



Response to Pre-budget 2025-26 scrutiny – Third sector Funding principles Consultation

Parenting across Scotland (PAS) is a membership organisation working for a Scotland where all parents and families are valued and supported to give children the best possible start in life. Launched 2004, we became a Scottish Charitable Incorporated Organisation (SCIO) in 2017. Our work is focused on ensuring that policy and practice meets the needs of parents, carers and children and that parent and carers voices are represented in decision making relevant to their lives.

PAS has been a recipient of the Scottish Government's Children and Young People's Early Intervention Fund (CYPEIF) since that fund commenced in 2016/17. It is managed by CORRA on behalf of the Scottish Government. We very much welcome the opportunity to respond to this consultation on third sector funding principles as part of 2025-26 pre-budget scrutiny.

Q: Please select ALL the sources of funding your organisation currently receives:

Scottish Govt X

Private donations/fundraising X

Q2. Longer-Term Funding Impact: How would a shift to longer-term funding of three years or more support your organisation?

When the CYPEIF fund first commenced it provided three years of funding, but subsequently the funding has been rolled over for various periods of time between 3 months and 2 years. This inconsistency has caused a number of challenges for our organisation, and our members who receive this fund, including the inability to plan for the longer term and staff recruitment and retention.

Three-year funding (plus) funding would enable PAS and our members to provide a degree of job security for staff and make us more able to support their development. With secure funding we could spend less time seeking other sources of income and be able to spend more time on our

charitable activities. We would also be better able to plan for future growth and development. Ultimately this would help us to increase our impact and make us more able to achieve our vision for parents, children and families.

Q3. Longer-Term Funding Impact: What specific challenges do you foresee in transitioning to such a funding model?

In our view there are no challenges that outweigh the benefits of moving to a longer-term funding model. It would require Scottish Ministers committing to funding beyond one annual budgetary cycle, but this is already the case with our current CYPEIF fund.

However, it is vital that any longer-term funding model builds in scope for cost-of-living increases on an annual basis. At present our CYPEIF grant has only received one 5% uplift in eight years, meaning we are effectively receiving less money now than when we first received the grant in 2016.

Q4. Longer-Term Funding Impact: If relevant, please provide any specific examples of how your organisation has been affected by a lack of longer-term funding certainty.

Our first CYPEIF application was for a three-year period up to March 2019. There was then a one-year extension given to March 2020 during which period we submitted a funding application for the next funding phase (April 2020 onwards). When the COVID-19 pandemic hit, decisions about the next phase of funding were paused and we received a 3-month extension (April – June 2020) followed by a 9-month extension to March 2021. This was subsequently extended again for another year until March 2022 and then again for another year until March 2023. Each time our extension letters included a sentence stating this would be ‘the final year of this fund’.

In 2022, the Scottish Government consulted on the development of a new fund to replace CYPEIF called the Children, Young People, Families and Adult Learning Fund (CYPFAL). We submitted our application for CYPFAL funding later that year. In December 2022 we received notice that the CYPEIF fund would be extended for another 3 months (April – June 2023). Then in March 2023 we finally got word that the CYPEIF fund would be extended again until March 2025. Our CYPFAL application would not be considered.

While the core funding PAS has received from the Scottish Government continues to be very welcome, the way the fund has been managed over the past 5 years has been less than desirable. We appreciate that financial decision making was challenging during the pandemic, however we and other recipients have repeatedly experienced:

- Spending significant amounts of staff time on funding applications that have never been considered

- Very short-term funding extensions of 3 months which provide very little security
- Short notice periods of decision making, leaving us wondering whether we will have funding in a couple of months time
- Working with organisational outcomes based on our original (and now somewhat out of date) application from 2016.

As you can imagine this has been very unsettling for many organisations. For PAS in particular, it caused us some significant challenges. The second 3-month extension coincided with the previous Director's retirement. With lack of long-term funding available the Board was forced to halt recruitment for a new CEO and consider the future viability of the organisation. In the end the recruitment was only able to commence once the 2-year extension had been announced.

The two-year funding we currently receive has provided a welcome respite, but we are already two thirds of the way through the extension and have no idea at the moment what will happen after March 2025. It seems unlikely that there is sufficient time for a new application process to take place this year, but at this point funding recipients have not been told what is happening, despite repeated requests.

Q5. Flexibility and Core Funding Needs: In what ways would flexible, unrestricted core funding enhance your organisation's operational effectiveness and governance?

It is difficult to overstate how important flexible, unrestricted core funding is for third sector organisations such as PAS and our members. It enables us to adapt to changing circumstances and focus on those charitable activities where we believe we can make more of a difference. While project funding is very welcome and will continue to be an important source of funding, flexible unrestricted core funding is what makes the third sector the strong, dynamic and responsive sector that it is.

Q6. Flexibility and Core Funding Needs: What specific challenges do you foresee in transitioning to such a funding model?

One positive lesson that the pandemic told us is that providing flexibility in funding really works. Many funders during the pandemic loosened their funding criteria and enabled third sector organisations to respond to the pandemic in whatever way they felt was most appropriate, whether that was setting up new emergency funds and services or providing new models of service delivery. This flexibility was very much welcomed by the sector as it demonstrated trust in organisations to make their own decisions. It was hoped that it might set a new tone for funding in the future, with more emphasis on flexibility than before. It is difficult to find evidence however that this is indeed the case. It is essential that trust is placed at the heart of any flexible core funding model in order for it to work effectively.

Q7. Flexibility and Core Funding Needs: If relevant, please provide any specific examples of how your operational effectiveness and governance have been affected by a lack of flexibility in your core funding.

It is important to acknowledge that while CYPEIF funding decision making has been hugely problematic, CORRA's management of the fund has been excellent. The support we have received from Scottish Government officials and our CORRA grant officer on a personal basis has been very welcome. They have been aware of our organisational challenges with recruitment and the outdated nature of our outcomes but have been happy to support us to make the decisions we need to make. There has never been a barrier for us using the fund in whatever way we feel is appropriate.

We have also welcomed the change in recent years to reporting requirements from quarterly to every six months, which feels more appropriate and less onerous.

Q8. Sustainable Funding and Inflation Adjustments: How critical are inflation-based uplifts and full cost covering, including core operating costs, to the sustainability of your organisation?

Q9. Sustainable Funding and Inflation Adjustments: What impacts have you observed or anticipate without these adjustments in your funding?

Q10. Sustainable Funding and Inflation Adjustments: If relevant, please provide any specific examples of how your organisation's sustainability has been affected by a lack of inflation uplifts and/or full cost covering.

Inflation-based uplifts are vital in our view. As mentioned earlier, recipients of the CYPEIF fund have only received one 5% uplift in 8 years. The funding no longer covers the costs that it used to. This means we either have to make up the shortfall through other sources of income or reduce our activity accordingly.

The needs and challenges faced by families across Scotland are ever more pressing; child poverty rates still shockingly high, many mental health problems are left unsupported, and education is not always providing the supportive environment that it should for children¹. The need for our work has not gone away but it is a difficult balancing act to ensure that we are not overcommitting ourselves.

Q11. Real Living Wage Commitments: What challenges does your organisation face in ensuring all staff are paid at least the Real Living Wage?

None. As a small organisation we are able to ensure that all staff are paid above the Real Living Wage.

¹ [pas-literature-review_digital.pdf \(parentingacrossscotland.org\)](#)

Q12. Real Living Wage Commitments: How would improved funding arrangements support your organisation to meet this commitment?

N/A

Q13. Efficiency in Funding Processes: What improvements in the application, reporting, and payment processes could make the funding system more efficient for your organisation?

Based particularly on our experiences as outlined in Question 4 above, we believe that the following processes are important to embed in any large fund:

- **Clear, reasonable and consistent funding timelines.** Applicants need to know how long the funding is going to be available for and for this not to be subject to change. For core funding this should be at least three years.
- **Good notice periods for submitting applications.** Three months is a helpful length of time to account for holidays and other work commitments.
- **Applications that are proportionate to the size of funding available.** Small grant applications should not require the same level of detail as large grants.
- **Good notice periods for funding decisions.** Funding decisions should be announced at least three months in advance of when they take effect in order to support staff retention and plan for the future.
- **Proportionate reporting requirements.** Organisations should not be overburdened with detailed and frequent reporting requirements.
- **Placing trust and respect at the heart of the process.** So that third sector organisations can be supported to do their best work.