

Scottish Parliament Social Justice and Social Security Committee

Pre-Budget Scrutiny 2024-25

Written submission by the Community Woodland Association (CWA), August 2024

CWA is a charitable organisation representing community groups that own and manage land and woodland across Scotland. Our members have a variety of structures and legal forms, but the vast majority are registered charities working to deliver benefits for their community of place through land and woodland management. We receive our own funding from a range of sources including Scottish Government, traded income, project funding, membership and a small amount of private donation.

Communities across Scotland must be front and centre in developing and delivering solutions to local issues, and this is often achieved through community organisations, for the most part these organisations are registered charities. We are also aware that some communities structure their organisations as limited companies with some form of asset lock and those organisations are also included in our understanding of the ‘third sector.’

Funding for third sector organisations has been challenging for years and funding is increasingly competitive, partly due to the squeeze on public finances which coupled with increasing costs means budgets are ever challenged. Any move toward long-term, flexible, sustainable and accessible funding would help community and third sector organisations to deliver benefits for themselves without the constant pressures of fund-raising, operating with restrictive budgets and constant cost control.

CWA believes that the best funding for charitable organisations is a combination of all the below, which respondents are asked to place in order of preference

- Flexible, unrestricted core funding
- Receiving funding for three years or more
- Funding that includes inflation uplifts and covers all costs
- Funding that enables organisations to pay their staff at least the Real Living Wage
- A streamlined and consistent process for making funding applications, reporting and receiving payments

We do not rank them in order of preference. The best-case scenario is for funding to be flexible, long-term, unrestricted, include inflationary uplift that enables payment of at least the Real Living Wage with minimal paperwork and reporting.

We also suggest that payment in advance would be massively beneficial to charitable organisations, removing or reducing cash flow issues, addressing uncertainty and enabling focus on efficient delivery rather than fundraising. This applies especially to smaller organisations. We also believe that at least for smaller sums, this carries minimal risk for the funder who through appropriate conditions would always have necessary redress.

For many organisations self-financing is unattainable, funding allowing organisations to develop new sources of income would help some and the ability to apply for funding to increase fund-raising capacity would help. Similarly, applying for large scale funds is often complex and sometimes requires specialist outside help. Larger funding schemes should have a provision enabling and supporting organisations through the application process. This may also be achieved through additional targeted support to umbrella organisations (see penultimate paragraph).

When there is longer-term funding then there is more staff security and projects that might require longer time frames can be undertaken in the knowledge that there will be members of staff who will be able to oversee such a project. Whilst shorter projects are valuable, they face proportionally greater challenges and costs: it may not take significantly more effort to establish a five-year project compared to say a one-year project; longer projects are generally, more efficient. Longer term funding also provides benefits for the wider communities, especially in rural areas where longer term employment is more likely to lead to inward migration.

Longer-term funding provides more security for those in funded posts and by enabling establishment of longer-term posts, will encourage more people to apply as they are more attractive to potential employees. This in turn benefits the organisations advertising the post who may have a stronger pool of applicants to appoint from. The combination enables a more strategic approach to delivery and removes stress from the organisation with benefits at organisational and individual levels.

Conversely, short-term funding leads to a constant renewal of people in roles also puts demands on those who support those roles, with increased administration for example recruitment and induction. There is also significant stress on organisations when they seek funding renewal, especially if commitments are not made in time to allow forward planning. And organisations always face and must address the potential of people on short-term contracts leaving for new opportunities before the end of their existing contract.

Any move toward flexibility of funding and provision of unrestricted core funding is to be welcomed, provided it is at a level that enables organisations to thrive. Inflationary uplift is essential in third sector budgets. Costs are ever rising and the ability to deliver current levels of activity in future years will not be possible without increased budgets. Without inflationary rises organisations will face budget decisions and choices between maintaining real income levels for staff and delivery of organisational objectives.

The biggest issue facing community based third sector organisations currently, is capacity. Busy people are always trying to do more, this sometimes means project delivery takes longer than expected. An increase in the flexibility of funding to recognise this challenge and willingness to accept that sometimes things take longer than expected would be welcome. As things stand government funding through agencies may on occasion be extended due to exceptional circumstances. In our experience supporting community-based organisations, the threshold of 'exceptional circumstances' is relatively tough, more flexibility and the ability to compromise without undue process recognising the difficulties faced especially by smaller volunteer only groups would be constructive.

Improved funding arrangements will enable third sector organisations to meet their obligations in terms of Real Living Wage, pension payments and maintain delivery levels to their best of their ability. Statutory obligations will continue to be met if funding declines or

remains static, meaning that reduced delivery of objectives is the likely outcome of static funding.

The Community Woodlands Association supports member groups through provision of training, events, networking, an annual conference, advocacy and representation. We believe that organisations with similar roles to our own are worthy of funding support. The efforts of these intermediary or umbrella organisations promote, and advance charitable objectives and we provide a vital and cost-effective service which adds value to Scottish Government support and enables and empowers community and third sector organisations. Enhanced support to these organisations will only lead to a stronger community and third sector.

This response is on behalf of the Community Woodland Association, it may be published along with my name, and we are happy to be contacted in connection with this response. I consent to data provided being used as set out in your privacy policy.