

Cross Party Group Volunteering and the Voluntary Sector

Minute

Wednesday 25th March 2015, 18:00-19:30

Committee Room 3, Scottish Parliament

Convenor: Margaret McDougall MSP

Topic:

In attendance:

Margaret McDougall MSP (Convenor), Joan McAlpine MSP, Margaret McCullouch MSP, Kate Wane, Martin Doherty, Harriet Eadie, Liz Watson, Linda Marrow, Paul Okroj, Emma Whitelock, Keith Wimbles, Martin Eveala, Heather Tait, Morven MacLean, Susan Swan, Eileen Moulton, Jenny Baird, Joanne Stewart, Andrew Lindsay, Phil Rowsby, Gordon Smail

Apologies:

John Mason MSP, Victoria McRae, Rebecca Marek, Donna Morris, David Karikas, Fraser Hudghton, Sheila Mcpherson, Alexa Anderson, Mike Melvin, Fiona Barlow; Alan Bingham

1. Welcome and introductions

Margaret welcomed everyone to the meeting and asked everyone to introduce themselves.

2. Minutes and matters arising

The minutes of January's meeting were approved.

Margaret reported to the group that she had written to both Alex Neil MSP and Shona Robson MSP as decided at the end of the last meeting.

3. AGM

The Chair demitted their office; K. Wane of the Secretariat sought nominations from the floor for the position of Chair.

Nominations Chair: Margaret McDougall MSP

Moved: Margaret McCulloch MSP, Seconded: Andrew Lindsay (Big Lottery Fund)

No other nominations – Margaret McDougall MSP elected

The Chair facilitated the rest of the AGM proceedings

Members were asked for nominations for the position of Vice-Chair:

Nominations: Joan McAlpine MSP

Moved: M McCulloch MSP, Seconded: Susan Swan (VC Borders)

No other nominations – Joan McAlpine MSP elected

Members were asked for nominations for the position of secretariat

Nominations for the Secretariat: SCVO & Volunteer Scotland

Moved: Margaret McDougall MSP, Seconded: Joan McAlpine MSP

No other nominations – SCVO & Volunteer Scotland elected

The Chair took the opportunity to thank the Vice-Chair and Secretariat for their work and for continuing in their positions.

It was agreed that the consideration of the future work programme would be undertaken after the presentations.

4. Voluntary Sector Funding

The Chair welcomed Gordon Smail of Audit Scotland to present on the findings of the recent report “*An Overview of local Government in Scotland 2015*”

Gordon Smail of Audit Scotland advised members of the main reflections of the report

- *An Overview of local Government in Scotland* is an annual report auditing local government finances and looking for best value. It's primary audience is local authorities and councillors.
- Impact of austerity means that council budgets are already tight and will get tighter.
- There has been an 8 ½ % decrease in funding to local government from the Scottish Government. 80% of local authority money comes from the Scottish Government.
- This is the knock-on effect of the overall decrease in funding to the Scottish Government from the UK Government.
- There is an increasing demographic impact (critically from our aging population) in terms of increasing demand for services.
- Consequently, challenging decisions being made by the Scottish Government and local government.
- Indications are that many savings already made by local government is through staff costs, however, staff cutting is not a long-term sustainable way of making efficiencies.
- Audit Scotland have noted the lack of medium to long term financial planning undertaken by local authorities and has called for better quality financial information from them. Given this attitude Audit Scotland would welcome three year funding.
- Implications for local government of cuts to budgets yet to come i.e. 2016/17. OBR forecasts a 6.4% real terms decrease.
- Local government will need to look at new options and councillors will have to make some difficult decisions.
- Requirement for better information to better inform services.
- Also need to ask what the impact of cutting funding to services (including those provided by the sector means) as will people ultimately just end up back at the council's door?
- In terms of CPPs relationships are the key issue. [Five CPP audit reports were published in November.](#)

In summary Gordon advised the CPG that a broad range of issues need to be tackled as the budgetary situation becomes tighter and tighter in the next few years; this will have a direct impact on services, those who receive them and those who seek to deliver them, including the third sector.

The Chair thanked Gordon and introduced Kathryn Wane of SCVO to highlight the recent SCVO research into third sector funding.

Kathryn highlighted that:

- Between 2004 and 2010 public sector funding quadrupled from £468m to £1,870m in 2010.
- This trend has now been reversed. Between 2010 and 2013 there was a 10% drop in public sector monies.
- As a result public sector funding only accounts for 34% of sector funds, down from 42% in 2010. This is the lowest level for a decade.
- Overall 69% of third sector organisations in Scotland receive no money from the public sector.
- The sector now gets 7.5% of its income from general public donations and fundraised income. Donations totalled £367m in 2013. This is an increase of £100m, and up 40% from 2010 when donations totalled only £261m.
- Self-generated income sources such as trading, sales, rents and investments have also increased by over £100m – historically low cash reserves.
- It would seem that donations are covering the loss in grant funding.
- Differing aspects to financing – Local Government still largest at 50% Scottish Government at 20% and with smaller sums from the NHS, Non-Departmental Bodies and the U.K Government.
- 83% of Scotland's smallest organisations receive no money from statutory sources. Small organisations rely heavily on income from individuals – half of their funds come from donations, membership fees, sales of goods, fees for activities and fundraising events.
- 49% of larger organisations (£1,000,000+) receive public sector funding, this varies from organisation to organisation with some receiving 90% funding from the public sector.
- Trend is to move away from grant funding to contractual arrangements.

The Chair thanked both speakers for their presentations and with their approval opened the meeting for questions.

5. Discussion and Q&A

Members highlighted a range of issues and topics

- It was asked if the increase in donations has led to a perception of increased/same level of spend or has the overall income gone up or down. Kate noted that for small organisations which rely most of donations, this group saw an overall loss in 2013 of £23m - a drop of 20%.
- Andrew from the Big Lottery noted that they had pushed for 3-5 year funding, however, it was highlighted that it's difficult to manage small grants over this time.

- It is not impossible to plan ahead even if budgets are uncertain – something local authorities could learn. Big Lottery has guaranteed funding to some organisations for a five year period even though their income is uncertain.
- Linda from CHSS noted that they receive three year funding, although rolling funding would be better. Most of their funding comes from the NHS but not sure under the new integration of health and social care who will have control of the purse strings and whether or not this will have any impact on their funding arrangements.
- The impact of the removal of services delivered by the third sector and impact on statutory services e.g. social work, community planning and relationships between community planning partners, was noted.
- Concerns were raised that Third Sector Interfaces (TSI's) should not be seen as a replacement for other organisations.
- Local Government cannot replicate third sector approach to services.
- Challenges on how to deliver on reduced budgets
- Noted the commitment of the SG and COSLA to three year funding, but that despite this most local authorities don't offer this.
- Why can't Community Planning Partnerships agree local three year funding approaches – it was highlighted that the Audit Scotland report mentioned this and that a more robust approach would allow for a more positive impact
- It was considered that if you had a service level agreement with your local council or NHS board than you ought to receive three-five year funding.
- It was noted by some funders that three year funding was better for larger organisations but may not suit small charities.
- It was considered that different organisations need differing funding arrangements, for example a large service deliverer will need a different settlement to a small 'social fabric' charity.
- Critical need to involve the experiences of service users when considering funding and the impact of any decisions.
- The responsibilities of funders were highlighted as was the need for different funders to work together as difficulties arise due to the inconsistency between funders. Funders need to take collective responsibility for the sustainability of services (not the sector).
- Differing funding mixes should be properly utilised.
- Differing funding approaches i.e. grants, donations, contracts and service level agreements should be better understood – members also considered strategic funding agreements.
- It was considered that receiving a grant was an indication that the funder trusted on you to deliver a service in your own way while a contract made it easier for a funder to control how a service was delivered.
- Although 'innovation' is word of the day it must be followed through with results
- Challenging points when clients don't meet funders' requirements.
- Flexibility was noted as being very important as was the ability to trust organisations (they are the experts) and take that risk. However, it was also mentioned that it can be very hard to demonstrate to a funder how your service prevented something happening and therefore justify funds.

- Concerning local government it was acknowledged that they require volunteers and that a protectionist approach to services could limit opportunities to enhance services and opportunities to grow volunteering
- Role of elected members (Councillors) in being better informed though they are reliant on Council Officers for recommendations.

The Chair thanked members and presenters for the width and depth of the discussion and asked members to reflect on this issues covered.

6. Forward Work Plan

Suggestions from members for the forward work plan were invited. Members are welcome to contact the secretariat with any issues they think it would be useful/important for the CPG to discuss.

It was noted that having written to the Cabinet Secretary for Social Justice, Communities & Pensioners' Rights and to the Cabinet Secretary for Health, Wellbeing & Sport the forward plan would be flexible to allow the opportunity for the respective Cab Secs to attend.

The next meeting will look at Volunteers Week and the future of volunteering. There was a suggestion at this meeting the CPG could look at the demographics of volunteers and opportunities for employer support volunteering.

7. Action Points and Date of Next Meeting

- The next meeting of the CPG will take place on Tuesday 26th May at 13:00.

Any Other Competent Business

None.