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Chief Executives
Volunteer Centres and Councils of Voluntary Service

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Dear Chief Executive

THE FUNDING OF THE VOLUNTEER CENTRES AND COUNCILS OF VOLUNTARY SERVICE 2008-20011

I am writing to let you know more fully the outcome of the funding decisions taken by Ministers and announced last week in a press release which was, in turn, circulated to Volunteer Centres by VDS and to Councils of Voluntary Service in the SCVO eBulletin.

As you know, the Scottish Government has identified its purpose as being to increase sustainable economic growth for Scotland and believes that the third sector in all its forms has a major contribution to that purpose and ensuring that all of Scotland flourishes.. The relationship between central Government and local authorities has been changed fundamentally by the Concordat and opens up significant opportunities for the third sector to become even more actively engaged in working with Councils.

The funding announced for volunteer centres and some associated costs within VDS has been increased by more than inflation over the last spending period reflecting the on-going commitment to the contribution the citizen can make to local life. The resources available to councils of voluntary service have been significantly increased in light of the commitment made by the network in its business plan "Thrive and Connect" to a greater involvement with local authorities and Community Planning Partnerships.

We are taking this opportunity to add a commitment to quality in our funding. All Councils of Voluntary Service have accepted the proposal that they should achieve PQASSO level 1 by the end of March 2009 and we will make this a condition of grant. Volunteer centres already have a quality framework in place and its continuation will also appear as a grant condition.

Continued funding has been announced for Local Social Economy Partnerships and local Social Enterprise Networks via Senscot. The resources available to Local Social Economy Partnerships are £350,000 in 2008-09, £250,000 in 2009-10 and £150,000 in 2010-11. Senscot, the Social Entrepreneur Network Scotland, has been awarded resources to support the creation of local Social Enterprise Networks and facilitate the development of existing networks, using hands-on support and web-based resources. The funding awarded is £119,000 in 2008-09, £99,000 in 2009-2010 and £76,000 in 2010-11.

Much of the development of the VC and CVS network business plans has been achieved by partnership working at all levels and we hope that this can be continued and made even more effective. In particular, we recognise the benefits of collaboration within the networks,

with the umbrella organisations and with all levels of government. All parties should expect and demand continued productive relations from each other.

Finally, Ministers are determined to build stronger partnerships to ensure the best possible connections between the third sector and local authorities in order that the single outcome agreements are delivered in the most effective way. While much of that may be in the area of formal delivery of services, there is much to do to ensure that the community in its widest sense has full access to the Community Planning process.

To that end, Ministers recognised and included within the funding settlement funds for investment and development. The networks, in utilising these funds, are expected to develop a coherent, fit for purpose infrastructure for the third sector which connects effectively with their public sector partners. It is therefore expected that funding of the networks in their current form will end in March 2011. The focus will move to examination of how best to deliver agreed outcomes and we propose to set in train a full discussion of that within a few weeks. There are no pre-determined outcomes for this new approach, which must be led by the sector, of the sector. Inevitably, this will lead to discussion of structures but that is not the goal; it is important that we identify our ultimate outcomes and work back from them. The expectation is of a significant period of debate, followed by a coherent programme of change leading to a smooth transition well before the end of the next spending period.

Formal grant letters are being sent to all relevant bodies, including VDS and SCVO, as applicants for the respective networks and copies will be available on the Scottish Government website. The distribution formula for the Councils of Voluntary Service is to be that proposed by the network itself in its business plan and that for the Volunteer Centre network is as before.

I hope this adequately explains the way in which we hope to continue the Government's engagement with local networks but, as always, I would be very happy to hear comments or try to answer questions.

This letter is being copied to VCs, CVSs, LSEPs, VDS, SCVO, CoSLA and the Big Lottery.

GEOFF PEARSON