

Scottish Parliament Social Justice and Social Security Committee

Pre-Budget Scrutiny 2024-25

Written submission by Youthlink Scotland, August 2024

Youthlink Scotland is the national agency for youth work. We are a membership organisation representing local, regional and national youth organisations from the voluntary and statutory sectors. As the collective voice of the youth work sector, we represent its policy and practice needs, including supporting the sector's contribution to delivering Scotland's national outcomes.

Introduction

Third-sector youth work organisations rely on funding to support their activities. Through engagement with our voluntary youth work networks and involvement in broader Third-party working groups, we know that adequate, sustainable, and ethical funding is essential. This is why we are responding to the [Social Justice and Social Security Committee](#) consultation on Third-Sector Funding Principles. Our member networks understand this consultation's significance and are encouraged to reply within their context.

Transparency, Accountability and Urgency

Funding principles should have a clear and straightforward purpose so organisations understand what is required. Reporting and evaluation processes should be reasonable and manageable. This means accessible, streamlined, proportionate, consistent approaches to applications and reporting (including timely processing and payments) and partnership between the grant-maker and the grant-holder. This must include a comprehensive and proportionate approach to financial transparency on grant distribution to support organisations and the public's understanding of spending decisions. Additionally, reporting and stakeholder groups should be convened to include representatives of the youth work sector, ensuring the voluntary sector and Scottish Parliament can scrutinise progress on fairer funding. Youthlink Scotland wants to move to multiyear grants as the default position for the sector and supports partners and members in achieving this aim. The youth work sector has suffered from years of underfunding, compounded by crises such as the coronavirus pandemic and the cost-of-living crisis. This has put the sector under increasing pressure, exacerbating financial and operational challenges for voluntary organisations. The demand for services and costs are growing, and economic uncertainty is ongoing.

Action on fair funding principles is increasingly urgent. It should include a Scottish Government commitment to notify **all** grant holders of their funding for previous years, which still needs to be met. We seek a commitment on confirmed contracts with at least three months' notice before the end of existing contracts/funding arrangements.

Building Capacity and Sustainability

We support SCVO's long-standing campaign for [multi-year funding](#) by 2026 to help organisations plan more effectively. This should include commitments to enable third-sector organisations to become more self-sustaining and apply across **all** government directorates. Youthlink Scotland's [National Voluntary Youth Work Organisations Scotland Network](#) echoes these calls for a fair funding approach to voluntary sector funding, developed in collaboration with organisations across the sector. Fair funding is a long-term, flexible, sustainable, and accessible approach to funding and central to a sustainable voluntary sector which can offer fair work, maintain and support the recruitment of youth work volunteers and help to meet demand and deliver quality opportunities for young people. This should also include inflation-based uplifts and funding that accommodates paying staff at least the Real Living Wage.

Funding requirements and conditions should be proportionate to the size and capacity of the organisation receiving funds, include timely decision-making, and ensure that funding opportunities are accessible to diverse organisations, including those representing minoritised communities.

Collaboration, Adaptability

Funders should continue to engage with third-sector organisations to understand their needs, fostering a collaborative approach. This includes working with youth work-centred organisations to understand opportunities and challenges. Partnerships between organisations should be encouraged to maximise the impact and reach of voluntary youth work services. In the spirit of that approach, funding principles should allow some flexibility on how funds are used so organisations can move quickly to unexpected challenges and meet the needs of those they support. This will enable organisations to adapt their plans to help their community's needs. Funding sources should routinely consider ethics, ensuring they embody the values of the youth work sector and broader Third Sector community and are directed toward activities that have a clear, positive impact on communities.

The nature of the funding relationship should be seen as a "*partnership*", so the funding dynamic should reflect that relationship and ethos. There is a significant power imbalance, allowing the Scottish government to take an opaque and sometimes distant approach to funding. It needs to be seen and treated as a mechanism by which the third sector supports the Scottish Government in implementing policy and working together to address shared concerns.

Learning, Improvement and Community Focus

Youth work organisations tell us they require support to evaluate their impact, so funding should include resources to help us learn from and improve experiences for young people. This should consist of the ongoing recognition, promotion, and sharing of best practices between organisations, which, in turn, enhances the reputation and effectiveness of the sector.

Funding decisions should be responsive to and reflective of the needs and priorities of local communities. We must listen to youth workers and the young people they work alongside to ensure that funding addresses accurate and current community issues. Therefore, funding should support locally-led initiatives and empower communities to drive the positive change they wish to see.

Summary

These principles will help create a supportive and collaborative environment for the Third Sector in Scotland, fostering a vibrant and sustainable landscape where voluntary-led youth work organisations can thrive and respond more effectively to young people's and their communities' needs.