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Collette Stevenson MSP
Convener
Social Justice and Social Security Committee
The Scottish Parliament
Edinburgh
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By email: sjss.committee@parliament.scot

3 February 2025

Dear Convener,

During my appearance at the Social Justice and Social Security Committee session on 9 January 2025 I undertook to provide further information on the progress to deliver an increase in multi-year funding arrangements to the third sector.

Multi-year funding

Further to my written response to the Committee report on third sector funding on 12 December 2024, I was pleased to inform the Committee on 9 January 2025 that we are increasing the number of multi-year funding agreements to the third sector in the coming financial year. Intensive work across the Scottish Government and Ministerial portfolios has identified third sector grants which will be included in a 2-year funding pilot. Grants have been selected based on their meeting one or both of two central criteria which support Programme for Government policy objectives:

1. National organisation providing essential, ongoing, frontline support to communities.
2. Organisations which directly deliver against the Scottish Government's top priority of eradicating child poverty.

At this stage the Pilot includes 45 grants or funds across 7 portfolio areas and the total value of the pilot is up to £61,774,844 in 2025-26 and £63,283,844 in 2026-27. The nature of the grants included in the Pilot covers both core funding and project funding.

The criteria supported the selection of organisations. Whilst not an exhaustive list, the organisations included represent those judged by Ministers to most closely meet the criteria and provide learning from the impact of two-year funding. The challenging financial position means that the total volume of multi-year funding agreements is balanced against other priorities and ability to take a measured financial risk within each portfolio area.

Given that the budget has not yet passed, it is not possible under the Scottish Public Finance Manual to issue final grant offer letters. However letters notifying organisations of their

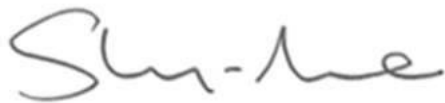
provisional allocations have been sent out, so that third sector organisations, and those in the Pilot in particular, will know what to expect from the Government in the next financial year. A full list of the grants included in the Pilot at this stage can be found in Annex A.

Access to data

I noted the Committee's interest in the baseline data on grants issued by the Scottish Government to the third sector. Work is underway to improve our visibility of this. The previous electronic accounting system did not reliably classify whether or not spend is allocated to the third sector. This therefore means that collating information remains a manual exercise across all portfolios whilst the new system (Oracle Cloud) is fully developed. Oracle Cloud was adopted in October 2024 and has begun to capture grant information as purchase orders are created and payments made to grant recipients. However, for effective analysis, a data set of an entire financial year or more is likely to be required to produce meaningful insights.

I hope that this information is useful, and I intend to write to you again in April with an update on timely notification to the third sector.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Shirley-Anne', written in a cursive, flowing style.

SHIRLEY-ANNE SOMERVILLE

Grants included in the 2-year Fairer Funding Pilot.

Portfolio	Grant
Social Justice	Scottish Refugee Council
	Scottish Empty Homes Partnership
	Homeless Network Scotland
	Housing Options Scotland
	Poverty Alliance
	CentreStage - Social Innovation Partnership
	COVEY - Social Innovation Partnership
	Flexibility Works - Social Innovation Partnership
	Heavy Sound - Social Innovation Partnership
	MsMissMrs - Social Innovation Partnership
	Street Soccer - Social Innovation Partnership
	WorkingRite - Social Innovation Partnership
	MCR Pathways
Economy and Gaelic	Scottish Mountain Rescue
Constitution, External Affairs and Culture	Youth Music Initiative
	Sistema Scotland
Health and Social Care	Cruse Scotland Bereavement Helpline
	Penumbra Self-harm support pilots
	BASICS Funding PHEC BASICS Scotland
	The Listening Service Samaritans
	Communities Mental Health and Wellbeing Fund for adults
	Communities Mental Health and Wellbeing Fund Management
	Autism Advice Line Scottish Autism
	Young Scot Carer support funding
	Active Play Development Programme Inspiring Scotland
	Active Play Development Programme Actify
	Community Food Networks Edinburgh Community Food
	Community Food Networks Lanarkshire Community Food and Health Partnership
	Community Food Networks Community Food Initiative North East
	Community Food Networks Glasgow Community Food Network
	Drugs Policy: Core Funding Scottish Families Affected by Alcohol and Drugs
	Drugs Policy: Family Recovery Initiative Fund Scottish Families Affected by Alcohol and Drugs
	Fetal Alcohol Spectrum Disorder FASD Hub Scotland Service
Finance and Local Government	Planning Aid Scotland
	Dyslexia Scotland
Education and Skills	Children's Advocacy for Children's Hearings
	Who Cares Scotland
	Inspiring Scotland
	Children in Scotland Enquire National Advice and Information Service on Additional Support for Learning
	Scottish Book Trust Bookbug
	Access to Childcare Fund
	Scottish Association of Minority Ethnic Educators

Justice and Home Affairs	Victim Centred Approach Fund
	Apex Scotland
	Medics Against Violence