

SCVO briefing to Scottish Parliament

Equality and Human Rights Committee pre-budget scrutiny

October 2020

Our position

As the Committee noted in its November 2019 pre-budget scrutiny report, the voluntary sector has a key role to play in support of the equalities and human rights agendas in Scotland. We were heartened to see the many recommendations that the Committee made to the Scottish Government last year in its pre-budget report, to help ensure that the voluntary sector is able to play its vital role, but are disappointed that these have not been formally addressed by the Scottish Government.

Two issues that were particularly highlighted by the Committee were funding and partnerships, and as the Committee heard in its evidence session on 1 October, the COVID pandemic has impacted on both of these. We would encourage the Committee, in considering the 2021/22 budget, to be mindful not only of the impacts of the last six months, but also of the issues that we had jointly identified as in need of attention pre-COVID. The pandemic has shone a light on and exacerbated the issues which already existed for the voluntary sector.

Funding

As the Committee identified last year, voluntary sector funding is complex and precarious. Many voluntary organisations operate on a complex patchwork of statutory funding, fundraised income, earned income and grant income. As such, there is no silver bullet to funding issues facing the sector and the Scottish Government, local government, independent funders and the sector itself all have a key role to play in ensuring the financial sustainability of the sector.

During the pandemic, a light was shone on the financial vulnerability of the sector, as trading for many organisations had to cease, public fundraising was halted, and in some cases demand for services and supports increased significantly. Scottish Government financial support for the sector was most welcome, but even with this considerable central investment we are seeing continued financial uncertainty for the sector, with 20% of charities reporting a critical threat to their financial viability in the next 12 months.

There are lessons that we can learn from the ways in which some funders worked with the sector during the pandemic, where voluntary organisations were given the freedom to use funds to meet the needs that they were identifying within their communities, being allowed to repurpose funding to meet critical, but previously unidentified, need. Anecdotal evidence suggests that while independent funders are reflecting on this and how it might inform their future grant giving, local authorities are returning to a ‘business as usual’ command and control relationship with the organisations they fund or contract with.

The issues identified by the Committee last year around the need for longer term funding, core funding, strategic commissioning and funding/procurement mechanisms which encourage rather than deter partnership working remain crucial. We highlighted these issues in our submission to the Advisory Group on Economic Recover (AGER), and were pleased to have these recommendations endorsed in the Group’s final report. The Scottish Government response to AGER commits to “strengthening collaboration” between the voluntary sector, local authorities and Scottish Government, and while it is unclear exactly how this work will look, we are hopeful that this will include many of the issues raised by the Committee, and encourage the Committee to take an interest in the progress of this work. We would also draw the Committee’s attention to the Scottish Government’s reiterated commitment in that report to longer term funding for the sector, words which we have heard before but very rarely see in practice.

Partnership working

During COVID, the art of the possible came to the fore. Although not a universal experience, there are examples of strong partnership working between the voluntary sector and local authorities, Scottish Government and the private sector that highlight what can be achieved through strong partnerships. We must reflect on and learn from these examples.

At a national level there are examples of phenomenal outcomes which were achieved through partnership working; as just one example, the eradication of rough sleeping (all be it only temporarily) would never have been though possible pre-COVID, but was made to happen in the early days of the pandemic. Locally, the Committee heard very many examples from the Third Sector Interfaces on 1 October of community supports that were provided in partnership.

Early analysis suggests that the success factors in this partnership work were shared goals between partners and the (temporary) removal of hierarchy and bureaucracy. The Social Renewal Advisory Board, which has been established to learn the lessons from Scotland's crisis response, has a specific third sector circle, and it is of interest that the key issues being raised by this group are the perennial issues highlighted by the Committee last year: parity of esteem; partnership; removal of bureaucracy and sustainable funding. This shows again the ways in which the voluntary sector's experiences during the pandemic have highlighted and exacerbated existing structural and cultural barriers to the sector's full participation in achieving shared national and local outcomes.

Again, we are hopeful that the "strengthening collaboration" work between the Scottish Government, the voluntary sector and local authorities will pick up the Committee's recommendations in this regard around involvement of the sector in service design; involvement of the sector in decommissioning; and a thorough examination of partnership working in the context of a competitive funding environment. We would encourage the Committee to take an interest in this work, and support the sector in finally making this a reality.

Conclusion

As we navigate our way through and out of the recent health crisis, we must look to the impending economic crisis that Scotland will face, and consider what lessons we can learn from our response to COVID. At the same time, however, we must also remember the context that we operated in pre-COVID, and we therefore encourage the Committee to retain a focus on its recommendations from 2019 relating to voluntary sector funding and partnerships.

The scale of the inequalities and societal problems which Scotland will face in the coming years dictate that no one organisation or sector will have all of the answers. As the Committee noted in its previous report, the voluntary sector has a key role to play in this. The issues around the funding and sustainability of the sector, however, limit its ability to do so, leading to a gap between Scotland's high policy intentions and implementation on the ground.

The COVID crisis has shone a light on the issues impacting the sector, and on society. If we do not take this opportunity, ahead of the forthcoming economic crisis, to work together innovatively in partnership to respond to the many challenges we are facing, it feels that we never will.

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