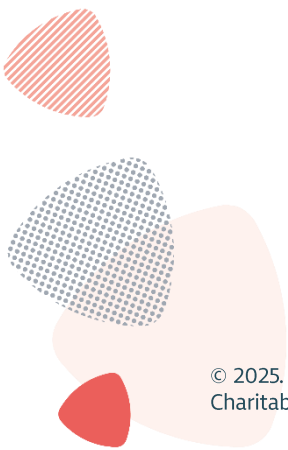


A Third Sector Partnership for Scotland

June 2026

*A blueprint for a new partnership between the voluntary
sector and the Scottish Government*



1. EXECUTIVE SUMMARY

Ahead of the 2026 Scottish Parliament election, SCVO called for the new Scottish Government, its agencies and bodies, to commit to a new, formalised partnership with the voluntary sector—one that is:

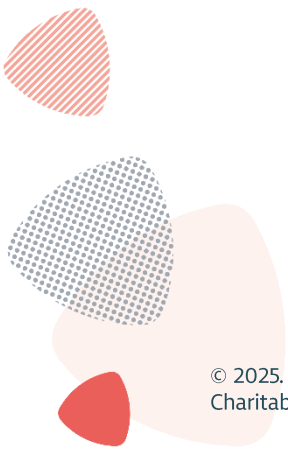
- **Underpinned in statute**, and aligned with relevant legislation, strategies and action plans, to ensure consistency and longevity across government departments, agencies and public bodies.
- **Accountable for delivery across all public bodies**, ensuring that commitments made by the Scottish Government to the voluntary sector are consistently implemented at every level, with clear structures in place to monitor progress, share good practice and ensure follow-through.
- **Outcomes-focused**, with shared goals that prioritise people and communities.
- **Protective of the sector's independence**, recognising its unique role, expertise and voice.
- **Aligned with Fair Funding principles**, by embedding transparent and sustainable funding practices across all public bodies.

Prior to the election, SCVO welcomed the Scottish Government's commitment to establishing "The Third Sector Partnership". Now that a new government has been formed, SCVO is calling for work to begin on establishing this new, formalised relationship. As a first step, we are calling for:

- **Clear leadership to be established at the centre of government, led by the First Minister**, to ensure consistency across all government portfolios, agencies and bodies.
- **Meaningful engagement with the voluntary sector to co-design** the principles that will underpin the agreement, ensuring the process reflects the full diversity of the voluntary sector in Scotland (from large national organisations to small, locally-based ones, including informal and grassroots community groups).
- **A clear roadmap for developing and implementing a statutory partnership** between the voluntary and public sectors, to be published within the first year of the new parliamentary term.

- **A commitment to sustained resourcing to support both the development and implementation of a partnership framework**, including capacity within government and the sector to enable transparent and meaningful engagement, coordination and delivery.
- **Development of clear monitoring, evaluation and accountability mechanisms**, to ensure that partnership is effectively co-designed with a wider range of organisations across the voluntary sector, implemented effectively, and to deliver consistency across government over time.

This paper presents our ask in more detail with evidence gathered from the sector¹, as well as from different partnership models from across the UK.



2. WHY IS A FORMAL AGREEMENT NEEDED?

The Scottish voluntary sector encompasses over 46,500 organisations that contribute to the well-being of people and communities across Scotland. Many of the organisations we all encounter on a day-to-day basis are voluntary organisations, ranging from grassroots community groups, arts and cultural organisations, sports clubs and village halls to large housing and social care providers. Around half of all voluntary organisations are registered charities.

Voluntary organisations are at the heart of Scotland's response to the biggest challenges we face — tackling poverty, improving health and wellbeing, supporting children and families, strengthening local economies, advancing climate action, building skills for the future, and much more besides.

Importantly, the voluntary sector is also a rich source of data continuously gathering evidence around community needs and strengths. The Scottish Government has consistently recognised the importance of effective collaboration between the voluntary and public sectors².

Despite the instrumental role that the voluntary sector plays in delivering for people and communities, experiences of engagement with public bodies are inconsistent. Different public bodies have different approaches to engaging with voluntary organisations and even within organisations, approaches vary significantly.

Too often that experience is poor. Evidence on partnership working between the voluntary and public sectors highlights the barriers to collaboration. In 2022, SCVO worked with its members, as well as partners across local and national government, to gather evidence on collaboration and partnership working across sectors³. The findings published across several reports identified four main themes - time, power, trust and value - that underpin relationships between the public and voluntary sectors.

Historically, Scotland has had more formalised partnership arrangements. The Scottish Compact, agreed between the then Scottish Executive and the third sector in the late 1990s and subsequently refreshed in 2004, is the last time specific guidelines and expectations were set out⁴. However, the Compact has not been maintained or embedded in practice and no longer provides an effective framework for collaboration.

While Scotland lacks a formal partnership framework at the national level, we are not starting from scratch. Existing structures such as Community Planning Partnerships, Third Sector Interfaces, and the Third Sector Unit within the Scottish Government provide important foundations on which a new approach can be built. Scotland also benefits from a strong network of infrastructure bodies that support voluntary organisations to participate in policy and decision-making, share learning and evidence, and coordinate collective action across the sector.

Scotland is now an outlier in the UK. All other parts of the UK have established formal arrangements to support partnership working between government and the voluntary sector. In Wales, the relationship is underpinned in statute through its Third Sector Scheme. In Northern Ireland, a new partnership agreement was launched in 2025. At UK level, the Civil Society Covenant, introduced in 2025, sets out a new framework for strengthening relationships between government and the voluntary sector. While these models differ in structure and legal basis, they reflect a shared recognition that effective partnership requires clear frameworks, shared expectations and sustained commitment.

In Scotland, a new, equitable partnership is needed to support consistent and effective outcomes and to deliver the best outcomes for people and communities.

In the following sections we set out the key barriers to effective collaboration, drawing on evidence from across the voluntary sector in Scotland.

2.1 Barriers to effective collaboration

Engagement between the voluntary and public sectors is inconsistent and not systematically embedded. Evidence highlights gaps in shared understanding, variation in practice, and reliance on individual relationships rather than organisational approaches.

Effective collaboration between the voluntary and public sectors is often constrained by incomplete and differing understandings of each sector's roles, responsibilities and operating contexts.

In 2022, the Scottish Government commissioned a [research review](#), as part of the Strengthening Collaboration project. This found that: *'inadequate understanding between third sector organisations and public sector organisations about the*

*statutory duties and operational challenges that each sector faces can impede meaningful collaboration*⁵.

This reflects a wider challenge around achieving meaningful collaboration in practice. Differences in understanding between sectors remain a persistent barrier. **A gap in understanding within public bodies of the role, diversity and nature of the voluntary sector in Scotland is widely recognised.** At the same time, **people working in voluntary organisations may not always have full visibility of the constraints under which civil servants and public bodies operate.** This can lead to misaligned expectations and ineffective joint working.

This is underscored by feedback received at SCVO's annual conference, *The Gathering*, in February 2026. Delegates told us that:

- *'We need a shared language throughout sector, government and funders'*
- *'Both sides need clear, dedicated information and understanding of each other's sectors'*
- *'Good faith in the partnership must be two-way'*

[Further evidence gathered by SCVO](#) highlighted a **disconnect between national policy commitments and implementation at a local level.** Involvement of the voluntary sector in planning and delivery was identified as variable, and often weak, across Scotland.

The research also highlights the perception that Scottish Government (and other public sector bodies) operates in silos, with poor coordination across departments and policy areas. In practice, this means **relationships between the voluntary sector are often dependent on individuals, rather than embedded consistently at an organisational level.** This leads to variation in practice and can act as a barrier to long-term, effective collaboration.

This aligns with wider findings from the Strengthening Collaboration evidence review, which emphasised the **importance of building institutional collaboration — for example through memoranda of understanding or concordats — that extends beyond personal relationships.**

Organisations report **variation in how, when and if they are able to contribute to policy and service development.** When engaged, the extent to which their perspectives influence outcomes is variable. Many organisations continue to feel

remote from decision-making, planning and delivery—particularly in relation to public services.

2.2 Unequal relationships between sectors

Relationships between sectors are shaped by imbalances in power and influence, particularly where funding and commissioning arrangements exist. This can limit the role of voluntary organisations in shaping policy, services and decisions.

Relationships between the voluntary and public sectors are often shaped by imbalances in power and influence, particularly where funding and commissioning relationships exist.

While the voluntary sector plays a central role in delivering for people and communities across Scotland, this does not translate into proportionate influence over policy development, decision-making, or design of services. **Voluntary organisations are often treated as service providers rather than genuine partners**, and relationships can be experienced as extractive rather than collaborative.

Indeed, marking the tenth anniversary of the publication of the Christie Commission, the Auditor General for Scotland summed this up: *“The third sector can feel like a poor relation to mainstream public services. And many community groups also still feel that barriers are put in their way to taking part in changing services for the better.”* — [Stephen Boyle, Auditor General for Scotland](#).

The Scottish Government’s own Public Service Reform Strategy, published in 2025, reinforces this, stating that: *“[T]he sector can feel disconnected from how services are designed and delivered, and are regarded solely as a provider, despite its knowledge, experience and significant ability to leverage in capacity and capability.”* – [Scottish Government Public Service Reform Strategy](#)

These experiences highlight a structural imbalance in partnership working, where **voluntary organisations bring expertise, insight and reach, but have limited opportunities to meaningfully influence decisions or shape outcomes.**

Funding and commissioning relationships between public and voluntary sectors can play a significant role in shaping these dynamics. [Public sector funding](#) makes up around 40% of the sector’s income, with around £1.6 billion

from local authorities and £1 billion from the Scottish Government, most of it through contracts and grants.

Where one partner controls funding, there is an inherent power imbalance within the relationship. This is consistent with the findings from the Strengthening Collaboration evidence review:

“Interviewees noted that the fact that the public sector awards funding to the third sector can create a power imbalance, with the public sector being perceived to have more power in the relationship. Some interviewees felt that this sometimes created an expectation that the public sector funder might seek to direct the work of the third sector organisations involved, or to make all the decisions around a policy or a project.”

Such a dynamic can result in funders shaping priorities and directing activity, rather than empowering voluntary organisations, through genuine partnership working based on shared decision-making.

Evidence shows better outcomes where voluntary organisations are respected for the expertise they bring, as genuine partners⁶.

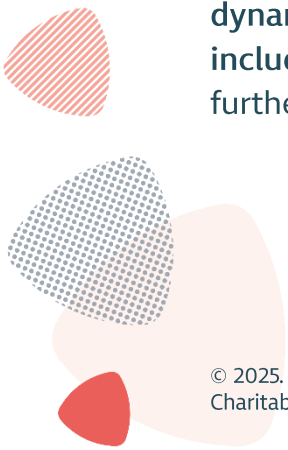
2.3 Barriers to open and honest dialogue

Trust is not consistently present within partnerships, and constraints linked to power and funding can limit open and honest dialogue. This affects how fully voluntary organisations can contribute to decision-making.

Trust within partnerships is a key enabler of effective collaboration. Where relationships are shaped by unequal power dynamics, as explored in the previous section, this can affect the confidence of voluntary organisations to speak openly.

The Scottish Government’s *Supporting collaboration evidence review* (2022) shows this clearly. Lack of trust is identified as a “cross-cutting concern” impacting on all other barriers to effective collaboration.

Where funding is concerned, voluntary organisations report that these dynamics can be reinforced through funding arrangements, including perceptions of inflexibility and excessive monitoring, which can further affect the openness of relationships.



[SCVO-commissioned research](#) highlights the perception amongst voluntary organisations that their **ability to influence or challenge public policy, shape services, or challenge decision-making is constrained, particularly where they are in receipt of funding**. This creates a tension between maintaining funding relationships and providing independent insight and critique.

As a result, opportunities for open and honest dialogue are not always realised, limiting the extent to which voluntary organisations can contribute fully to policy, service design and decision-making, and **reducing the extent to which public bodies benefit from the voluntary sector' expertise and insight**.

The barriers outlined above are not unique to Scotland, of course. Other parts of the UK have, however, developed formal partnership frameworks in response to similar challenges. Examining these approaches provides useful insight into the structures, behaviours and conditions that support effective partnership working in practice.

3. LEARNING FROM APPROACHES TO PARTNERSHIP WORKING

As well as gathering data and evidence from voluntary organisations and public bodies, over the years SCVO has gained relevant insight from our own role as a participant in projects such as [Strengthening Collaboration](#), a strategic partnership between the voluntary sector, local and national government, which sought to build on the effective collaboration seen during the Covid-19 pandemic⁷.

We have also drawn on the experiences of partners and sister organisations across the UK, allowing for a better understanding of what facilitates – and hinders – effective partnership working between sectors. This includes learning from formal partnership frameworks such as the Welsh Third Sector Scheme, the refreshed Northern Ireland partnership agreement, and the UK Civil Society Covenant.

Scotland must work towards its own formal framework to improve relations between the voluntary sector and public bodies and take this opportunity to learn lessons from across the UK.

In this section, we examine different approaches to partnership working across the UK, highlighting key lessons from each. We also draw on the Strengthening

Collaboration work in Scotland, undertaken in partnership with Third Sector Interfaces, local government and the Scottish Government.

3.1 The Welsh Third Sector Scheme

“Our own Third Sector Scheme, established in law and jointly owned by Welsh Government and the sector, remains the gold standard. It continues to guide how we work together across all policy areas devolved to Wales, from health and education to climate action and volunteering.” — [Welsh Council for Voluntary Organisations \(WCVA\)](#)

In Wales, a statutory [Third Sector Scheme](#) has been in place since devolution. The Scheme requires Welsh Ministers to set out how they will support the voluntary sector, how this support will be monitored, and how voluntary organisations will be consulted on decisions which affect them.

The Scheme is supported by institutional structures, including a Third Sector Partnership Council (25 members) that meets twice a year with the Welsh Government to discuss strategic issues impacting the sector. There is also a requirement for each Welsh Minister to meet twice a year with representatives from their policy area.

Engagement under the Scheme is facilitated by the Welsh Council for Voluntary Action (WCVA), the national infrastructure body for the sector, which supports coordination between voluntary organisations and Welsh Government.

The Third Sector Scheme also includes a [Code of Practice for Funding the Third Sector](#). The document is for use by Welsh Government grant managers in support of the development and delivery of voluntary sector funding, and for the voluntary sector to understand how they can expect to be funded. The Code applies to Welsh Government funding, and Welsh Government funding delivered by other public sector organisations, such as local authorities and health boards. It is monitored by the Funding and Compliance Subcommittee of the Third Sector Partnership Council.

Key insights:

Experience of the Welsh Third Sector Scheme highlights several key insights about the structures and conditions that support effective partnership working.

- A statutory requirement to maintain a scheme strengthens accountability, embedding duties for collaboration across government.
- Effective implementation requires sustained resourcing, including core funding to support both government and sector participation.
- Institutional structures such as biannual ministerial meetings and partnership councils provide important routes for engagement, but require time and preparation.
- There is value in extending engagement beyond Ministers to include stronger relationships with civil servants.
- Participation in formal structures such as the Partnership Council can be demanding, but is highly valued by representatives, who report a strong sense of ownership and pride in contributing to these spaces.
- The diversity of the voluntary sector, alongside the breadth of Ministerial portfolios, can make prioritisation challenging within formal structures.
- The role of infrastructure bodies like the Welsh Council for Voluntary Action (WCVA) must be clear to all partners. They may act as conveners, but others in the sector will provide expert voices on issues to be discussed.
- Funding principles apply to Welsh Government and hypothecated grants.
- Awareness and understanding of the Scheme is not consistent across either government or the voluntary sector, which can limit its effectiveness in practice.
- There is an ongoing need for clarity about the purpose of different engagement forums, including how and when organisations can influence discussion and decision-making.
- The Scheme reinforces recognition of the voluntary sector’s role and remit and is valued by those who engage with it.

3.2 Partnership Agreement between Government and the Voluntary and Community Sector in Northern Ireland

“The Agreement is a strong foundation - but it’s just the beginning. Its impact depends on implementation. Real change will come from

stakeholders’ openness to learning, adapting, and supporting each other to work differently.” — [Northern Ireland Council for Voluntary Action \(NICVA\)](#)

In Northern Ireland, a [new Partnership Agreement between the government and the voluntary and community sector \(VCS\)](#) was formally adopted in 2025.

This non-statutory Agreement builds on the previous Concordat (2011) and sets out a renewed framework for collaboration between government departments, public bodies and the voluntary and community sector.

The Agreement was co-produced by government, public bodies and the voluntary sector in Northern Ireland, through the Joint Forum between Government and the Voluntary and Community Sector — a longstanding, formal structure bringing together representatives across both sectors.

It is underpinned by a set of shared values and ways of working that are intended to ensure the voluntary sector is recognised as a strategic partner in shaping and delivering public outcomes. Shared principles include accountability, active participation, collaboration, independence, social justice and sustainability.

The Agreement is supported by a set of institutional structures.

The Joint Government and Voluntary Sector Forum, or Joint Forum, provides a mechanism for ongoing engagement between government, public bodies and the sector. As well as supporting dialogue at a strategic level, the Joint Forum plays a key role in overseeing the implementation of the Agreement, including agreeing a programme of work, identifying issues affecting the relationship, and keeping the Agreement under review.

A key feature of the Agreement is the inclusion of “Fair Funding Principles & Ways of Working”, which seek to ensure longer-term, stable funding, promote timely payments, while reducing bureaucracy, supporting core costs, building capacity, and encouraging outcomes-based funding approaches.

Key insights

Early reflections from the Northern Ireland model, including from NICVA, highlight several key insights:

- **Non-statutory approaches support flexibility and relationship-building but raise questions about consistency and enforceability.** A statutory underpinning can strengthen accountability, though lasting impact depends on cultural and behavioural change.

- **Effective monitoring and evaluation are essential** to ensure that commitments are translated into practice and that progress can be tracked and demonstrated over time.
- **Adequate, dedicated resourcing is essential.** In its absence, reliance on goodwill—particularly within the voluntary sector—creates a risk that responsibility for both development and delivery is unevenly borne, undermining shared ownership and accountability.
- **Consistent leadership is essential.** Sustained, visible leadership — particularly within government — helps to maintain momentum, supports coordination across sectors, and provides direction.
- **Broad, inclusive engagement across both sectors is essential.** Limited engagement risks weakening buy-in and can lead to perceptions that agreements are driven by a narrow group, undermining legitimacy and shared ownership.
- **Well-designed structures to support delivery and co-design are important.** These enable focused collaboration and shared understanding, but require capacity and continuity of participation to maintain momentum.
- **The value of the Agreement will depend on how its commitments are translated into practice,** rather than remaining at the level of principle.
- **The need for a strong partnership framework is heightened by the challenging context facing the voluntary and community sector,** including rising demand, financial constraints and increasingly complex social needs.
- **While the Agreement provides a strong foundation, its impact will depend on openness to learning, adaptation and working differently across sectors.**
- **Fair Funding Principles are a key feature of the Agreement,** aiming to address long-standing challenges within funding relationships and support more effective service delivery.

3.3 The UK Civil Society Covenant

“The words on the page must now be made real—and that requires sustained effort, open dialogue, and, crucially, a genuine commitment to a partnership of equals.”— [Anna Fowlie, SCVO Chief Executive](#)

At the UK level, the [Civil Society Covenant](#) was launched in 2025. It is described as a reciprocal partnership between government and civil society. It is a non-statutory, principles-based framework, setting out shared expectations around partnership, participation, transparency and respect for independence.

The Covenant is expected to apply across all UK government departments and to support a more consistent approach to engagement with the voluntary sector at both national and local levels.

The Covenant is supported by several structures to enable its implementation, including the [Joint Civil Society Covenant Council](#). Established “to provide an open and representative voice for civil society at the centre of government”, it is supposed to bring together senior officials and sector representatives to oversee progress, address issues that cut across government, and enable civil society to play a greater role in the design and delivery of policies and services.

From a Scottish perspective, the Covenant applies to areas reserved to the UK Government which have a direct and significant impact in Scotland. Voluntary organisations in Scotland operate across a range of policy areas shaped by UK level decisions (e.g. UK Shared Prosperity Fund and, latterly, the Local Growth Fund, and the Pride in Place programme), and the people and communities they support experience the effects of these decisions every day.

SCVO has been directly involved in the development of the Covenant, including participation in early discussions and working groups. Scotland, Northern Ireland, and Wales are currently represented on the 12-member Civil Society Covenant Council through the Chief Executive of the Wales Council for Voluntary Action (WCVA), who is taking the shared place for the devolved areas. WCVA works in collaboration with SCVO and NICVA to ensure that devolution is reflected and respected.

The development and publication of the Civil Society Covenant have been led from the centre of the UK Government, with strong backing from the Prime Minister and coordination through the Number 10 Partnership Unit. This reflects a recognition that strengthening relationships with civil society requires visible leadership at the highest level of government.

Key insights:

Early reflections on the UK Civil Society Covenant highlight several key insights into how partnership working between government and the voluntary sector can be supported⁸:

- **Developing partnership agreements requires sufficient time and space at the outset** to establish a shared understanding of the challenges being addressed, and the context in which partners are operating.
- **Ensuring that the right people and perspectives are involved from the start** is crucial for building legitimacy and supporting effective co-production.
- **The process of developing partnership frameworks can itself shape the culture of collaboration**, and must reflect the principles of openness, transparency and shared working that it seeks to promote.
- **Regular and transparent communication** throughout the development process is essential to avoid the perception that decisions are being made without wider input and, in turn, build and maintain trust.
- **While partnership working depends on trust, relationships and culture change, a statutory underpinning provides a foundation for consistency, accountability and durability.** Without it, there is a risk that commitments fail to materialise in practice.
- **Visible leadership from the centre of government can play an important role in setting expectations, driving momentum and signalling the importance of partnership working across the public sector**, particularly where whole-system change is required.

3.4 The Strengthening Collaboration Project

In 2020, as part of its response to the Advisory Group on Economic Recovery, Scottish Government sought to address the barriers facing the voluntary sector by bringing together SCVO, the TSI Scotland Network, COSLA and the Scottish Government Third Sector Unit in the Strengthening Collaboration project (SC).

SC aimed to identify, understand, and collectively address issues that impact upon positive cross-sector collaboration seeking to embed change that would enhance the experience of our collective contribution to Scotland's communities.

SC did not deliver a framework for collaboration. It did, however, contribute to a better understanding of the factors that negatively impact partnership working in Scotland⁹. This included the publication of [*Supporting collaboration between the third and public sector: evidence review*](#) (2022).

The report presents findings from a literature review and stakeholder interviews, highlighting key barriers to effective collaboration between third sector organisations and the public sector, particularly focusing on relationships between the third sector, local government and national government. As outlined earlier in this paper, four primary areas are identified as presenting persistent challenges: funding, meaningful collaboration, procurement, and lack of trust. Lack of trust is identified as a cross-cutting issue, influencing the effectiveness of each of the other themes.

Key insights:

Key insights from the Strengthening Collaboration project, drawing on both the evidence review and SCVO's direct involvement, highlight several factors that influence effectiveness of cross-sector partnership working:

- **Developing and maintaining any approach to strengthening collaboration is resource-intensive, and the time and capacity required must be recognised and planned for from the outset.**
- **Building effective partnerships requires time to develop the relationships and trust needed to support open and honest dialogue between partners.**
- **A shared understanding of the barriers and constraints facing different partners is essential to enabling meaningful collaboration.**
- **Cross-sector collaboration on complex and multifaceted issues can be challenging, requiring careful facilitation and sustained effort.**

Taken together, the models and experiences outlined in this section highlight a number of common features of effective partnership working. Learning from all these models will lay the foundations for an impactful partnership agreement, embedded across government and its public bodies. This is explored further in the next section.

4. WHAT SUCCESSFUL PARTNERSHIP REQUIRES

Based on the experience and evidence outlined above, it is possible to identify several common elements as supporting effective partnership working between government and the voluntary sector.

Taken together, these insights underpin SCVO's five core principles for an effective, long-lasting partnership framework, as outlined in *Scotland's Essential Sector*, SCVO's 2026 Scottish Parliament election manifesto. These are set out in detail below.

4.1. Underpinned in statute and aligned across government

Effective partnership working should be underpinned in statute, and aligned across government departments, agencies and public bodies, ensuring consistency and longevity. This has strong backing from the voluntary sector, as identified through our engagement with voluntary organisations in the development of our policy ask.

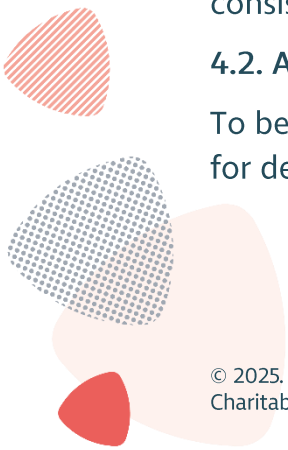
Evidence from Wales demonstrates the value of a statutory framework in embedding expectations for collaboration across government, while providing greater consistency over time. By contrast, the history of the Compact in Scotland shows how non-statutory arrangements can weaken or fall away over time.

Evidence gathered through SCVO's engagement, including at the Gathering in February 2026, highlights concerns about the potential for partnership arrangements to shift or change over time. Placing a partnership on a statutory footing can help provide greater stability and continuity, insulating it from short-term political changes.

Of course, while legislation is necessary, it alone is not sufficient. Indeed, evidence from Wales points to the fact that awareness and understanding of the Third Sector Scheme is not always consistent across either government or the voluntary sector, which can affect how effectively it operates in practice. A statutory framework therefore needs to be supported by the right infrastructure — including clear structures for engagement, ongoing communication, and shared ownership across partners — to ensure that commitments are implemented consistently in practice.

4.2. Accountable for delivery across all public bodies

To be meaningful, this new partnership must be backed by clear accountability for delivery across government and a shared understanding of what success



would look like. For that reason, those with strategic decision-making authority within government need to be involved from the outset. We believe this should include senior leadership from the First Minister, signalling the importance of partnership working across government and ensuring consistent implementation.

It is also key to have people who understand both the sector and government on either side of the relationship so that partnership is understood and supported across both government and the voluntary sector. Responsibility for implementation cannot rest solely with teams such as the Third Sector Unit or the Communities Directorate. This will help support more consistent implementation in practice.

Ensuring that a wide range of organisations, volunteers and those with lived experiences can contribute to partnership working is also essential. This includes organisations of different sizes, from across different parts of the country, and those representing or led by underrepresented groups. Without this, there is a risk that partnership approaches reflect only a partial view of the sector, which can weaken both their credibility and their effectiveness in practice. Accountability arrangements should monitor whether partnership structures are engaging a diverse range of organisations and perspectives.

A lack of understanding of the voluntary sector within parts of government can act as a barrier to effective partnership working. Building this understanding — including through training and development — is therefore an important part of supporting consistent implementation in practice. Building the capacity of voluntary organisations to understand public sector structures, processes and constraints will be important too.

A partnership agreement must apply to the voluntary sector and the Scottish Government, and its agencies (e.g. Health Boards), in the first instance. This would lay the groundwork for a new relationship, of equals, between the voluntary sector and the wider public sector.

SCVO members and the wider sector are of the view that the principles of a partnership agreement should apply locally. While there may be existing schemes in place to foster closer partnership working between local authorities and the sector¹⁰, big discrepancies remain between areas when it comes to implementation. The sector has been clear that, ultimately, there is an expectation that these principles apply to local authorities too, accompanied by

effective accountability mechanisms that ensure implementation of partnership arrangements at the local level.

In practice, extending an agreement to local government is likely to be more effective once it has been embedded across Scottish Government departments, agencies and other public bodies. This will also require meaningful engagement with local voluntary organisations and Third Sector Interfaces, to ensure that approaches reflect and respect local contexts and are, in turn, implemented effectively.

4.3. Outcomes-focused, with shared goals that prioritise people and communities

In building the Third Sector Partnership, clarity about its purpose, and a shared understanding of the challenges it seeks to address, will be essential — from the outset.

The recently published update to [the Scottish Approach to Service Design](#) offers a useful insight into what is possible in practice. It highlights the importance of designing services around the needs and experiences of people and communities and taking time to develop a shared understanding of the challenges being addressed. Involving colleagues who have taken this approach in practice in future discussions on the development of The Third Sector Partnership will be important.

To achieve outcomes focused collaboration, it is essential to recognise the diversity and multifaceted nature of the voluntary sector.

While SCVO is well placed to support the development of a Third Sector Partnership, and play a convening role, its role must be clearly understood. SCVO cannot, and should not, be regarded as a representative of all aspects of the sector.

The partnership should therefore create opportunities for a wider range of organisations to contribute their knowledge and expertise, ensuring that discussions are informed by those with the most relevant experience.

4.4. Protective of the sector's independence

The independence of the voluntary sector is fundamental to effective partnership working and must be actively protected within any formal agreement. However, a number of features of the current operating environment act to undermine the



ability of voluntary organisations to contribute openly and independently to policy and decision-making.

As outlined elsewhere in this paper, there is an undeniable link between public sector funding and the voluntary sector that must be recognised and acknowledged from the start to ensure that organisations feel free to share their expertise and experience, at times raising concerns with the way policies are delivered or designed without fear of losing funding. Managing this dynamic is essential to ensuring that organisations are able to contribute fully to partnership working, including sharing their expertise and offering challenge where needed.

We need to move beyond the transactional and competitive relationships that limit our collective ability to learn and improve how we work. The Third Sector Partnership must create the conditions for organisations to engage openly and independently, recognising the realities set out above. This agreement should put that principle at its core and thus protect the ability of voluntary organisations to do so.

The current political and economic landscape, and the impact on the sector, is a significant concern. Based on discussions with our partners and colleagues around the UK, we recognise how challenging and hostile the political environment has become for voluntary organisations, particularly where their role in shaping policy and public debate is contested.

In recent years voluntary organisations have reported aggressive legal tactics¹¹. Threats and violence have been directed towards voluntary organisations, staff, volunteers and the people they support¹². There are also growing concerns that the role and legitimacy of some organisations is being challenged on the basis of the work they carry out, especially where they are in receipt of public funding.

Taken together, this environment serves to undermine the ability of organisations to contribute openly and independently to public and policy discussions. As such, protecting the independence of the voluntary sector must be a core consideration in the design of any Third Sector Partnership.

4.5. Embedded Fair Funding principles

The current funding landscape, including how resources are allocated and managed, is a critical factor in shaping effective partnership working.



Too often, and for too long, voluntary organisations have had to contend with budget cuts, short-term funding cycles, late payments, incoherent decision-making, poor communication, inadequate grant management, and more.

This persistent poor practice damages staff morale, negatively affects recruitment and retention of staff and volunteers, creates significant challenges for forward planning, and crucially disrupts service delivery across Scotland. Concerns about costs and financial constraints are shared across the whole sector as we can see in the latest findings from the [Scottish Third Sector Tracker](#). It affects all aspects of the voluntary sector, including effective partnership working between the voluntary and public sectors.

Embedding Fair Funding principles, as part of the Third Sector Partnership is therefore essential. These principles are:

- **Multi-year funding:** funding that provides a minimum three-year standard across all government departments, agencies and public bodies. This must include measuring and reporting on the number of grants and contracts delivered on a multi-year basis.
- **Flexible funding:** funding that is unrestricted, covers core costs, and enables organisations to plan, adapt, and meet good governance requirements. Funders must build in flexibility in project design, monitoring, and timescales.
- **Sustainable funding:** funding that includes inflation-based uplifts and full cost recovery — covering core operating costs and the full costs of employing staff, with payment of at least the Real Living Wage and parity with public sector pay, addressing long-standing disparities between the public and voluntary sectors.
- **Accessible funding:** funding with streamlined, proportionate, and consistent processes for applications, reporting and payment — with timely decisions, clear guidance, and adequate lead-in times.
- **Transparent funding:** funding that enables organisations and the public to understand, participate in, and scrutinise funding decisions — with clear delivery goals, timelines, and accountability mechanisms to track progress on Fair Funding across government.

Taken together, these principles provide a practical foundation for more effective, sustainable and equitable partnership delivery across Scotland.

5. SCOTLAND'S THIRD SECTOR PARTNERSHIP: RECOMMENDATIONS

The process of developing the partnership agreement must mirror the principles and behaviours we expect from the start.

5.1 Drawing on the evidence and learning set out in this paper, a new partnership between the Scottish Government and the voluntary sector should be built around a clear and consistent set of principles. These are summarised below.

Underpinned in statute and aligned across government

A partnership agreement should be underpinned in statute and aligned with relevant legislation, strategies and action plans. This will help ensure consistency, longevity and a shared commitment across government departments, agencies and public bodies.

Accountable for delivery across all public bodies

The partnership must be supported by clear mechanisms for accountability, ensuring that commitments are designed and implemented consistently in practice. This includes strong leadership from the First Minister, and the Cabinet Secretary for Social Justice and Housing, to ensure that those mechanisms are applied across government, with structures for monitoring progress, sharing good practice and ensuring follow-through across the system.

Outcomes-focused, with shared goals that prioritise people and communities

Partners need to agree shared priorities from the outset, and commit to working collaboratively to deliver meaningful change. The partnership must be grounded in a shared understanding of the challenges being addressed with a clear focus on improving outcomes for people and communities.

Protective of the sector's independence

The partnership must explicitly recognise and protect the independent role of the voluntary sector. This includes ensuring that organisations are able to contribute openly and constructively — including offering challenge.

Embedded Fair Funding principles

Fair Funding principles should be embedded within the partnership agreement itself. They should apply across all public bodies.



5.2 Immediate priorities for the Scottish Government

Scottish Government should take the following steps to begin developing and implementing a strong and effective partnership framework:

Clear leadership at the centre of government

Leadership should be established at the centre of government, preferably the First Minister, to signal the importance of partnership working and ensure consistent implementation across all portfolios, agencies and public bodies.

Limited understanding of the sector inside government hinders effective partnership working. There should be a learning programme for key civil servants on the nature and impact of the sector.

Meaningful engagement with the voluntary sector

Scottish Government should work with SCVO and others to establish an engagement framework to underpin the co-design process. It must include people with decision-making authority from the outset and reflect the diversity of the sector.

A clear roadmap for delivery

A roadmap should be developed for establishing and implementing a statutory partnership within the first year of the parliamentary term. This should set out key milestones, responsibilities and timelines.

Sustained resourcing to support delivery

Adequate resources should be identified and secured to ensure the development and implementation of the agreement is successful. As outlined earlier in the paper, responsibility for implementation cannot rest solely with teams such as the Third Sector Unit or the Communities Directorate.

Clear mechanisms for accountability and review

Set up a mechanism for continuous review and learning from the start, likely using the Scottish Approach to Service Design.

6. CONCLUSION

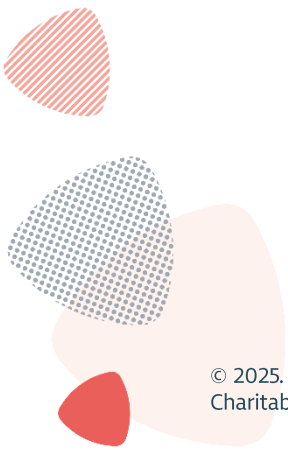
As outlined in the [Forces for Good report](#) published in 2024, “the potential to drive social change is immense if we can change our understanding of charities

and, in so doing, unlock new partnerships around shared missions”¹³. As the report continues, some of the issues “are quick things to fix, others require deep shifts in mindsets, systems and practice. They require shared spaces; better intelligence; and support to innovate and take risks – all things for which resource is currently critically limited”¹⁴. The same could be said about Scotland today and the impact of the voluntary sector on Scottish society and economy.

The political environment is volatile, inequalities are deepening and the climate emergency looms ever larger. The voluntary sector is essential in addressing these challenges yet remains under significant pressure.

The Scottish Government’s commitment to a Third Sector Partnership is an opportunity to establish a more consistent, accountable and equitable relationship between government and the voluntary sector. It presents an opportunity to embed the conditions required for effective partnership working and to ensure the expertise, insight and reach of the voluntary sector are reflected in policy and decision-making.

The Third Sector Partnership must, therefore, be developed collaboratively, transparently and with urgency so that the people and the communities we all support can realise its benefits.



Notes:

1. See, for example, [Renewing Scotland's public services: priorities for reform in response to the Christie Commission \(2011\)](#); the [Public Service Reform Strategy \(2025\)](#) and [Democracy Matters: a route map to reform \(2026\)](#).

2. See, for example, [Renewing Scotland's public services: priorities for reform in response to the Christie Commission \(2011\)](#); the [Public Service Reform Strategy \(2025\)](#) and [Democracy Matters: a route map to reform \(2026\)](#).

3. [Scottish Government funding of voluntary organisations: a case study of voluntary sector intermediaries](#): In October 2022, SCVO published a report on the experiences of voluntary sector intermediaries to shine a light on how the Scottish Government directly funds voluntary organisations, including the processes it adopts and how it interacts with those that receive funding.

[Supporting collaboration between the third and public sectors: evidence review](#): The research review conducted in 2022 as part of the Strengthening Collaboration work between Scottish Government, SCVO, COSLA and the TSI Network has found that issues of trust, power and structure are as prevalent as ever.

[Organisational profiles: funding and public sector relationships](#): in 2021 SCVO commissioned an independent consultant, [Arrivo Consulting](#), to conduct depth interviews with several of our members. The aim of the project was to deepen our understanding of the key challenges faced by third sector organisations, specifically in relation to funding and relationships with the public sector.

4. ["Compact in action: Compact woes in Scotland"](#), *Third Force News* (2007)
5. [Supporting collaboration between the third and public sectors: evidence review](#): The research review conducted in 2022 as part of the Strengthening Collaboration work between Scottish Government, SCVO, COSLA and the TSI Network has found that issues of trust, power and structure are as prevalent as ever.
6. Examples include the [Positive Partnership](#) work between Evaluation Support Scotland, SCVO and Scottish Government in 2020, and IVAR's work on [Open and Trusting Grant-making](#), which both highlight approaches to strengthening relationships and protecting the independence of the sector.
7. See, for example. Carnegie UK Trust (2020), [*Shared Problem, Shared Response: Public service reform during the Covid-19 pandemic*](#), which highlights the role of trust, flexibility and collaboration during the pandemic response.
8. See [SCVO blog reflecting on early learning from involvement in the development of the Civil Society Covenant \(2025\)](#)
9. See [SCVO blog reflecting on early learning from involvement in the development of the Civil Society Covenant \(2025\)](#)

10. See, for example, [CPIB Guidance for Fair Funding of the Voluntary Sector \(2025\)](#)
11. See [SCVO's response to the Scottish Government consultation on Strategic Lawsuits against public participation.](#)
12. [UK charities face 'culture of fear' as threats and violence surge](#), *The Guardian*, 9 December 2025
13. P.25
14. P.25

