

Government and the Third Sector: relationships at local level

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Voluntary
Action
Scotland



Context

At a meeting with third sector stakeholders on the 14th December, John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth requested an analysis of the funding arrangements and relationships between government and the third sector at a local level.

In January 2010, the Scottish Council for Voluntary Organisations (SCVO) and Voluntary Action Scotland (VAS) surveyed Scotland's third sector local infrastructure organisations as well as representatives from Scotland's National Intermediary Network. A total of 47 responses were received, 39 of which were from organisations in all 32 local authority areas, and 8 from National Intermediary representatives.

This report provides an overview of the funding arrangements and relationships at local level between government and the third sector as of January 2010.

Introduction

The development of Third Sector Interfaces is an important change in the local landscape for the voluntary sector. The Interfaces, created by the bringing together of Volunteer Centres, Social Enterprise Networks and Councils for Voluntary Service, signal a more efficient approach to engagement with Community Planning Partnerships (CPPs).

They present opportunities to reinforce the third sector's role at the heart of community planning, particularly during the difficult financial period in which we find ourselves. These new combined structures will be seeking to influence how the public sector relates to and works with the third sector at the local level.

In response to the challenges we all face, the third sector is looking at opportunities to work more creatively and innovatively and to achieve our aims in an effective and efficient manner. Voluntary organisations are keen to explore different ways of working with public sector partners, as well as with each other.

The survey findings show a mixed picture. There are some very encouraging signs, such as the near universal representation of the third sector at community planning top tables. Other findings reflect the prevailing economic climate, such as the widespread pessimism about the future of grant funding.

These findings are an initial baseline for monitoring the agreements in the [Joint Statement](#)¹ on the relationship between the third sector and government at a local level. However it is difficult to know from the results of this survey which factors are most influential in ensuring good relations at a local level and which factors are influencing how the principles of the Joint Statement are being implemented.

The survey clearly identifies the need for further in depth research on good practice in cross sector collaboration in service delivery. SCVO will undertake this with partners over the coming months. This will tell us how successful various initiatives have been and where there are examples of good practice which can be shared across the country.

Where funding arrangements and relationships between local government and the third sector do not fully reflect the areas of agreement in the Joint Statement and our shared principles of fairness and mutual respect, we would urge the Cabinet Secretary to intervene.

¹ Full hyperlink: http://www.scvo.org.uk/scvocms/images/ThirdSectorTaskGroup_download.pdf

Key Observations

- Good relationships at the community planning partnership level do not guarantee good funding practice within the local authority
- There is a clear move towards competitive tendering. This is to the detriment of a wider approach to commissioning which is more user-focused and includes assessment of needs and service design
- Funding is becoming very tight in almost all areas, with very little optimism about future funding opportunities, especially grants
- Three year funding is acknowledged as a policy position, but the implementation does not match this.

Findings

- In most areas the third sector is represented at the CPP top table. But **there is still no top table representation** in Glasgow, Highland, North Ayrshire and Stirling
- Being at the CPP top table **does not guarantee good involvement** in the community planning process; notably in Inverclyde, South Lanarkshire and West Dunbartonshire
- Local authorities **failing to undertake tendering as part of a broader commissioning process** - one that includes needs assessment and consideration of the requirement to re-tender - include Aberdeenshire, Argyll & Bute, City of Edinburgh, Clackmannanshire, Eilean Siar, Glasgow City, North Ayrshire, Orkney, Renfrewshire and West Dunbartonshire
- Interestingly, five of these (Aberdeenshire, City of Edinburgh, Eilean Siar, Orkney, Renfrewshire) rate the **satisfaction with CPP** involvement as high
- Involvement in CPP structures below the top board is **generally felt to be adequate** in 24 authority areas (and for 65% of overall survey respondents)
- In a majority (25) of authority areas (and for 78% of respondents), **grant funding opportunities** in their area are **'becoming less frequent'**
- One third (10) of local authorities continue to **claw back surpluses** from projects delivered by the third sector. Each of these authorities (Aberdeen, Dundee, Glasgow, Highland, Inverclyde, Midlothian, Renfrewshire, Scottish Borders, Shetland Islands and South Lanarkshire) was considered not to be awarding 3-year funding as standard practice
- 17 local authorities do not **consider inflationary uplifts** in funding for the third sector. Of these, a number were also not awarding three year funding as standard practice; Clackmannanshire, East Lothian, Edinburgh, Glasgow, Highland, Perth & Kinross, Scottish Borders, Shetland Isles, South Lanarkshire.
- However, some longer term funding relationships (over three years) do take place in at least nine authority areas; i.e. Aberdeen, Angus, Edinburgh, Eilean Siar, East Lothian, Falkirk, Highland, Inverclyde, Shetland Isles.



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