

Cabinet Secretary for Social Justice
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The Scottish Parliament Edinburgh EH99
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Dear Convener,

Timely notification of grants to the Third Sector

In my letter of 3 February 2025, I undertook to provide an update on timely notification by the Scottish Government of grant offers to the third sector.

Together with our multi-year funding pilot, timely notification of grant funding is one of the key pillars of our Fairer Funding approach to provide greater clarity and stability to third sector organisations, to support the Sector's resilience and grow its capacity to deliver its vital role in supporting the people of Scotland and working alongside Government on our policy priorities. We acknowledge the impact that uncertainty has on organisations and know that timely notification is required in order to plan for delivery.

In 2024, the Scottish Government issued 58% of grant offer letters by the start of the 2024/2025 financial year. This year, the corresponding figure was 57% on 01 April 2025. That figure has since increased to 68% and we expect it to increase steadily over the coming weeks. The current position by Director General area is shown in the Annex.

The Fairer Funding pilot has raised the profile of third sector grant making across government and feedback from organisations in receipt of early notification and multi-year funding, underlines the impact of this for the third sector. As part of this work, we re-introduced the use of early notification letters of provisional allocations to support third sector organisations' planning for the year ahead. We will continue to build on the work of the Pilot to support delivery against our wider Fairer Funding commitments.

The Scottish Government makes in excess of 750 grant awards to third sector organisations annually, all of which must be carefully considered and agreed in partnership with recipients. Whilst I am disappointed it has not been possible to make as much progress as I would have liked , I am encouraged by the progress that has been possible launching the Pilot and seeing a 95% issuance rate within DG Communities. I intend that, by highlighting the issue and identifying the lessons from this year, we will continue to improve our internal processes in order to streamline and expedite the grant offer process.

Yours sincerely

SHIRLEY-ANNE SOMERVILLE

ANNEX
THIRD SECTOR SCOTTISH GOVERNMENT GRANT OFFER LETTERS:
PERFORMANCE BY DIRECTORATE GENERAL AREA
24 APRIL 2025

DG Area	Total grants	Share complete
Net Zero	0	Nil
Exchequer	0	Nil
Corporate	1	0%
Communities	372	95%
Strategy and External Affairs	13	15%
Education and Justice	149	44%
Health and Social Care	207	43%
Economy	19	32%

Notes:

- i. The analysis is based on returns from DG offices of grant offer letters issued. It was the responsibility of the relevant areas to ensure that returns were comprehensive and accurate.
- ii. The number of grants cannot be taken as an accurate measure of the number of individual awards. Where possible grant lines have been broken down to reflect the number of awards, but some grant lines are 'Funds' that will be allocated to numerous organisations where the allocation is ongoing or unknown.
- iii. The number of grants cannot also be taken to represent the number of third sector organisations that are in receipt of funding as we know that some organisations may be in receipt of multiple grants from different areas of government.
- iv. The exercise does not report on grants that are delivered to third sector organisations through a contract with a third party provider, only grants that are issued directly from the Scottish Government.