



T: 0300 244 4000
E: scottish.ministers@gov.scot

Ms Anna Fowlie

By Email:

Anna.Fowlie@scvo.org.uk

Our ref: 201900007723

7 January 2020

Dear Anna

Thank you for your correspondence dated 25 November about the impact of the cancelled UK budget on the third sector.

Scotland's third sector is a key partner of the Scottish Government, contributing right across the National Performance Framework. The sector is also an important part of Scotland's economy. I understand SCVO now estimate the sector's annual turnover to be £5.8 billion.

As you mention in your correspondence, the postponement of the UK budget creates a great deal of uncertainty for Scotland. The Cabinet Secretary for Finance, Economy and Fair Work wrote to both the Chief Secretary to the Treasury and to the Chancellor last month, to express concern and to stress that the UK Budget should proceed as soon as possible. We are focused on introducing a Scottish Budget for 2020-21 at the earliest practical opportunity and appreciate the need for early clarity on funding.

Without grant arrangements in place, I understand some third sector organisations may need to issue 'at risk' letters to employees. I assure you this is not a matter the Scottish Government is taking lightly. I understand the negative impact this could have on staff wellbeing and service continuity.

Therefore, to help mitigate the risks of the postponed UK budget, I have agreed to issue grants worth £3.38 million to a range of third sector organisations for quarter one of next financial year. This includes SCVO and Scotland's network of Third Sector Interfaces, who provide direct support to charities and social enterprises in every local authority across Scotland.

I have also written to my Cabinet colleagues to highlight the issue and have asked them to consider similar arrangements where possible. Where this is not practical, I have encouraged timely grant-making once the Scottish budget is confirmed.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot



My official, Will Tyler-Greig (Head of Third Sector Investment), is working with you and your team and keeping me fully updated on this matter. In order to navigate the coming months and respond effectively, it is important we continue to share information and work together.

I hope this is helpful.

Kind regards



AILEEN CAMPBELL

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



INVESTORS
IN PEOPLE

Accredited
Until 2020

