



FINANCE COMMITTEE

AGENDA

16th Meeting, 2001 (Session 1)

Tuesday 19 June 2001

The Committee will meet at 10.00 am in The Hub, Castlehill, Edinburgh to consider the following agenda items:

1. **Committee Business:** The Committee will consider whether to take agenda item 3 in private.
2. **Voluntary Sector Funding:** The Committee will receive a report back from its reporter, Donald Gorrie MSP.
3. **2002/03 Budget Process:** The Committee will consider a draft report.

Callum Thomson

Clerk to the Committee

Room G.6, Committee Chambers

Tel. 0131 348 5215

Email: callum.thomson@scottish.parliament.uk

The papers for this meeting are:

Agenda item 2

Report by Donald Gorrie

FI/01/16/1

Agenda item 3

Draft 2002/03 Stage 1 Budget report

PRIVATE PAPER

**REPORT TO THE SCOTTISH PARLIAMENT'S
FINANCE COMMITTEE
ON THE FUNDING OF VOLUNTARY ORGANISATIONS**

By Donald Gorrie MSP & Adam Ingram MSP

June 2001

CONTENTS

INTRODUCTION	1
EVIDENCE FROM THE VOLUNTARY SECTOR.....	2
THE EXECUTIVE REVIEW OF FUNDING FOR THE VOLUNTARY SECTOR	5
THE SIZE OF THE VOLUNTARY SECTOR	5
ISSUES AROUND INADEQUATE FUNDING	5
ISSUES AROUND DECREASING OR STANDSTILL FUNDING	6
PROJECT FUNDING.....	7
CORE FUNDING	8
RELEVANT PROBLEMS	9
SOME BENEFITS OF VOLUNTARY ORGANISATIONS	10
COMPETITIVE FUNDING	11
BEST VALUE AND GOOD AND BAD PLANNING	12
CONCLUSIONS, PROPOSALS AND QUESTIONS	15
APPENDIX 1	I

Introduction

This Report is based on the views put to me by Voluntary Organisations at eight meetings with representative groups from the voluntary movement, covering youth work, caring, the environment, arts, sport, advice and the sector as a whole, at other local meetings with Adam Ingram or myself, and in written evidence. We believe that the disturbing facts and strong opinions conveyed to us clearly show the importance of the voluntary sector and the value of a full enquiry by the Finance Committee into its funding, which is in a critical state.

A very short timescale was demanded by the Committee's aim to put the Report in as evidence to the Executive's consultative paper 'Review of Funding for the Voluntary Sector'. As a result some local voluntary organisations did not think there was enough time to consult properly and put together their response. I sympathise with their views and apologise for the short time available. However, such a consistent message came from national and local bodies in all areas of voluntary work that the Committee can take the views set out as representing a great consensus in the voluntary sector, covering most spheres of activity and most parts of Scotland.

The timescale also did not allow time to consult with the funding organisations – the Executive, local authorities, Health and other quangos, the Lottery and the European Union (who came in for severe criticism from the voluntary organisations, which the Report sets out). A full Committee Enquiry would give the funders a chance to set out their position and answer criticisms. This Report shows that, in the eyes of the voluntary organisations, there are real problems which the Parliament and Executive should address.

The Report keeps to the salient points and cites some specimen facts about the funding of the voluntary sector, to help the Committee to appreciate the issues as regards finance. The background, which the Parliament and Executive have to bear in mind, is the value to the community of voluntary organisations. They are a principal pillar of all Scottish communities, bringing great benefits to the communities, to the particular causes promoted by each organisation, to the volunteers themselves and to the cause of active citizenship and democracy. They provide enthusiasm, innovation and often highly skilled services which the public and commercial sectors could not replace.

Evidence from the Voluntary Sector

In the short time available to meet the deadline of the Executive's consultation document 'Review of Funding for the Voluntary Sector', I met with eight groups, covering the widest possible range of voluntary organisations, as follows.

29 May National Youth Organisations

Carol Downie	Youth Clubs Scotland
Jim Duffy	Scout Association
Simon Jacquet	YouthLink Scotland
Janet Shepherd	Duke of Edinburgh's Award

30 May Citizens Advice Scotland

Myles Fitt	CAS
Gavin Kenny	CAS
Kaliani Lyle	CAS
Lucie McKenzie	CAS
Barbara Swan	Gorgie/Dalry CAB

1 June Scottish Council for Voluntary Organisations

Marion Lacey	SCVO
Lucy McTernan	SCVO

1 June Local Voluntary Youth Organisations

Betty Abbott	Central Assoc of Youth Clubs
Dianne Anderson	Central Leith After School Project
Ian Boardman	Lothian Assoc of Youth Clubs
Pete Gregson	Young People Speak Out
Graham McCulloch	Lothian Assoc of Youth Clubs
Jamie Rennie	Stonewall Youth Project
Alan Robertson	Borders Assoc of Youth Clubs
Marion Romeril	Borders Assoc of Youth Clubs
Martin Rothero	Midlothian Young People's Advice Service
Alistair Short	Youth Clubs Scotland

4 June Local Sports Councils & Scottish Sports Association

David Arnott	Scottish Assoc of Local Sports Councils
Sheila Bulloch	Scottish Assoc of Local Sports Councils

Colin Grahamslaw Scottish Sports Assoc (Scottish Hockey)

Johan Steele Scottish Sports Assoc (Royal Caledonian Curling Club)

Ernie Turpie Scottish Assoc of Local Sports Councils

Joanne Waddell Scottish Sports Assoc

4 June **Voluntary Arts Network Scotland & Community Arts Organisations**

Fiona Campbell Voluntary Arts Scotland
Elspeth Cowie Traditional Song & Music Assoc of Scotland

Ian Gray National Operatic & Dramatic Assoc (Scottish Branch)

Richard Kay Scottish Community Drama Assoc
Carol Main National Assoc of Youth Orgs
David McLellan Voluntary Arts Scotland
Liam Patterson Scottish Traditions of Dance Trust
Richard Shaw Making Music Scotland
Jean Taylor Scottish Guilds of Weavers,
Spinners & Dyers Exhibition Group

5 June **Community Care Providers Scotland & Care Organisations**

Shona Barcus Scottish Assoc for Mental Health
Norman Dunning ENABLE
Annie Gunner Community Care Providers Scotland

6 June **Voluntary Organisations in the Environmental Sector**

Emma Burtles Sustrans Scotland
Alan Drever Scottish Native Woods
Andrew Fairbairn Woodland Trust
Alison McGachy John Muir Trust
Danny Nugent The National Trust for Scotland
Mike Robinson Royal Society for the Protection of Birds

Each meeting lasted two hours and some organisations also submitted written information. Adam Ingram also held some local meetings in Ayrshire.

In addition, written evidence was received from the Voluntary Organisations listed in Appendix 1, in response to a short questionnaire and letters inviting comments and factual information.

The Executive Review of Funding for the Voluntary Sector

The comments from the national organisations were that the Executive's Review is about managing better what exists and is focussed on process issues. There has been no real involvement of the voluntary sector. The paper demonstrates no strategic thinking. It was widely felt that joined-up government was still just a theoretical concept and there was little real inter-departmental co-operation. The Voluntary Issues Unit was seen as a good idea, but toothless or ineffectual in practice. One comment was that the document did not mention Social Investment Scotland, which the Executive supports.

By contrast, several organisations welcomed the Executive's support for the CVS movement - Councils of Voluntary Service under various titles. This investment into infrastructure and capacity building was seen as well directed. Some councils were criticised for their handling of it.

The Size of the Voluntary Sector

Some examples of the size of the voluntary sector in Scotland were given; there are:

- 44,000 voluntary organisations in Scotland
- 12,000 amateur sports clubs
- 750 local Scout troops, with 42,000 members
- 70 CAB offices at 140 locations.
- 53% of adults in the UK are actively involved in the Arts, and individual membership of arts groups is growing.

Issues around inadequate Funding

- Sportscotland gives £10.5 million to fund sport in Scotland. In Denmark £25 million is given to Team Denmark to fund elite sport, £25 million is given to the Danish Gymnastics & Sports Association to fund grass-roots sport.
- Scottish Scouts receive £31,000 to support 42,000 members = 9% of operating costs. Irish Scouts receive £360,000 (Irish) to support 23,000 members = 49% of operating costs. Only Edinburgh and Glasgow Scouts have one paid staff member each.
- Environmental Voluntary Organisations receive no core funding, except for running Nature Reserves and listing wildlife crimes. Scottish Natural Heritage receives £40 million and passes on £2 million to voluntary organisations.
- National sporting bodies have standstill grants totalling £2 million. They cannot afford to meet demands for sending teams to compete abroad or to provide much-needed coaching.

- The National Association of Youth Orchestras may go under, if it cannot find funding.
- The Executive or UK government put more responsibilities onto Environmental bodies or CABx, but provide no more funding.
- Crossroads, Headway and MS Society all report that demand for their services far outstrips their ability to supply them. A couple of quotations make the point.

“Sufficient funding is required for voluntary groups to achieve what the Scottish Executive and Local Authorities expect of the voluntary sector. Management committees should not be under pressure to manage standstill budgets.”

“Like any commercial development there is a fundamental baseline of spend needed to establish and maintain the facility. All spending thereafter goes increasingly to service provision. Any increase in grant therefore increases the cost effectiveness of the service.”

- If the Water charges issue is not resolved, the increased charges would, for example, involve Abbeyfield losing 10 care staff, the Roundabout Centre closing 1½ days a week and cost Lothian Community Transport £3,000 pa.

Issues around decreasing or standstill Funding

- ◆ Youth Clubs Scotland grant in 1986 was £86,000 = 50% of turnover. In 2001 it was £77,000 = 16% of turnover.
- ◆ Glasgow Youth Clubs got £35,000, and the Scouts got £27,000 from Strathclyde. They get nothing now from Glasgow.
- ◆ Core funding of Edinburgh CABx was cut by 40% in 5 years and then they received standstill grants. Two CABx merged with larger Bureaux, one may close and paid staff have been made redundant.
- ◆ Most Ayrshire organisations reported standstill funding over the last 6 years and have struggled to maintain their level of service.
- ◆ Moray CAB’s grant was cut by 25%, then not increased for four years. Glasgow, Dundee, Falkirk and other CABx have faced years of standstill funding. CABx have reduced outreach operations because they can no longer subsidise them. The proportion of CABx income provided by local authority grants fell from 67% to 58%. Funding from Health authorities to CABx has decreased.
- ◆ The Scouts core grant fell from 14.5% of income to 9.3%.
- ◆ The Lottery funded one full-time worker for Borders Youth Clubs. The Association grew from 20 to 50 clubs, with 300 volunteers and serving 3000 youngsters. The funding ended, the Council could not take it on, the staffing

dwindled to one part-time member and the clubs, especially the smaller ones, are declining. There is a loss of skills and knowledge and little support for clubs.

- ◆ Funding by the Scottish Arts Council for voluntary arts groups to enable them to employ professional soloists or performers has stood still for 8 years.
- ◆ Funding for the Traditional Song and Music Association of Scotland has stood still for 9 years.
- ◆ The Coalfields Regeneration Trust funding of advice projects at 13 CABx will end in March 2002. Planning to replace it is urgently needed.
- ◆ The Council in Edinburgh gave Home Care providers no inflationary increases. The voluntary sector homes have no self-funders, so they are at the mercy of the local authority.
- ◆ Grants from councils to voluntary organisations, especially in youth work, suffered major decreases at the 1995 local government reorganisation, as many smaller new councils did not continue the grants previously paid by the Regional Councils.
- ◆ The Lottery New Opportunities Fund reduces the money available for voluntary bodies in the areas of sport, the arts and the environment.

Project Funding

Some quotations:-

“The issues with short term funding revolve around loyalty and commitment of staff, their productivity, given a bedding in period and then their diversion to working on an exit strategy towards the end up of the funding period.

“The reliability and quality of service are compromised by this and the cost effectiveness of the organisations is diluted by increased focus on administrative tasks such as recruitment sustainability should be the main objective of core funders with project funding aimed at specific short term problems. Governments should look at the scale and nature of the issue, what agencies are expected to do and allocate funds accordingly. They should take a mid to long term view and show commitment to the process.”

“The time span of funding agreements should be such that it does not inhibit long term planning and cause problems in meeting, increasing operational and staff costs”..

“Everyone is fatigued with constant demands for innovative new ideas to secure project funding. What we really need is to secure core funding to meet the basic demands on our services.”

“It would be helpful if more than lip service was paid to consultation in a community planning process.”

“The idea that new must be good is bad.”

- Project funding leads voluntary organisations to
 - squeeze their own policies to fit the proposed project
 - lose the ability to plan a sustainable future
 - suffer a turnover of staff, as they see the end of the project funding looming
 - try to use project funds to cover inadequate core funding; or if there is inadequate match funding for a project core funding is raided to fill the gap. Either way it has a distorting effect
 - lose experience and skills when project closes.
- Councils and other possible continuing funders do not have the resources to keep projects going, once the original funding ends.
- The system does not value social entrepreneurs.
- Edinburgh’s Lord Provost’s Commission Report covers project funding well.
- Some Lottery agencies will not pay voluntary organisations management costs to manage their project staff properly. It could be agreed to add a percentage to the project costs to cover the relevant share of core costs. Charitable trusts usually allow 20%.
- The Heritage Lottery Fund will not fund voluntary organisations’ existing staff to work on a project, although they are often the most expert people available in that sphere of work, so the voluntary organisations have to bring in less good outside people to staff a project.
- The first round of the New Opportunities Fund included an Environmental section. In the second round this was diverted to drug rehabilitation.
- Lottery funds aim at short-term funding for objectives not covered by the Executive or other bodies but then expect the Executive, or councils, to pick up the funding in the longer term. The logic of this is hard to understand.
- There are many complaints about delays in deciding on applications for funding.

Core Funding

- The Rural Forum secured £2 million project funding, covering two years’ turnover, but could not secure £120,000 core funding, so it folded.

The Footpath Trust had a similar experience

- The Social Work Services Group has management costs of over 20%, but limits its funding of voluntary organisations' management costs to 8%
- Some funders do not allow for core management costs at all. Funding need not be 100%, but there must be some.
- If there is stable core funding, the voluntary organisation can offer projects, training, local fund raising, recruitment of volunteers and many other benefits.
- When charitable trusts are asked for match funding for Lottery project grants, it reduces their contribution to core funding.
- Some voluntary organisations fund most of their core costs by their membership fees.
- Voluntary organisations would like to know who makes the basic decisions about grant-giving and why. For example:
 - Why does the whole environmental sector of voluntary organisations receive the same total of Lottery funding as one sport, like hockey?
 - Why do the Guides receive less than the Scouts?
 - Why did Scottish Natural Heritage stop funding land purchase?
- The reduction in core funding has led to a reduction in the staff of voluntary organisations, with more pressure on volunteers and any remaining staff.

Relevant Problems

- ◇ Councils' charges for the use of their premises for sport, meetings etc are often so high that voluntary organisations are badly disadvantaged. A new factor arising from PFI schemes increasing charges is illustrated at Graham High School in Falkirk, where the post-PFI charges are so high that the schools F P Hockey Club plays its matches at Livingston, not at the excellent pitch at the School.
- ◇ There is a big variation between councils as regards charging for premises, giving grants, vetting volunteers, training, professional support to voluntary organisations etc. The Executive or CoSLA could encourage the spread of best practice.
- ◇ Councils are now monopoly purchasers of care for individuals from voluntary and commercial organisations. In the past the Health Service, the DSS and Enterprise Companies were also involved. Councils are also the sole source of grants to local voluntary organisations providing services in the spheres of youth, arts or sport.

- ◇ The Executive produces fine words, for example in their document 'The Nature of Scotland', but no money to give effect to the policies set out.
- ◇ The Excellence Fund is divided between schools and is not usually available to voluntary organisations providing key informal education services.
- ◇ Government and Executive produce forms referring people to their CAB for advice, for example regarding Consumer Credit Law, but provide no resources to the CAB to provide this advice.
- ◇ Scottish Natural Heritage gives little help to voluntary organisations, but competes with them, as it has charitable status and its own fundraisers.
- ◇ There are widespread complaints of delays in funding being paid out. For example, the Executive holds on to Youth Crime Review funds for six months. The announcement of Rural Challenge Fund grants to keep core funding going for groups facing crisis was promised for February and made on 18th April.
- ◇ When the funding of voluntary organisations from SIPs ends, the whole subject of mainstreaming the funding of projects will become a big issue.
- ◇ The provision of on-going funding to maintain the ability of voluntary organisations to continue to provide their services and important projects is essential. If the project funders continued to use their funds to support successful projects, that would lead to the "silting up" of their funds to the detriment of possibly funding new projects. A way must be developed of ensuring on-going funding for successful projects. In some cases the voluntary organisation will not find alternative funding and full public sector funding will have to continue. In others it may be possible gradually to reduce the grant and fill the void from other sources.

Some Benefits of Voluntary Organisations

- ❖ 40% of volunteers starting at Scottish CABx (50% in East Dunbartonshire) go on into employment or Further Education.
- ❖ Many voluntary organisations fund a lot of their basic costs from membership fees. For example, 80% of the Scouts headquarters costs, and a high proportion of environmental voluntary organisations' costs.
- ❖ 30% of the work of environmental voluntary organisations is done by volunteers.
- ❖ In Central Leith After School Project 3 volunteers provide 51 hours per week of management time for a project helping 60 families.
- ❖ The Scouts' fee abatement scheme means that the membership fees paid in most areas help to subsidise a cheaper fee paid in disadvantaged areas.

- ❖ The organisation ENABLE successfully matched families including a person with a handicap with families without one. Local authorities tried to copy the scheme without success. Voluntary organisations can do some things better than the state.
- ❖ Voluntary organisations have local networks which add value to their work. They also have highly motivated staff with a can-do outlook.

Competitive Funding

- Competition between voluntary organisations for funding inhibits co-operation between them. They normally co-operate well in non-competitive spheres.
- There is a huge waste of staff time and resources in putting together bids for competitive project funding by voluntary organisations. Over a wide field it is estimated that one in six of the applications are successful. A lot of time and effort also goes into evaluating the bids. The whole process is Worst Value not Best Value! For example, the Rural Challenge Fund had 188 applications from voluntary organisations, of which 22 were successful.
- The Heritage Lottery Fund criteria are so adverse or irrelevant for voluntary organisations in the environmental sphere, that few can and do apply. That part of the revenue budget is therefore underspent and the Fund can claim that there is no interest.
- Many application systems are very bureaucratic. The EU forms are particularly bad. In Scottish Natural Heritage an application for £80,000 has to pass 5 separate checks.
- The tender process is often incompetent. One voluntary organisation received three different contract documents from three departments of the same council. In one tender, worth nearly £2 million, the 9 short-leeted organisations each had only 10 minutes to present their case to a panel of junior officials.
- There is a lack of specification in many contracts. *“Local authorities are amateurish in setting standards.”*
- Some councils insist on performance bonds for service contracts to which they are entirely unsuited. To raise the money costs the voluntary organisation about £3,000 each time in payments to the insurance company. One small voluntary organisation was asked by Perth & Kinross Council to put in a bond for £100,000.
- Often the voluntary organisation is given 10 days to submit a contract and then the council or funding body delays for months before deciding between the bids.
- Glasgow, and some other councils, exclude voluntary organisations from the planning process when developing services, because they will be in competition.

However, the local authority departments may also be competing, but they do the planning and standard setting.

Best Value and good and bad Planning

- The voluntary organisations are mostly not impressed by Best Value. “*Best Value is a blatant cost-cutting exercise.*” “*Best Value is just number-crunching.*” Best value does not value the impact on the community of work by a voluntary organisation. It does not include involving people in the design and management of a project. There is no allowance for the benefit of community ownership of a project. Best Value must take account of non-financial considerations.
- Reserves are an issue. Voluntary organisations should have 3 months’ reserves, but often have only a few days. Councils cut grants if a voluntary organisation has reserves. They reduced grants because the Executive gave £1.2 million to CVS.
- Stirling had a review and found voluntary organisations provided Best Value.
- Voluntary organisations are good at innovation, for example in creating family centres, when the public sector focussed on the different people in a family in different ways. While there is money for new initiatives promoted by the Executive or by councils, there is no money for innovative schemes put forward by voluntary organisations.
- There is too much emphasis on targeting funding on specific problems. Organisations which provide “prevention” rather than “cure”, for example by giving young people good outlets for their energy and enthusiasm (such as the Scouts, Guides, youth and sports clubs) can achieve a lot in dealing with the specific problems and equally deserve support.
- Arbitrary limits can be harmful. For example, Sport for All and Awards for All allow no applications from groups with a turnover of £15,000. This bans drama or opera groups which hire a theatre for a week (costs up to £45,000) or sports clubs which go on a tour.
- Form filling and audit put great pressure on volunteers and voluntary organisations. Many funding organisations demand excessive paperwork, which can bamboozle small voluntary groups. The Lottery and the EU are particularly criticised. Some groups claim that it could cost in all £500 to audit and monitor a grant of £500. One large organisation pays £600 audit fees for a £30,000 grant.
- The arts bodies requested basic research on grants to arts bodies and the whole grass-roots voluntary arts sector.
- The Executive’s efforts to promote sport via schools ignores the sports clubs. The sports co-ordinator scheme is inadequate to put in place the links between schools and clubs, which will be vital if young people are to persevere with their sport. The clubs are hopelessly underfunded and cannot cope with a wave of

new applicants for membership, should this occur. In fact, experience with curling shows that promoting the sport in school has little effect on adult curling.

- The CABx face great disparity between councils. They often have to use project funding and New Deal funding to help to cover their core costs. CABx could help much more in Health-related issues, for example advice to carers, if they were funded to do so. The innovative CAB at Edinburgh Sheriff Court has proved a success. In some other councils there has been useful co-operation. Highland Council found CABs to provide Best Value and set up the Highland Advice and Information Network. Pollock Social Inclusion Partnership explored the needs of their community and set up a local CAB with match funding. However the Executive's funding of local Accessible Information Strategies ignores the CAB who should be a pillar of it.
- The voluntary organisations provide quality services, often equal to the highest professional standards. They would welcome external verification of their standards.
- Youth work involves social inclusion work. For example, the Scouts have a troop active in working with asylum-seekers in the Red Roads flats. It can be demonstrated that youth work has made a difference to many communities, in a positive, life-enhancing way, as well as in reducing negative behaviour.
- The current fad for "issue based" youth work is harmful. Issue based work has its place as an addition to the normal work done by youth groups. It is not a substitute for good traditional youth work. One club was threatened with closure because it did not fill all the criteria of the latest issue-based doctrine.
- The Scouts, for example cannot compel their local Troops to take up the Executive's or Council's latest priorities. The authorities must recognise the way voluntary organisations operate. Currently the people setting objectives at the various levels do not think about the voluntary organisations and how best they could contribute. The other pressures on volunteer Scout helpers make them less able to give time to organise events and training, so that more of this burden falls on the Scouts Headquarters.
- Voluntary organisations dare not question their funders for fear of losing grants in future. Examples exist of voluntary organisations who ask questions being penalised.
- Sometimes the voluntary sector is actively discriminated against. The New Opportunities Fund undermines the informal education contributed by Scouts, youth clubs etc. The Children's Services Fund on drugs is only channelled through councils and keeps out the voluntary sector. The RSPB would have got a larger Goose Subsidy if it had been a commercial company. Scottish Natural Heritage pays landowners not to misuse their ground, but does not pay voluntary organisations, which are positively looking after their land.
- Best Value could stipulate the levels of pay and conditions.

- The Health Service has priced the cost of operations and other medical procedures, but there is no agreed pricing of social care. If there was, competition could be on quality not on price.
- Decisions are often made by officials, with no involvement by councillors, or nationally by ministers. There must be some system of monitoring these officials' decisions. It is not a question of interfering with local democracy, but of controlling the monopoly power of officials.
- Local authorities are often slow at filling the vacancies in residential accommodation run by voluntary organisations, which lose income from the vacancy.
- In many ways there is a great variation in the performance of councils, and the better ones are horrified at some of the practices of the worse ones.
- Another problem is that all the funders want to be the funder of last resort, with all the rest of the funding package in place.

Conclusions, Proposals and Questions

Everything in the report sets out the views of the voluntary organisations, not the views of the authors. These are the voluntary organisations' proposals.

1. The goal in funding voluntary organisations should be sustainability, based on adequate core funding and arrangements to maintain the funding of projects if they are successful.
2. Progress must be made with implementing the McFadden Report on charities, to regulate the issues of charitable status and fund-raising.
3. The issue of increases in Water Charges, postponed for a year, must be resolved or voluntary organisations compensated for any large increases.
4. The New Opportunities Fund should have a proper Scottish organisation. Voluntary organisations should be allowed to bid for its projects.
5. The Executive could require that terms and conditions of employment in voluntary organisations should be as good as in local government, for example as regards pensions, and would have to ensure adequate funding to achieve this.
6. Excessive paper work should be reduced in grant application, competitive tendering, annual auditing of voluntary organisations, with more standardised and simplified forms. A light touch should apply to monitoring voluntary organisations and a tighter grip on monitoring large projects.
7. There is a need to sort out the responsibilities of members of Committees and Boards of voluntary organisations. The smaller ones need more access to legal, personnel and other professional advice from councils. Since the Highland Region case, some years ago, of the personal responsibility of committee members for losses, councils have usually kept their officials away from involvement in voluntary organisations' committees. This should be reversed. Smaller voluntary organisations suffer disproportionately from Unfair Dismissal cases and face high insurance costs. An alternative source of advice might be a consortium of the larger voluntary organisations which have good in-house professionals, covering legal, personnel and grant application issues.
8. Sports clubs face a crisis. Their funding is inadequate. Their buildings and grounds are often in a bad way. Because of other pressures – the demands on people's time, fear of legal liability and abuse from players and spectators – there is a shortage of new coaches, referees and umpires. Few sports clubs have charitable status.

The Danish model of one national sports body to promote elite sports and one to promote grass roots sport would be worth studying. In some way a rescue package for grass roots sport is urgently required. Most sports and youth clubs have a budget of less than £1000 per annum, so nationally a modest sum would make a critical difference.

9. The Dutch system of 7 levels of payments for care provided by voluntary organisations is worthy of study. There could then be more direct payments to individuals.
10. There are far too many unrelated new initiatives coming up for project funding, with too little thought to the demands they create for voluntary organisations through inadequate resources, people, training and time.
11. The Executive could require earlier decisions by funders about continuing their project funding to avoid a damaging hiatus. It could also authorise a bonus to be paid to the staff of a voluntary organisation who stay on until the end of the project, and arrange a year's support to a voluntary organisation whose project is no longer being funded, to enable it to sort out longer term funding.
12. The Scottish Parliament should have some input in Lottery funding issues affecting Scotland. The Lottery could fund core funding on a gradually reducing basis.
13. There must be a transparent process for the allocation of revenue grants by councils, quangos and other funders. Councils and quangos should involve voluntary organisations in joining in setting the agenda and the priorities and rules governing grants and in setting standards.
14. There should be a national system to ensure that there is consistent, independent evaluation and monitoring of decisions about grant-giving and other funding, tracking resource transfer and providing accountability and transparency. Voluntary organisations should be able to have access to a public record of expenditure on grants etc. At present they are denied this information.
15. Sport, other than football, finds it hard to get sponsorship and media coverage.
16. How can we improve the system of grant giving in the voluntary and community arts sector? Many councils do not see arts as a community activity. In Wales there have to be representatives of the voluntary sector on all arts etc committees. Is the Scottish Arts Council the right body to allocate voluntary and community arts grants?
17. The committee should explore whether the arrangement whereby Annandale and Eskdale Sports Council runs the council's sports centres in their area is a good example to follow in rural areas. Control is in the hands of volunteers representing local clubs and users; the staff work for them. This contrasts with the normal arms-length council companies, such as Edinburgh Leisure, which have no connection with the local Sports Council and whose affairs are inscrutable because of commercial confidentiality.
18. Above all, how to mainstream short-term project funding.

APPENDIX 1

WRITTEN RESPONSES

Written evidence was submitted by the following organisations:

Aberdeen Council of Voluntary Organisations

Airdrie Citizens Advice Bureau

Barnardo's

Caithness Deaf Care

Caithness Voluntary Group

Central Borders Association of Voluntary Service

Central Scotland Rape Crisis & Sexual Abuse Centre

Citizens Advice Scotland

Community Care Providers Scotland

Craigneuk Development & Support Unit, Wishaw

Crossroads South Ayrshire

David Livingstone Youth Club, Blantyre

Duke of Edinburgh's Award

Dundee City Sports Council

Dundee Voluntary Action

Edinburgh City Youth Café

Edinburgh Voluntary Organisations Council

Falkirk Carers' Centre

Headway Ayrshire

Independent Special Education Advice

Inverness Day Care Centre for the Elderly

John Muir Trust

Kyle and Carrick Council for Voluntary Organisations

Maybole Carers Forum

Motherwell-Wishaw CAB

MS Society Ayrshire

National Association of Youth Orchestras

National Trust for Scotland

North Ayrshire Council for Voluntary Organisations
PHAB Club Ayr
Poverty Alliance
Princess Royal Trust
Ross & Cromarty Council for Voluntary Service
Royal Society for the Protection of Birds
Scottish Association for Mental Health
Scottish Council for Voluntary Organisations
Scottish Guilds of Weavers, Spinners and Dyers Exhibition Group
Scottish Native Woods
Scottish Traditions of Dance Trust
Scout Association
Shetland Council for Voluntary Organisations
Skye & Lochalsh Council for Voluntary Organisations
Stresswatch Scotland
Stirling Voluntary Association
Troon Carers Forum
Tweeddale Association of Voluntary Organisations
Voluntary Arts Scotland
Voluntary Organisations in North East Fife
Woodland Trust Scotland
Voluntary Organisations North East Fife
Young People Speak Out
Youth Clubs Scotland