

## **Budget scrutiny 2025-2026 - Third sector funding principles Response to Call for Views by Consumer Scotland**

### **Background**

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament. Our core grant funding is delivered through the Budget (Scotland) Act. We also receive funding for research and advocacy activity in electricity, gas, post and water sectors. This funding is provided via levies, which are derived from consumers' bills.

Under our statutory remit we have five functions:

- advocacy and advice
- representation
- research and Investigation
- information
- recall of goods
- the consumer duty

As the statutory body and, through the delivery of these functions, it is our ambition to bring greater coherence across the consumer landscape by working in partnership with key stakeholders including third sector delivery bodies.

### **Grant Funding**

From 2024-2025, Consumer Scotland delivers funding to Citizen's Advice Scotland (CAS) to support the delivery of its Consumer Advocacy Workplan. Since our establishment we have also funded CAS to deliver the Big Energy Savings Network and Worried This Winter Campaign. From 2024-25 we also deliver funding to Citizen's Advice in England and Wales in respect of the delivery of the Scottish element of its GB-wide consumer advocacy workplan.

While funding for consumer advice in Scotland is still administered by the Scottish Government, Consumer Scotland was recently appointed as the statutory body for consumer advocacy and advice for heat networks in Scotland and will look to work with our advice partners in delivering this function.

## **Partnership Promise**

In December 2023, we created a Strategic Partnerships function where responsibility for managing our relationships with the third sector, including those bodies we provide funding to, now sits. Following the creation of this function and through a growing awareness of the challenges faced by third sector bodies when trying to access funding we created a 'Partnership Promise': a set of principles designed to support the funding arrangements between Consumer Scotland and third sector bodies. A copy of the partnership promise can be found at **Annex A**.

Our principles were informed by a literature review of approaches to third sector funding, engagement with third sector bodies on the challenges they face, and our own experiences of the challenges one-year budget setting and a high volume of administrative requirements can present to small organisations with limited resource.

As set out above, Consumer Scotland is a relatively new organisation and continues to evolve in a challenging time for the Scottish public sector. We are fully committed to the wider public service reform agenda and through our grant funding arrangements seek to ensure value for money and avoid duplication of work across the sector. We have drafted our partnership principles with this in mind and have caveated them to reflect the uncertainty faced by the public sector in relation to future resource availability.

## **Next Steps**

As Consumer Scotland's partnership working with the third sector progresses, we will continue to share experiences and review and adapt our funding principles as necessary to ensure they reflect the needs of those bodies as best as we able to.

**Consumer Scotland**  
**August 2024**

## **Consumer Scotland Partnership Promise Funding Third Sector Bodies**

Across the range of Consumer Scotland's legislative functions and strategic priorities, Consumer Scotland is committed to developing best practice in determining access and the management of grant funding to the third sector.

The resource available to Consumer Scotland will determine the extent of assistance with administration and project delivery provided to the third sector throughout the financial year.

Consumer Scotland will commit to a values-based approach throughout the grant funding period by adhering to the following principles:

### **Access to Funding**

Commit to removing any unnecessary barriers such as administrative burdens that prevent a third sector organisation from accessing or applying for funding.

### **Partnership Working**

Recognise the independence, social values and the right to advocate and influence held by third sector bodies.

Develop meaningful and effective working relationships based on mutual respect, integrity, trust and recognition of each other's role and governance structure.

Through a partnership approach, work to support third sector bodies to deliver outcomes that complement their own and wider, strategic priorities of Consumer Scotland and value that contribution. Examples could include ensuring any contribution made by a third sector body is communicated publicly helping to enhance their status.

Through promotion of open and honest communication, Consumer Scotland will work to ensure that any change in strategic direction or priorities, by Consumer Scotland or at Government level, is communicated to third sector partners as early as possible to allow for any implications to be discussed and addressed.

### **Supportive Culture**

Understand and demonstrate an understanding of the challenges faced by the third sector including any issues created by short-term funding models and recognise the impact that can have on retaining skills and expertise.

Where appropriate, and to support with delivering outcomes, work to assist third sector organisations in creating a joined-up voice across the consumer sector and help amplify that voice.

Commit to share knowledge and data to support policy development and outcome delivery.

### **Purpose and Outcomes**

Work with third sector partners to ensure all parties are clear, and agree, on the purpose of any funding administered by Consumer Scotland.

At an early stage and, by working together, agree on the outcomes expected to be delivered through funding and use them to shape the process of monitoring progress.

Continuously work with third sector partners to help manage risk and demonstrate understanding when ability to deliver on agreed outcomes is put at risk by wider circumstances out with a partner's control (for example, the cost-of-living crisis).

### **Reporting and Monitoring**

Recognise the multiple and different reporting formats (and timescales) required of the third sector due to having multiple funding partners.

Discuss the challenges and agree on frequency of engagement and reporting framework format in the planning phase of the grant agreement.

Work to ensure the reporting framework is proportionate to the scale of a project with a commitment to review if deemed necessary by either party.

Work to ensure that support provided by Consumer Scotland is action-focused to maximise impact and restrict the amount of time and resource having to be dedicated to meetings.

As part of the evaluation process, lead a lessons-learned process to enable both parties to work more effectively in any future year.

**Consumer Scotland**  
**August 2024**