Local Government and Communities Committee

Scrutiny of the Draft Budget 2017-18

Submission from Lloyds TSB Foundation for Scotland

Lloyds TSB Foundation for Scotland (The Foundation) is pleased to respond to the Committee’s call for evidence.

The Foundation supports organisations spanning all 32 local authority areas in Scotland. Through our work, we see the everyday impact of a whole range of issues, including poverty, drug and alcohol misuse and social isolation. We work closely with many of the organisations we fund and are in no doubt of the impact of reductions in local government funding in recent years.

Much of this evidence is informed by our Partnership Drugs Initiative (PDI), which promotes voluntary sector work with children and young people affected by substance issues. It also draws on learning from our Place-based programme. This programme works with communities that do not historically access grant funding, but who experience among the highest levels of deprivation in Scotland.

Our response relates to the first two questions.

Question 1: Impact of budget reductions to date

A major impact of local authority budget reductions is that local authorities appear to increasingly be **retracting to only commissioning crisis support**. As a result, it is becoming more difficult for organisations to undertake preventative or early intervention activities, or to focus on providing the additional support that children, young people and families affected by substance misuse need. While this trend has been well recognised in recent years (for example by Audit Scotland and various Scottish Parliament Committees), it remains a significant challenge for voluntary organisations, and moreover for the people they support.

The ability of local authorities and their voluntary sector partners to respond effectively to reducing budgets (e.g. by working together strategically to develop new approaches or models) is undermined by the **lack of certainty over budget levels, and timescales**.

The Foundation’s PDI programme works closely with Alcohol and Drug Partnerships (ADPs) which agree all PDI funding decisions to ensure they support the local landscape. Where there are gaps in support PDI and ADPs work together to develop projects, and most of the matched funding for PDI supported projects comes from ADPs. Some ADPs did not have their 2016 budget confirmed until September 2016. This undermines the opportunity for effective planning and collaboration (including between statutory and non-statutory funders in order to increase the overall resource
available), as well as having an immediate impact on the ability of voluntary organisations (both commissioned and grant funded) to plan and deliver support.

Recent PDI focus groups highlighted the impact of an apparent lack of differentiation between commissioning and procurement. Instances were described of services being driven through a procurement process (and therefore by finance and process), rather than through a commissioning process that would have enabled understanding of need, engagement of people who use services and of the voluntary sector and, ultimately, design of services that will make a difference.

This issue again undermines the opportunity to respond effectively to budget reductions by redesigning services, developing new approaches and increasing collaboration.

**Question 2: Extent to which spending decisions prioritise reducing inequality**

Reflections from the Foundation’s work suggest that some of the supports in place for people facing greatest disadvantage are not adequately funded and this may be worsening as levels of need rise.

Some voluntary organisations report finding it increasingly difficult to access local authority funding for provision such as breakfast or lunch clubs, despite this often being a prerequisite for other support to be effective; for example, intensive one-to-one support with a child or young person is less likely to have an impact if the child or young person is hungry or does not have the basic clothes they need for school.

“I’m awful glad you got me my jacket because I’m warm now.”
(boy aged 12 after a worker bought him a jacket as part of a project – story told as part of *Everyone Has a Story*, a research project published in 2016 by PDI)

Greater flexibility is needed so that funding can be directed towards people’s needs. If projects are able to respond to people’s individual priorities, they will have a greater impact and be better able to work preventatively.

This point is illustrated by a case study within *Everyone Has a Story* (PDI, 2016) in which a practitioner from a young carers project described noticing that the children they were supporting (whose parents were in recovery) did not want to go out in the school playground at break time. Talking to the children revealed that they didn’t have a snack and therefore felt left out. The practitioner found a source of discounted snacks, recruited volunteers to take the snacks to school and ran this as a project for 6 weeks initially. Additional funding was given by a supermarket and the project has provided snacks for 15 children in 3 high schools and 5 primaries.

“I’ve got something to swap/talk about.” (child/ young person)

“I don’t need to ask my Mum for money when she doesn’t have any.” (child/young
Insights from the Foundation’s Place-based programme suggests that reductions in adult education and community development may have disproportionately impacted upon people living in areas of greater poverty. People describe the importance of being able to develop basic skills, for example cooking and budgeting, and the lack of support available to do this.

About the Foundation

For 30 years Lloyds TSB Foundation for Scotland (the Foundation) has contributed to improving the lives of individuals and communities experiencing disadvantage. Its mission is to make a difference to the lives of individuals and communities in Scotland, by encouraging positive change, opportunities, fairness and growth of aspirations, which improve quality of life. The Foundation has three strategic objectives to fulfil this:

- To be the best grant maker we can be through continued progressive grant making.
- To reach communities traditional grant making doesn’t through innovative asset-based community empowerment (our place-based programme).
- To work with other grant makers so we can all be the best we can by maximising our expertise.

The Foundation is an independent charitable organisation. Its relationship with Lloyds Banking Group will conclude in 2019 and the bank has no involvement in its work or grantmaking decisions.

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