

Mr John Swinney MSP
Deputy First Minister / Cabinet Secretary for Covid Recovery
Scottish Government
St Andrew's House, Regent Road
Edinburgh, EH1 3DG

8 November 2022

Dear Deputy First Minister,


As you know, rising inflation and the resulting cost-of-living crisis is a long-term and deepening crisis that impacts both the voluntary sector and the communities the sector works with.

SCVO appreciates the uncertain political and economic climate. However, we were disappointed that the most recent Emergency Budget Response offered no recognition of the challenges faced by voluntary organisations, staff, and volunteers. There is an urgent need to secure the essential services and support that people and communities across Scotland increasingly rely on. Providing security for voluntary sector staff and volunteers is essential to Scotland's response to the economic situation.

Over the last few months, in both Emergency Budget Responses, the Scottish Government has recognised the impact of the cost-of-living crisis on public sector staff and has taken action to provide wage uplifts, particularly for the lowest paid. The Scottish voluntary sector provides many essential services and support, yet despite this, action has not been taken to ensure voluntary sector staff can receive pay increases equal to their public sector counterparts.

Scotland's voluntary organisations employ 135,000 people including more women (64.5%), more part-time workers (37%), and more people with a disability (23%) than the public and private sectors. As you will be aware, women and people with a disability are at greater risk of living in poverty, an inequality that has deepened during the pandemic.


The Scottish Government should lead by example by supporting departments across the local and national government to resource voluntary organisations to uplift wages and pay the Real Living Wage, as has been the case for public sector staff.

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Over the coming months, cases will be made to fund specific parts of the sector. Each part of the voluntary sector provides services and support essential to people and communities. SCVO urge you to support departments to apply fair funding principles to organisations across the whole of the voluntary

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sector. The upcoming Scottish Budget must commit to fair funding that supports the sector to provide Fair Work, support volunteers, and deliver quality outcomes.

Multi-year funding - which encourages good governance, reduces wasted capacity for funders and fundees, and enables organisations to plan for the future, benefiting staff, volunteers, and the communities' voluntary organisations work with - is a central element of fair funding. The need for multi-year funding is understood and recognised by both the Scottish Government and parties across the Scottish Parliament, though we have seen little progress on this issue. Fair funding is, however, more than just multi-year funding. Fair funding includes flexible, sustainable, and accessible approaches and annual uplifts. Therefore, I am asking that, in the upcoming Scottish Government Budget, you include commitments to:

- Multi-year funding at a minimum of three years
- Flexible, unrestricted core funding, allowing organisations to provide security, plan effectively, and fulfil good governance requirements
- Sustainable funding that includes inflationary uplifts and full costs, including core operating costs
- Funding that accommodates paying staff at least the Real Living Wage
- Accessible, streamlined, and consistent approaches to applications and reporting, timely processes and payments, and partnership between the funder and fundee
- Transparent, accessible data and reporting to enable the sector to understand spending decisions and to help funded organisations to work more effectively with the Scottish Government to assess the impact of those spending decisions.

These commitments will provide the security essential for a sustainable voluntary sector which can survive the running costs crisis, support people through the cost-of-living crisis, offer Fair Work, and deliver quality outcomes.

I would be happy to meet with you to discuss any aspect of this and we will continue to work closely with your officials and those in the Third Sector Unit.

Yours sincerely



Anna Fowlie, Chief Executive



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