

Part-filled template response to question four of the Scottish Government's multi-year Resource Spending Review

Background

Scotland's [spending review](#) is the best chance the voluntary sector will have to secure the mainstreaming of multi-year funding across the Scottish and local governments. SCVO is encouraging voluntary organisations to [submit their own response](#) ahead of the **27 March deadline**, or to feed in your views to our submission.

We'll assist you in having your voice heard for those short on capacity. Use this part-filled template to support SCVO's calls and to add specific information concerning the impact of the annual funding cycle on your organisation, and why the area of government you work with must invest in your organisation for the long-term.

Just a couple of paragraphs about your experience with single-year funding, and what multi-year funding needs to look like to give you greater financial and planning certainty, will go a long way. For those wanting to add a line to support SCVO's submission, we will be posting a final version [on our website](#) no later than 22 March.

Guidance

The Scottish Government's consultation on its multi-year resource spending review closes on Sunday 27 March. You can view the spending review framework [here](#) and access the online submission form [here](#). You must submit your response via the online form provided; word or PDF versions are not accepted, and you will need to copy and paste your response from this document to the online form. To edit this document, click file and download to Microsoft Word or similar software.

While we encourage you to respond to all the questions that are relevant to your organisation, SCVO suggest that you add your completed template response under the 'please give us your views' box for Question 4 of the online form. The question is as follows:

Q4: In Chapter 3 we have identified a number of ways in which we will be exploring how to get best value out of Scotland's public spending. We welcome your views on these, and other ways to maximise the positive impact of public spending.

Contact

Thank you for supporting SCVO's calls for a fairer and more sustainable funding system. If you would like to discuss your response with us, or have any questions that remain unanswered, you can contact our Policy & Public Affairs Manager, Paul Bradley, at paul.bradley@scvo.scot.

If you are planning to submit a more comprehensive response, please let us know and share a copy of your submission. If you would like to inform SCVO's response rather than use our template, you can still [complete our online](#) form anonymously by 16 March.

Part-filled template – responding to question 4

Lead Scotland is a national voluntary organisation that delivers accessible learning, befriending and helpline services supporting disabled people and carers. We have a workforce of 21 staff and 160 volunteers and our annual income in 2020-21 was £639,532. Most of our funding comes from the public sector through a mixture of grants and contracts. Like many voluntary organisations, we struggle with the annual funding cycle that reduces our financial and planning certainty. This cycle of short-term funding has a significant impact on our organisation and the outcomes we are committed to deliver.

Funding agreements that cover the length of a year or less threaten our financial resilience. They create operational risks which could affect our ability to attract and retain staff and volunteers. Employees will rightly expect fair pay and a rewarding career with professional learning opportunities and we want to attract the best talent to serve people well. Hard to do this when we are offering insecure contracts without guarantees of further funding.

Public sector grants are rarely the sole funder for any of our programmes. Those grants and contracts act as trigger funding for other funding, partners and supporters. Short term funding creates a ripple of uncertainty and insecurity along that chain. Managers spend more time on grant application processes and less time reporting on impact. We are also having to contingency plan behind the scenes looking for other sources of funding striving to provide a continuous service, worried about the risks from annual funding.

We are working in partnership with the public sector to make a difference to big problems such as fairness, poverty, inequality, loneliness, unequal citizenship, unrepresentative participation and discrimination amongst other issues. These problems have deep roots, people require one to one support and a collective partnership effort, strategically planned for, and evaluated to make a difference. Short term funding shortens the planning and evaluation processes possible between funder and funded. Long lasting change is also more likely when we support the people who use our services to become societal change makers creating a fairer Scotland. Our funders know these problems are not quickly solved and they are very satisfied with the impact that we have but their hands are tied, they have no flexibility to provide multiyear grants and contracts even when they would like to.

Many of our annual grants and contracts are only agreed a week before the new contract begins. Some are not agreed in time, and in order to protect the projects we carry the financial risk to our reserves, bridging the gap waiting for a decision. Cuts are communicated by local authorities with very short notice, most recently an 8% cut to one project with a

fortnight's notice to the project continuing. Short term funding creates a culture where we are expected to embrace insecurity, accept late decisions, absorb compounded cuts and provide the same level of service on a continuous basis. We are working to ensure that no one is left behind and we are at the back of the queue for funding support to do this when we have short term funding.

It creates uncertainty for people who use our service. Most of the people who use our service lack confidence and are looking for one to one support build through a trusted relationship. Many have already tried other services feeling they have very limited or no options and are exhausted when they find an organisation which can help at last. Short term funding creates uncertainty because workers may be reluctant to take someone on near the end of the project, whilst we wait for a decision or they take people on but have to explain at the start of their journey with us that things are not certain. This uncertainty can be avoided with multiyear funding.

We value learners, befriendedees and helpline callers. They are looking for services, not to have to lobby for further funding for the service to exist or worry about this. People want to volunteer with us to make a difference, not to hear that the risk to funding looms large.

Lead Scotland support calls from the Scottish Council for Voluntary Organisations (SCVO) for this spending review to mainstream multi-year funding across both Scottish and local government funding of the voluntary sector, regardless of the priorities set out in the spending review. This is a common-sense approach to investing in the voluntary sector, helping to deliver the best value out of Scotland's public spending.

If Lead Scotland were to receive longer-term multi-year funding, we would expect to see several benefits for our organisation, those we work with, and our funders. These include:

- Improved ability to reach more people with targeted services leading to positive outcomes
- Strengthened relationship with government and policy makers
- Ability to plan to meet our multiyear strategic ambition and operational plans
- Improved financial resilience and ability to attract further investment
- Increased ability to attract and retain staff and volunteers
- Less stress, improved wellbeing for staff and management
- Planning and evaluating with funders instead of a focus on income
- Being able to provide continuous support for people, not threatening to wind operations down every year midway through learners, befriendedees and helpline callers journeys.

To see the most benefits from longer-term funding of the voluntary sector, multi-year funding agreements need also to be fair and sustainable. We support SCVO's calls for all funders to provide funding over a longer-term with positive terms and conditions, such as inflationary uplifts to meet rapidly rising costs, a contribution to core operating costs beyond service and project funding, and the trust and flexibility for organisations to adapt their offers based on changing needs and to maximise the added value of our skills, knowledge, and experience.

We have received standstill funding for at least 10 years across almost all our grants. We have experienced some cuts to projects with an expectation that funder outcomes will continue at the same level, some project closures when funding streams have ended and some new projects have come onstream. We have benefited from multiyear funding for our core, which has changed to annual over the last three years. Our strategy to mitigate the risks from short term funding has been to diversify our income sources to include Trusts, Foundations and new fundraising tactics. We have increased our income, however as almost all grants are one year or less we continue to be vulnerable.

Lead Scotland welcomes the opportunity to contribute to this consultation, and we would be happy to be involved in further discussions about the funding landscape for Scotland's voluntary sector.

Q1. In [Chapter 1](#) we have identified three priorities to guide the Resource Spending Review process:

- To support progress towards meeting our child poverty targets
- To address climate change
- To secure a stronger, fairer, greener economy

Setting these as priorities helps us consider where spend should be targeted and re-directed. Do you agree that our resource spending should focus on these?

We welcome your views on these three priorities for this Resource Spending Review.

We welcome your views on any particular equality and human rights impacts which we should consider in the context of the priorities

Answer: We are concerned the priorities are very high level and are overly focused on economic health and activity, that they risk missing key marginalised groups of people with protected characteristics. There is a danger that those who are most excluded from society may not fit into the areas of 'child poverty', 'climate change' or a 'stronger, fairer, greener economy'. We are concerned that the outcomes and indicators below these three priorities become silos excluding other beneficiaries. Addressing child poverty for example, will not necessarily target the crisis facing disabled young people moving on from school and the lack of suitable post school services. Addressing child poverty will not address the issues of older disabled people living alone who are disconnected from their community. As can often happen in the widening access agenda, focussing too narrowly on socio-economic deprivation can risk leaving other vulnerable groups of young people behind. Similarly, when considering a stronger, greener, fairer economy, some disabled adults may not see themselves as fitting into this priority, yet they continue to face barriers in accessing inclusive learning, appropriate services and the built environment. We would therefore question whether these high level priorities are inclusive enough?