MEDIATION
IF NEEDED

REFERRING TO
SPECIALIST COMMS
PARTNER IF NEEDED.



**RESILIENCE
SUPPORT** –
REFERRAL TO
DTAS WELLBEING
SERVICE,
COACHING
SUPPORT

ACCESS TO
MEMBERS
TRAINING AND
WEBINARS

STRATEGY
DEVELOPMENT



Thank you!

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