

Scottish Parliament Social Justice and Social Security Committee

Pre-Budget Scrutiny 2024-25

Written submission by Housing Options Scotland (HOS), October 2024

Our experience of annual funding and the emotional and practical consequences for staff and trustees.

Thank you for giving us the opportunity to submit further evidence to the Social Justice and Social Security Committee, on the topic of annual third sector funding.

HOS is a relatively small charity funded almost entirely by the Scottish Government with whom we have been strategic partners since 2019. Our funding for the current financial year is £475,500.

We have been the recipients of annual funding since 2008 and until recently have managed to work effectively within this regime and deal with the negative consequences of financial uncertainty.

We provide a unique, bespoke brokerage service to over 1,200 clients per year. We cover the whole of Scotland and provide tailormade support on all forms of housing tenure.

Our evaluations and monitoring have been highly positive, and we have always exceeded our expected outcomes even during the pandemic. We work very closely with our Scottish Government colleagues to ensure we can provide the evidence needed to secure future funding.

In response to demand, we have continued to innovate and provide expert advice to members of the armed forces community, young people with learning difficulties wishing to live independently for the first time, and disabled and older people threatened with or experiencing homelessness.

As others have said, securing additional core funding is now proving virtually impossible and many funders have been forced to close down their funds in the light of unmanageable demands. Nevertheless, we have been able to secure an additional £60,000 from 5 grant awarding bodies.

We do not have any office premises or assets. All our staff are home based, and the bulk of our funding is spent on salary costs. As a consequence, we have limited capacity to reduce costs (other than to shed staff).

We carry enough in reserves to meet all our legal and contractual obligations but as a result we have virtually no options to continue our service if funding is delayed or substantially reduced.

In recent years, funding decisions have been communicated later and later. We do not feel we are entitled to funding and fully appreciate the difficult funding climate that we are in. In the current financial year, we still had no confirmation of our funding. We held off for as long as possible but we were in a very precarious position with our staff who were in effect “out of contract”.

Eventually in May 2024 we took the incredibly painful decision to make four staff redundant. The loss of 25% of the team was hugely difficult: practically, emotionally and financially. I am very proud to say that we continued to provide the same high standard of service to our clients, but this was only achieved by moving all the remaining staff onto operational duties.

In the run up to this decision, our Trustees had many lengthy and complex discussions. Meeting frequency was increased, and we set up a subcommittee to try to keep pace with the fast moving and ever-changing world. We had to seek (and pay for) additional legal advice.

At various times, everyone in the charity was under threat of redundancy and the resultant strain on mental and physical health cannot be overstated.

Now at the beginning of quarter 3, we once more find ourselves facing the same uncertainty. Staff morale has been understandably affected and we are finding it challenging to retain the current team.

Our Trustees are exhausted by the additional governance pressures they have faced and will continue to face but nevertheless are fully committed to the charity. We will be approving an exit strategy at our November board in preparation for a delayed funding announcement for 25/26 or worst-case scenario no funding at all.

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Chief Executive Officer
Housing Options Scotland