

## SCVO briefing to Scottish Parliament

# Scottish Government Debate: Economic Recovery

June 2021

### Summary

- The voluntary sector's huge role in Scotland's economy extends well beyond the 100,000+ people it employs and an annual turnover of over £6 billion.
- The Scottish voluntary sector works with 1.4 million volunteers. It plays a crucial role in ensuring that the Scottish economy supports people and communities to live fulfilled lives.
- The voluntary sector in Scotland has played a vital role in supporting the country through the coronavirus pandemic. Yet, the pandemic has intensified the challenges the sector already faced.
- Scotland needs voluntary organisations to build empowering communities and provide spaces for people to take care of their wellbeing as our local economies recover from the pandemic.
- Economic transformation with a positive impact on Scottish society will be where the voluntary sector is enabled – through support, partnership, and long-term funding – to play an integral role.
- The voluntary sector must be part of a collective approach at every stage of Scotland's economic and social change, including as part of the new council for economic transformation.
- A coordinated approach is required with cross-sector buy-in from organisations, funders, local authorities, and government to make good on the ambition of a resilient and sustainable voluntary sector in Scotland.
- The Scottish Government and Parliament must not allow the calls to action of Scotland's Social Renewal Advisory Board to drift. MSPs have a crucial role in preventing another failed report.

[Briefing in detail >](#)

## Scotland's voluntary sector as an economic actor

The voluntary sector's huge role in Scotland's economy extends well beyond the 100,000+ people it employs and an annual turnover of over £6 billion.

The Scottish voluntary sector works with 1.4 million volunteers. It plays a crucial role in ensuring that the Scottish economy supports people and communities to live fulfilled lives.

Our sector supports people to become active in the economy through the employability programmes we deliver, and the care that voluntary organisations provide.

Research-based charities have crucial insights to contribute to social, economic, and environmental discussions. The sector also provides digital devices and support to develop skills for digitally excluded people.

The Advisory Group on Economic Recovery noted the importance of culture to how Scotland is portrayed at home and overseas. The voluntary sector is responsible for many theatres, museums, galleries, sports clubs and more.

Voluntary organisations also provide greener active-travel services that are better for health and allow people to access their local economies. Many play a fundamental role in the conservation of our natural environment.

Despite this, the voluntary sector's economic contribution is often unnoticed, and we have found that its value to the economy is not understood.

Precarious and unsustainable funding risks our sector's contribution to the economy and society in the months and years ahead. We need reliable funding, and public bodies must change the way they allocate funding and how they approach partnership working with the sector.

## Impact of the pandemic

The voluntary sector in Scotland has played a vital role in supporting the country through the coronavirus pandemic. Yet, the pandemic has intensified the challenges the sector already faced.

Scotland's charities and community organisations have kept people safe in their homes, providing food and medication, digital support, and devices. They have kept many of us going through Zoom choirs or Scouts activities or, more formally, with online befriending and counselling.

However, Scotland's voluntary sector has been hit by a perfect storm of loss of income and fluctuating service demand. The pandemic has also shown that the financial situation for many voluntary organisations, big and small, was already precarious.

The Scottish and UK Governments' financial support for the sector has been greatly appreciated, but this was only ever a sticking plaster. A secure and sustainable future for the voluntary sector is needed to play its part in Scotland's social and economic transformation.

## **Our role in the immediate recovery**

**Scotland needs voluntary organisations to build empowering communities and provide spaces for people to take care of their wellbeing as our local economies recover from the pandemic.**

The report from the jobs sub-group of the Economy and Skills Strategic Board highlighted the crucial role of the voluntary sector as an employer and as a provider of vital employability support as we move into recovery and renewal.

The pandemic has also created a health crisis, and the impact of lockdown has intensified this. The voluntary sector is needed to respond to a range of groups and individuals whose mental and physical wellbeing has and continues to suffer.

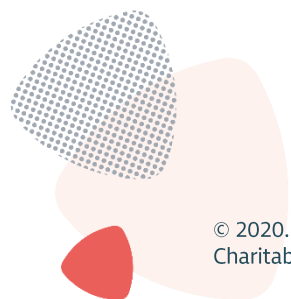
Scotland needs help from voluntary organisations to respond to the economic crisis created by the pandemic through employability programmes, advice on accessing benefits and support with essentials such as housing and food.

## **Our role in transforming Scotland's economy**

**Economic transformation with a positive impact on Scottish society will be where the voluntary sector is enabled – through support, partnership, and long-term funding – to play an integral role.**

If Scotland is to do more than clamber over the line in this pandemic, decision-makers must recognise the economic weight of Scotland's voluntary sector and its high potential to be part of transformational efforts in shifting to a wellbeing economy.

**The voluntary sector must be part of a collective approach at every stage of Scotland's economic and social change, including as part of the new council for economic transformation.** The sector should be supported and funded appropriately to share their expertise and knowledge in national discussions on recovery and renewal post-pandemic.



Simply seeing the sector as a cost-effective way to fill gaps rather than by supporting and funding its transformative potential over the long-term does little to support systemic change that promotes wellbeing, is sustainable, and enables all to live fulfilled lives.

## **A resilient and sustainable voluntary sector**

**A coordinated approach is required with cross-sector buy-in from organisations, funders, local authorities, and government to make good on the ambition of a resilient and sustainable voluntary sector in Scotland.**

Sources of funding for organisations throughout the sector are complex and there is no one fix-all solution to the funding challenges faced by the sector. Voluntary organisations rely on a combination of funding and trading income, grants, contracts, fundraising and reserves.

The Advisory Group on Economic Recovery recommended that the Scottish Government should ‘take action to protect the capacity and financial sustainability of the third sector’ and cited longer-term funding arrangements and flexible approaches to procurement as priority areas.

Scotland’s Social Renewal Advisory Board has called on the public sector and voluntary sector partners to ‘focus on long-term outcomes to achieve shared goals, with the aim of delivering a secure and sustainable future for the third sector.’ A resilient and sustainable sector needs public bodies to think and act long-term.

## **Addressing the implementation gap**

**The Scottish Government and Parliament must not allow the calls to action from Scotland's Social Renewal Advisory Board to drift. MSPs have a crucial role in preventing another failed report.**

Various reports from the Advisory Group on Economic Recovery to the Social Renewal Advisory Board spoken of the need for a new three-way partnership of public, private, and voluntary sectors; this must be the reality and not simply rhetoric.

The Social Renewal Advisory Board’s report offers hope that Scotland’s recovery from the pandemic can lead to a fair and equal society if there is the determination to make it happen. Delivering a secure and sustainable future for the voluntary sector is rightly part of the board’s call.

While these reports alone do not have all the answers, they add to a bank of recommendations that mark watershed moments yet often stall at the point of implementation. The voluntary sector has said what it needs and what to do – now we must act.