

Fair Funding: Messaging, Asks & Resources

Last updated: February 2024

Contact

If you have any questions on Fair Funding, want to discuss our calls in more detail, or believe you have evidence, resources, or experiences that could support our work, please contact Jason Henderson, Policy & Public Affairs Officer, at: jason.henderson@scvo.scot

Introduction

Over the last few years, SCVO has been engaging with voluntary organisations to collect evidence on the issues and barriers faced by the sector when accessing funding. The evidence we have collected demonstrates the urgent need for **Fair Funding** – an array of policy asks and principles that we have been calling for since late 2022. Our calls are primarily directed at the Scottish Government, however, the wider principles apply to all funders, including local government.

Progress has been made, with the Scottish Government committing to *Fairer Funding* by 2026. However, Fairer Funding hasn't yet been defined and SCVO are calling for the Scottish Government's Fairer Funding principles to align with SCVO's definition of Fair Funding – developed through significant research and engagement with the voluntary sector.

We're keen to ensure that we continue to build support for our calls and keep the urgent need for **Fair Funding** on the agenda. This document has been developed to support organisations across the sector who wish to echo our calls in their own work, whether that's in consultation responses, conversations with funders, blogs and articles, or anything else. Ultimately, if we want to ensure tangible, positive change, we need to have as consistent a voice as possible to make that happen.

Here you'll find more information on **Fair Funding** and our key lines and asks, details of previous commitments from the Scottish Government, evidence such as useful stats and example case studies, and other resources. We hope that this will make it easier for your organisation to champion the need for **Fair Funding**.

Contents

2. [What is Fair Funding?](#)
3. [Key Lines & Asks](#)
5. [Scottish Government Commitments](#)
6. [Useful Facts & Stats](#)
8. [Common Concerns, Questions & Pushbacks](#)
10. [Useful Links & Resources](#)
11. [Example Case Studies](#)

What is Fair Funding?

Fair Funding is central to a sustainable voluntary sector in Scotland. It includes, but is not limited to, longer-term funding of three years or more, flexible unrestricted funding, timely payments, more accessible application processes, sustainable funding which incorporates inflation-based uplifts, and transparent approaches to monitoring and reporting.

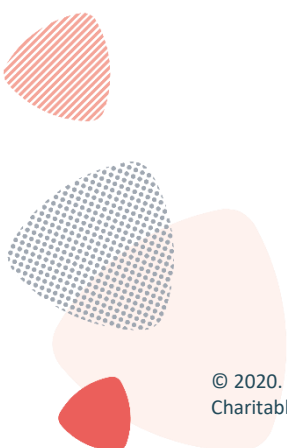
In Scotland, the many benefits of multi-year funding are understood and recognised by the Scottish Government and parties across the Scottish Parliament. However, there has been little progress towards implementation, and flexible, sustainable, and accessible approaches to funding are less well understood.

To support Scotland's vital voluntary sector to adapt to current and future societal and economic challenges, and to address years of poor funding practices, **Fair Funding** that incorporates the following is urgently needed:

- 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.

We have divided our **Fair Funding** calls into four distinct definitions – multi-year funding, sustainable funding, flexible funding, and accessible funding - and the key lines and asks for each can be found below.

You can also read more detail about SCVO's **Fair Funding** calls [here](#).



Key Lines & Asks

Fair Funding

Fair Funding for the voluntary sector is needed to help charities, voluntary groups, and social enterprises to thrive and provide greater security for our people.

The voluntary sector needs a funding landscape that is fair, flexible, sustainable, and accessible to ensure that organisations can provide the services and projects that are crucial to communities across Scotland. This can only be achieved by guaranteeing **Fair Funding** that includes longer-term funding models, ensures processes are accessible and consistent, and provides more unrestricted funding with in-built uplifts.

Multi-Year Funding

Voluntary organisations need longer-term funding models to provide security, plan effectively, and retain and develop staff. The time and resources that go towards the annual funding cycle, from organisations and funders alike, leads to vital capacity being wasted every year.

We want the Scottish Government to:

- Commit to a longer-term funding model for the voluntary sector across all Scottish Government departments;
- Define multi-year funding for voluntary organisations as a three-year minimum commitment;
- Ensure these practices are adopted by public bodies and third-party organisations for disseminating funding on behalf of the Scottish Government; and
- Measure and report on the number of Scottish Government grants and contracts which are delivered on a multi-year basis and the impact of this on voluntary organisations and the services they provide.

Sustainable Funding

Inflation-based uplifts must be built into funding to avoid the all-too-common occurrence of organisations facing real terms cuts on an annual basis, and to ensure organisations can pay the real Living Wage. Ensuring more opportunities for full cost recovery, enabling organisations to recover more of their overheads, is also vital to ensure funding, and therefore the sector, is sustainable.

We want the Scottish Government to:

- Commit to ensuring that all multi-year funding arrangements have annual inflation-based uplifts inbuilt, at a level as close to inflation as possible;
- Commit to ensuring that all public grant funding and procured contracts have both the real Living Wage and annual uplifts to the real Living Wage built in; and
- Commit to working towards introducing more opportunities for voluntary organisations to recover full costs, including core operating costs, for projects and services.

Flexible Funding

Funding should, wherever possible, be unrestricted to allow organisations to meet core running costs, providing greater stability and allowing organisations to plan for the longer-term. Greater flexibility from funders, in areas such as project and service design, and the setting of targets is also necessary.

We want the Scottish Government to:

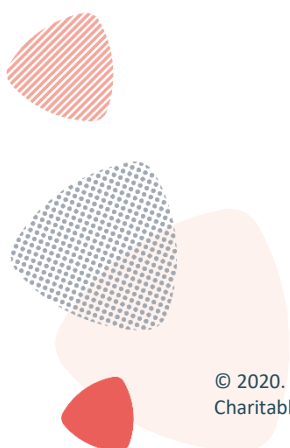
- Commit to ensuring that all funding streams avoid the common default of only providing restricted funds;
- Commit to working with the voluntary sector to ensure that future grant arrangements include meaningful, productive discussions on the make-up of restricted and unrestricted funding;
- Commit to working with the voluntary sector to co-design and develop approaches across Scottish Government departments that allow for flexibility in approach and monitoring; and
- Commit to working with the voluntary sector to ensure that future contracts and grant arrangements include the setting out of mutually agreed expectations aimed at improving relationships between grant-makers and grant-holders, as set out in [Principles for Positive Partnerships](#).

Accessible Funding

The sector needs standardised, streamlined, consistent approaches to funding and application processes to ensure a level playing field for all organisations. Providing clearer guidance, simplifying the approach to monitoring and reporting, and making timely decisions are crucial to ensuring no voluntary organisation is disadvantaged by the process.

We want the Scottish Government to:

- Commit to undertaking improvements in practice for all Scottish Government departments and funds delivered by others on behalf of the Scottish Government;
- Ensure funding decisions are issued no later than December and funds paid no later than the start of the tax year in April; and
- Work with the voluntary sector to ensure that good practice, both from within the Scottish Government and elsewhere in the funding landscape, is highlighted and shared.



Scottish Government Commitments

When calling for Fair Funding principles and asks to be adopted by the Scottish Government, it is important to track the commitments that are made in response. Not only does this allow us to keep on top of the relevant commitments made over the years, it also allows us to subsequently monitor any meaningful progress as a result of specific commitments.

The Scottish Government has made numerous commitments to aspects of Fair Funding over previous years:

2015	In 2015, in an interview with Third Force News , then-First Minister Nicola Sturgeon described multi-year funding as the “common sense” approach, committing to achieving this for the sector.
2021	Ahead of the 2021 Scottish Parliamentary Elections, each of the five major parties included commitments to multi-year funding in their manifestos, including a commitment by the SNP to “move to a five-year funding cycle for eligible third sector and grassroots organisations that are at the forefront of saving lives”.
	In December 2021, the Finance Secretary at the time, Kate Forbes MSP, told Parliament that “multi-year spending is hugely important” in relation to the voluntary sector.
2022	Then-First Minister Nicola Sturgeon told the Gathering in 2022 that the Scottish Government wanted to “deliver fairness and stability” in terms of voluntary sector funding, acknowledging that the sector needed certainty and sustainability.
	In December 2022, the Scottish Budget 2023-24 stated, in response to concerns about sector funding raised by the Social Justice and Social Security Committee, that “adopting Fairer Funding practices is something [the Scottish Government] intend to progress in the next financial year. The Scottish Government will continue to work with the sector to tackle the barriers it continues to face.”
2023	In early 2023, the now-Cabinet Secretary for Finance and Deputy First Minister, Shona Robison, told the Social Justice and Social Security Committee that multi-year funding should be the “default” for voluntary organisations, highlighting that it would “help third sector organisations to plan beyond year to year.”
	With the appointment of the new First Minister, in April 2023 the Scottish Government published its policy prospectus, Equality, opportunity, community: New leadership – a fresh start , in which the Cabinet Secretary for Social Justice committed to have “progressed Fairer Funding arrangements, including exploring options to implement multi-year

	<p>funding deals” by 2026.” It is important to note that the Scottish Government’s Fairer Funding commitment remains largely undefined.</p>
	<p>Similarly, the Scottish Government’s Medium-Term Financial Strategy, published in May 2023, committed to adopting multi-year spending plans, recognising that these would both offer greater transparency on the impact of annual budget decisions on future years’ spending plans and give stakeholders confidence in the trajectory of public spending, enabling financial planning.</p>
	<p>In relation to delivering Fairer Funding by 2026, the Scottish Government’s Programme for Government 2023-24 also committed to producing “a plan to deliver improvements including greater clarity and consistency of existing arrangements, recognising the sector’s strategic role in enabling the transformation and delivery of person-centred services for the people of Scotland.”</p>
	<p>Ahead of his keynote speech at the Gathering, the First Minister committed to “developing a Fairer Funding approach” in Third Force News in October 2023, referencing “prompt notification of funding, outcome-based flexible funding, and proportionate administration around applications and reporting” as prioritised aspects.</p>
	<p>And during that speech, Mr Yousaf gave “firm assurance” that the government was considering ways to provide increased stability through multi-year funding.</p>
	<p>In a response to a written question by Colin Smyth MSP in December 2023, the Cabinet Secretary for Social Justice committed “to issue notifications of funding arrangements to third sector organisations, as soon as practicably possible and no later than end of March for funding beginning on 1 April.”</p>

Useful Facts & Stats

SCVO continues to build a collection of evidence and data that supports our Fair Funding calls. The following facts and stats may be of use or interest when discussing Fair Funding (all stats come from SCVO unless otherwise stated):

- There are over 46,000 voluntary organisations in Scotland, 89% of those are local and 35% are in rural or remote areas.
- In 2021, Scotland’s voluntary organisations had a combined annual turnover of over £8.5bn and employed over 135,000 staff.
- In that same year, 1.2m people volunteered – around a fifth of Scotland’s population.

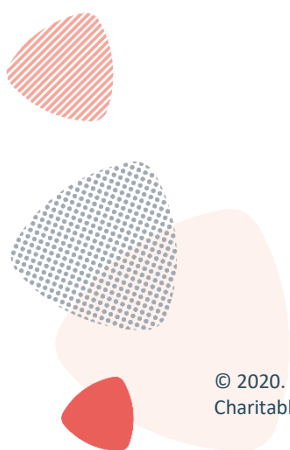
The [Scottish Third Sector Tracker](#) report on [waves one to six](#) shows that:

- From August 2021 to April 2023, the frequency with which organisations have reported financial challenges has consistently increased from 47% to 71%.
- A third of organisations have reported having made use of their financial reserves in the 3 months leading into April 2023, an increase compared to the same period in 2022.
- Almost half (44%) of the organisations using their financial reserves felt that this use is unsustainable.
- In August 2021, 56% of organisations reported an increased demand, in core services and activities, rising to 63% by April 2023.
- There has been an accompanying significant drop in the number of organisations that have indicated a decreased demand for their services: from 22% in August 2021 to 6.2% in April 2023.
- In August 2021, a third of organisations reported issues relating to staffing and volunteers as one of their top challenges, increasing to two thirds by April 2023.
- As organisations have faced more internal pressures from rising costs, the most recent data reports that half of organisations sought additional funding (52%) and just over a third were forced to reduce or cease services (35%).

Rising inflation and the resulting cost-of-living and running costs crises have put pressure on voluntary organisations, exacerbating financial and operational challenges. The findings from [Wave Six](#) of the [Scottish Third Sector Tracker](#) suggest that:

- 88% of organisations reported facing challenges, with the most frequently reported top three challenges being rising costs and/or inflation (45%), difficulty fundraising (35%), and volunteer shortages (34%).
- When taking the aggregated response options into account, it suggests that operational finances (71%) are the most common challenge facing organisations in Spring 2023, following by staffing and volunteers (63%), and planning (37%).
- Overall, 94% of organisations reported increased costs in at least one area of business; the most widely reported cost increase was materials or supplies (86%), followed by energy (84%) and transport and staffing costs (78%).
- 55% of organisations have had to seek additional funding, with 32% increasing staff pay or benefits to offset inflation and 31% reducing or adapting programme activities to save costs.
- 42% of organisations said that they would find help with funding applications useful.
- 92% of respondents working directly with the public have highlighted worsening emerging needs in the Third Sector Tracker.

SCVO has spoken to many organisations who have not received an uplift for many years, including one who reported no uplift for 13 years, a 27% cut in real terms at the time.



Common Concerns, Questions & Pushbacks

When we discuss the need for Fair Funding, it's important to be aware that questions or comments may be made that seek to either dismiss the need for Fair Funding or provide excuses for how it cannot be implemented. We've responding to some of the more frequent examples here.

“There just isn't enough money to increase the funding of the sector.”

Of course, we want the voluntary sector to have access to as much funding as possible. However, that's not primarily what Fair Funding is about. Although a minority of our asks would involve an increase to funding, such as the inclusion of inbuilt inflation-based uplifts, the vast majority would not. For us, Fair Funding is firstly about making what is already available more long-term, more flexible, more sustainable, and more accessible, and our asks – which include aspects such as decisions being made in a timely manner, funding being less restricted, and more consistency across approaches – would make the system more efficient for voluntary organisations, rather than costing more money. In fact, it could be argued that with a more efficient system as a result of Fair Funding, less capacity would be wasted by both the funded and funding organisations, and finances would be used more effectively.

“There isn't enough money for everything so what should we prioritise and de-prioritise in order to finance your asks?”

As above, Fair Funding is largely about making the funding that is currently available fair. The vast majority of our asks could be implemented without an increase in funding.

“Implementing Fair Funding takes time, there's nothing that can be done in the short-term.”

The sector cannot wait any longer and amongst our series of asks are a number of aspects that could be implemented sooner rather than later. In addition, it should be highlighted that aspects of Fair Funding have been discussed and committed to since at least 2015. The Scottish Government has now committed to Fairer Funding by 2026 and so the opportunity is there to make that commitment as successful and as progressive as possible by aligning it with SCVO's definition of Fair Funding, which has been developed through significant research and engagement with the voluntary sector.

“We can't deliver *all* of Fair Funding – what's most important?”

Unfortunately, the funding of the voluntary sector has been plagued with a range of issues and barriers over many years, culminating in what has been described as the “worst year ever” for funding in 2023-24. As a result, it is near impossible to identify one or a handful of the most important aspects of our Fair Funding calls. The reality is that voluntary organisations are facing such an array of difficulties and concerns relating to their funding, that what could be the most important aspect of Fair Funding for one organisation may be completely different from another. It is, therefore, important that we avoid simply cherry-picking aspects that are more important based on opinion or assumption, and instead focus on delivering Fair Funding in its entirety. Despite this, one area where the Scottish Government could immediately alleviate the strain placed on voluntary sector funding would be to ensure timely decision-making, guaranteeing funding decisions are issued no later than December and funds paid no later than the start of the financial year in April. Far from being a radical proposal, this should be considered a basic expectation.

“Voluntary organisations already receive plenty of funding, perhaps they need to think more about what they use that funding for?”

There is an ongoing lack of knowledge and understanding from some funders, including across the Scottish Government, about the funding needs of organisations and that is why Fair Funding is required – to give organisations the best possible chance of achieving their goals and producing the outcomes that are so valuable to communities across Scotland. For example, while funders can often provide funding that is ring-fenced for innovative new projects, we are often told by organisations that a lack of core funding prevents them from being in a stable position to then provide the kind of services and projects people need in the first place. The people who lead, work, and volunteer for voluntary organisations are those who have the knowledge and expertise to decide how their funding should be used. It is those people who have the skills and experience, as well as the dedication and passion, to best make the best decisions on the use of funding.

“There are a number of Scottish Government funding streams, it’s not possible or sensible to have blanket rules and approaches that cover them all.”

Obviously different funding streams will have slightly different approaches dependent on the different aspects and aims involved. However, there remains a problematic lack of consistency across Scottish Government funding streams that continues to cause serious issues for Scotland’s voluntary organisations, particularly those that receive funding from more than one team in government. We believe that all of our asks could be implemented, whilst also allowing the legroom for slight differences and variations where required, that do not impinge on our Fair Funding principles. Our calls are not about restricting grant-makers, instead they aim to free up voluntary organisations to do the fantastic, invaluable work that our communities need.

“The voluntary sector could save money by approaching their operations differently and adapting to the post-pandemic world - for example, organisations should save money on office space and other workplace requirements by embracing remote working.”

As the Scottish Third Sector Tracker Wave 1-6 report highlights, voluntary organisations – like organisations in other sectors – have adapted to the post-pandemic world, including developing approaches to hybrid working. As a result of adaptations, 18% of organisations have reported a positive impact on their organisation’s resource levels, predominantly by reducing costs. Resource costs (including non-financial costs) have decreased (for example, time savings, lower travel, and premises costs). However, such data simply emphasises that voluntary organisations are already doing what they can to cut costs and save money, while still urgently needing Fair Funding. Ultimately, the sector cannot be expected to budget itself out of structural problems that specifically relate to funding approaches and processes.

“The Scottish Government’s hands are tied when it comes to funding, particularly in relation to multi-year funding – we can only budget within the confines of what Westminster allows us to do and the annual finances that we are provided.”

We understand that the nature of devolution complicates matters to some degree, including with regards to budgeting. However, there are examples of successful approaches to the funding of the voluntary sector in other devolved nations that undermine the credibility of this argument. For example, in April 2022 the Welsh Government announced it would be providing longer-term grants to the voluntary sector, ensuring that grant programmes starting from then on would have the option of running for an initial period of up to three years, with the possibility of being extended for a further three years on top of that. It seems fair to assume that, if the Welsh

Government can provide voluntary sector funding of up to a total of six years under devolution, the Scottish Government can embrace multi-year funding, and other aspects of Fair Funding, too.

If your organisation has faced any questions or pushback examples not listed above and you think it would be helpful for us to devise a template response, please don't hesitate to [let us know](#).

Useful Links & Resources

Beyond this document, SCVO has a collection of resources that discuss Fair Funding in different contexts that you can find below. We also include resources provided by other organisations who are supporting our Fair Funding calls.

[Fair Funding for the Voluntary Sector](#): SCVO's policy paper setting out Fair Funding, what it entails, and why it is urgently needed.

[Fair Funding & Fair Work](#): Written in partnership with the TSI Network, this policy paper sets out why Fair Funding is required to enable voluntary organisations to become Fair Work employers.

[Programme of Government proposal – Delivering Fair Funding by 2026](#): SCVO's Fair Funding proposal for the Scottish Government's Programme for Government 2023-24.

[Fair Funding: It's time to abandon the spin](#): SCVO blog on Fair Funding, what it entails, and where both those calls and the evidence behind them came from.

[Why Fair Funding for the voluntary sector is needed to achieve government's ambitions](#): SCVO blog looking at why the Scottish Government's equality, opportunity, and community ambitions cannot be met without Fair Funding.

[We can't challenge poverty without Fair Funding for the voluntary sector](#): SCVO blog discussing why poverty cannot be successfully alleviated in Scotland without a sustainable voluntary sector, and how Fair Funding is vital to ensuring that sustainability.

[The First Minister promised action, not warm words, the Budget delivered neither](#): SCVO blog in response to the lack of progress on Fair/Fairer Funding in the 2024/25 Scottish Budget.

[SCVO – Funding](#): The funding section of the SCVO website.

[The Scottish Third Sector Tracker](#): A growing research community made up of representatives from organisations based across Scotland, sharing experiences, views, and concerns.

[The need for fair funding](#): The ALLIANCE echoes SCVO's Fair Funding calls in this opinion piece.

[Policy Briefing 1: A Scotland where we value our communities](#): Poverty Alliance briefing as part of Challenge Poverty Week, echoing SCVO's calls for Fair Funding.

If your organisation has produced any useful resources that echo SCVO's Fair Funding calls, please don't hesitate to [let us know](#).

Example Case Studies

As part of our Fair Funding engagement with organisations across the sector, we've been compiling anonymised case studies for use in our influencing work. We've included four below, one for each of our Fair Funding themes – please [get in touch](#) if you believe your organisation could also make a good case study in this work.

Multi-Year Funding: “Lack of Multi-Year – A Relentless, Never-Ending Process”

With funding from the Scottish Government, local authorities, and numerous national funders, **Organisation A** is a national intermediary organisation that, from the outside looking in, could appear to have a solid funding foundation. However, the funding landscape for the voluntary sector is such that the organisation still faces a myriad of struggles – particularly with a lack of flexible, multi-year flexible funding.

With a need to submit proposals on an annual basis, even for programmes with outcomes that are a strong priority of funders, there is a huge drain of time and resources. For a lengthy period of each year, **Organisation A**'s senior management team must devote a sizeable portion of capacity towards sourcing funding ahead of the following year, taking valuable staff members away from programme management, staff development, and strategic planning. A lack of flexible funding simply compounds these issues, with a need to seek out specific pots of cash to cover the core costs of the organisation making the entire process relentless and seemingly never-ending.

Even with the best will in the world, **Organisation A** cannot help but face continuous barriers when seeking to provide its services, helping people through programmes and working with local organisations and communities, and faced with uncertainties around the length of financial support. This has, at times, even led to the offering of voluntary redundancies, as the organisation has sought to cut capacity out of necessity.

With local authority contracts in particular, the lack of multi-year funding on offer – and the subsequent ongoing uncertainty – is a major issue. In addition, the disproportionate time and hugely complex process involved in the bidding for contracts, with more hoops to jump through once awarded, means that, on balance, it is often not worth the effort for the organisation in the first place.

Being able to rely on multi-year, flexible funding would be a game-changer for **Organisation A**, providing the space to plan and sound out the most effective ways in which to produce the best outcomes possible, instead of spending huge amounts of time just trying to source enough funding to survive, and helping to avoid the kinds of challenges that have, in the past, led to valuable staff members losing their roles.

Sustainable Funding: “Inflationary Uplifts – An Economic Necessity”

Providing vital youth work, promoting human rights and equality, and delivering crucial programmes that positively change lives, **Organisation B**’s charitable work across the length and breadth of Scotland is widely commended. Despite this, the organisation continues to face many of the same funding barriers as many other voluntary sector organisations. However, one aspect that has truly provided a secure and stable base on which to progress has been the introduction of inflationary uplifts as part of the multi-year funding provided from a handful of funders.

Prior to the inclusion of those uplifts, with 80% of costs being that of salaries, the organisation was unable to increase the cost-of-living aspect of pay for staff to anything close to what was required, resulting in the consistent threat of experienced and skilled team members potentially moving on. And as the economic climate has continued to worsen, **Organisation B** even took to encouraging staff to use offices in order to benefit from heating and lighting, instead of incurring increased energy bills at home.

However, unrestricted uplifts, including one of 10%, have been an invaluable development for **Organisation B**. With those uplifts, the organisation has been able to provide the kind of cost-of-living increases that staff members require in the current climate, making it easier to retain irreplaceable employees and allowing gaps in funding to be filled, giving the organisation real breathing space at an uncertain time. It may still take the organisation around three years to slowly increase income in order to meet the level of staff salaries aimed for, but the uplifts have ensured that a positive trajectory is now in place.

With plans to develop a new service to assist with the mental health pandemic that has followed on from COVID-19, the ability to recruit and retain staff on adequate salaries has been vital. Without these uplifts, the organisation simply would not be developing and expanding, with less young people receiving access to life-changing and, potentially, life-saving services, as programmes and projects would have been delayed or even scrapped. This alternative scenario, with the clear consequences **Organisation B** would be facing without uplifts built into funding, has now led to a belief within the organisation that relying on multi-year funding without inflationary uplifts in future would be simply economically disastrous.

Instead, with the security and sustainability provided by uplifts, as well as a belief that the introduction of such shows a real trust and respect in what the organisation does, **Organisation B** is able to continue to provide, develop, and introduce invaluable services that Scotland could not afford to lose.

Flexible Funding: “The Importance of Core”

For a small, local community development project tackling poverty and inequality, **Organisation C** has found a lack of funding for core costs an issue for years now, receiving funding that only covers around a third of total core costs. During the pandemic, the organisation recognised the efforts that funders went to streamline and improve processes, placing more trust in organisations, but unfortunately now feels that most of the progressive steps taken out of urgency have now been abandoned.

A combination of a lack of core funding, which the organisation believes is, at least partly, the result of short-sightedness on the part of the local authority, and a perceived power dynamic, which results in organisations being unable to feedback when funding does not meet their requirements, has led to an ongoing financial instability. **Organisation C** has no relationships with local authority or Scottish Government funders, which is in stark contrast to fruitful relationships, and strong communication, with charitable trusts, resulting in an inability to communicate the sheer importance of core funding at that level. Ultimately, the organisation feels like these funders, in particular the local authority, fail to treat them with trust, honesty, and respect.

Despite undertaking work with positive impacts that are easy to evidence, **Organisation C’s** ability to meet outcomes is still hampered hugely by a lack of core funding, despite shared priorities with the local authority. Capacity that could be spent on planning for the future, delivering services, and developing partnerships, is instead spent plugging funding holes consistently. In terms of sourcing enough funding to maintain core staff and services, as well the organisation’s building, the organisation has to devote large amounts of time and resource to working on applications for the vast majority of the year. The process is relentless, leading to burnout for the organisation’s staff.

If all core funding was to cease, **Organisation C’s** budgets for the next 18-months would have to change radically. Given the way in which decisions have been made on funding applications previously, the organisation would potentially consider bringing in additional staff in order to give a greater chance of then obtaining core funding, resulting in a potentially disastrous financial situation if they were unsuccessful.

In an ideal world where all core costs were met, **Organisation C** would have the space to think more boldly and provide more innovative services, developing programmes and engaging with communities, and unlocking the ability to generate further income through services and other sources. This would lead to a reduced reliance on revenue funding from the local authority which would be hugely beneficial on both sides.

Accessible Funding: “Public Money – Impossible to Access”

Organisation D may be a relatively new organisation but it is one providing incredibly valuable work improving the mental wellbeing of and providing positive destinations for young people. The high demand of the city-based organisation’s services has resulted in growth year on year, as young people benefit hugely from the support provided and priorities of both the local authority and Scottish Government are achieved. Despite this, **Organisation D** has struggled hugely to access funding at either local authority or government level.

For **Organisation D**, there appears to be insurmountable barriers caused by the current culture that surrounds such funding. Whether it is Integration Joint Boards, Health & Social Care Partnerships, local councils, or the Scottish Government, the organisation has found the funding on offer simply unobtainable, with a reluctance on the part of funders to take a chance on new, innovative organisations and projects, and a lack of feedback subsequently provided after processes that are usually complicated and bureaucratic. In fact, it is the void of communication from such funders that **Organisation D** pinpoints as a particular frustration.

Additionally, **Organisation D** does not just feel the strain from a lack of access to the funding provided at local authority and Scottish Government level, but also the social capital that it can provide - unlocking networks, unearthing opportunities, and creating connections within the funding landscape, something of particular importance to a new, growing organisation currently on the outside looking in.

In contrast to this inaccessible funding, the complex web of independent funders and trusts that the organisation relies on tend to provide far more cutting-edge approaches, a greater level of accessible funding, and an offer of both good communication and mutually beneficial relationships. However, despite these positives, such funding is also not without its issues – multi-year funding remains a rarity for the organisation, for example.

The inability to secure funding at local authority or Scottish Government level, despite delivering the outcomes desired by local and national government, allied to a lack of secure multi-year funding, has resulted in a situation where the organisation has to channel vital time and resources away from services and, instead, into mitigating funding concerns. In addition, the uncertainty is such that an ongoing threat of ultimate closure is never eradicated.

If the door to this inaccessible funding was to be opened, **Organisation D** would be able to establish more security and sustainability, achieving more of the ambitions and goals that are shared across the organisation, the local authority, and the Scottish Government.