



Local Letter to MSPs

Dear MSP;

As you consider the Scottish Government's proposed Budget for 2024-25, I write to ask that you take time to consider its implications on the Third Sector and the communities who rely on our services. To many people across our communities, the impact of the Third Sector is the difference between people merely getting by, and them experiencing feelings of helplessness and destitution.

There are 3 main issues facing our Third Sector right now, and without significant support, they are likely to become more difficult to manage:

- Demand for services is high across all types of organisations, but particularly those helping vulnerable people.
- Resources are dwindling and becoming harder to source and secure.
- Employees and volunteers in the Third Sector are exhausted and organisations are unable to pay staff more to incentivise them.

There are a number of factors affecting each of these issues which I have attempted to summarise for you:

Demand

- Post-pandemic, people are more demanding of their communities; they have expectations that a lot of activities and support should be available locally.
- The public sector has shrunk significantly in the past 10 years, particularly at a local government level. This has a direct impact on the Third Sector due to the withdrawal of services from communities. Where services are withdrawn (or start to be charged for/increased charges for), communities themselves pick up the pieces and therefore demands on local groups increase.
- Social care is on its knees due to a lack of staff, and community support organisations are overwhelmed with requests for help.
- The cost-of-living crisis is having a devastating effect on the most vulnerable people in society as there is simply not enough money going into people's pockets. More people who are in work are struggling to make ends meet. Benefits are not sufficient to live on and we are told that people visiting DWP are given a list of charities to go to for help. Some government policies (both UK and Scottish) are either directly or indirectly responsible for making people poorer, or keeping them poor. As a result, organisations who provide support for the most basic functions in life like eating and hygiene (food, vouchers, clothing, basic soap and shampoo etc) are facing unsustainable levels of demand.

Resources

- The benefits system is not working for many people, and is failing to provide the very basics to people who need help the most; this is costing the Third Sector a fortune supplying people with very basic items. This level of urgent spend can't go on much longer as organisation finances become more stretched.
- Local government resources look set to be cut significantly again, and communities will lose valuable facilities and services, again.
- Donations to the Third Sector from the public (cash and goods) are down as people cannot afford to give what they might once have. Even those on higher incomes are impacted; disposable income is vanishing as interest and income tax rates have risen (either overtly or covertly).
- Many organisations do not know where their funding will come from next year, as multi-year funding is very hard to come by. We know of charitable organisations who give all their staff 3 months redundancy notice on the first working day of the new year as they don't know what will happen with grants when the new financial year begins.
- Money from the private sector and from trusts and foundations is extremely competitive with so many organisations chasing the same grants. There isn't enough to go around just now, and the smaller organisations without the dedicated fundraisers are the ones who miss out as they can't deliver vital services *and* write grant applications at the same time.

Fatigue and Mental Health

- The Third Sector cannot compete with the public sector in terms of pay and conditions, or job security, meaning that the sector struggles to recruit at a time when demand is at its highest.
- The demands of the pandemic have been followed immediately by the steep rise in the cost-of-living. Charities have gone from helping people in one crisis, straight into another with no respite. Volunteers are stepping away and staff are retiring because they can't keep up with demand.
- Employees and volunteers are passionate about the support they offer to people more vulnerable than themselves, and keep pushing themselves to do more. The impact of doing more for more people with fewer resources is having a significant negative effect on their mental health and wellbeing and is also leading to people choosing to leave the Third Sector.

The Third Sector spending line in the budget document has effectively been cut for the third year running but this is only a small part of the issue; the Third Sector supports every part of social society, meaning that every government portfolio will rely on it to deliver its outcomes. As most areas grapple with spending decisions that will result in widening challenges, the Third Sector is often the much lauded, yet poorly resourced sector that is expected to make do and continue to deliver against ever-higher expectations with diminishing real-terms resources.

My direct ask of you is that when taking decisions on the future of Scotland's finances, you don't lose sight of nor focus on (your region/constituency's) Third Sector. I urge you to take the points above into consideration, and that you commit to a fairer deal for the Third Sector at a time when it is needed more than any other time in our recent history. The problems faced by our communities, and by the most vulnerable people in society, cannot be solved without a strong and sustainable Third Sector.

If you would like to hear more about the experiences that our member organisations are talking to us about, or understand more about the work that is being done in this area, please do get in touch with me.