

# Third Sector Response to Aberdeen City Council's 2025/26 Budget Consultation: Phase 1

## About us

ACVO (Aberdeen Council of Voluntary Organisations) is the Third Sector Interface for Aberdeen. We have over 20 years of experience working in the city as the central hub of knowledge relating to the local third sector which comprises community groups, voluntary organisations, faith and equalities groups, charities, social enterprises, cooperatives, community interest companies, mutuals, housing associations and self-help groups. The work we do is reflected in our organisational values which are central to our decision-making processes and are incorporated into everything we do: We put the Third Sector first. We empower communities. We act on lived experience. We demand equality. We stand up for those who need help most. Through our various strands of work, we actively support and promote the work of Aberdeen's Third Sector. Our core funding comes from the Scottish Government, with additional income for specific areas of work from Aberdeen City Health and Social Care Partnership and Community Planning Aberdeen. We also generate income from our own enterprises providing services to the Third Sector and through project grants.

## Introduction

ACVO held discussions with its member organisations to formulate this response on their behalf. During Phase 1, third sector organisations across the city were encouraged to contribute directly to the engagement work undertaken by the Council, and to ensure that their staff, volunteers, customers and service users also took part in the consultation activities. Our members intend contributing further during Phase 2 of the consultation.

Once again the Council should be applauded for its commitment to early engagement on its budget. This year has seen significant improvements to the online interface and in the availability of open public sessions where people have been able to give their views. We recognise the

complexities of such an exercise and whilst there will always be improvements that can be made, we believe other public bodies should be following this good example of early engagement.

Our members recognise the financial position the Council finds itself in more than anyone, because our sector is permanently at the bottom of the funding pile. We have been asked to respond on the sectors behalf with this summary at this early stage in the process to present some broad areas of consideration.

## Key questions

The following questions are posed to decision makers and budget holders by our members.

Who should pay for services that support our communities?

What would our city be like without a strong third sector?

Is it realistic to expect more for less?

## Key areas of focus

### 1. Sustainability of the sector

- a) Budget cuts have a direct impact on the ability of third sector organisations to deliver essential services, leading to reduced capacity, increased waiting lists, and compromised quality of care.
- b) Inadequate funding makes it challenging to retain skilled staff, who are often lured away by higher-paying roles in other sectors.
- c) The sector strives to maintain fair work practices, including living wages and no-zero-hour contracts. However, these standards become increasingly difficult to uphold in the face of funding cuts.

### 2. Early Intervention and Prevention

- a) The third sector agrees on the importance of prevention and early intervention as a cost-effective strategy for addressing social issues.
- b) A balance has to be struck because immediate demand remains high and response is required.

### 3. Community-Led Solutions

- a) Third sector organisations possess valuable local knowledge and expertise that can inform policy decisions and service delivery. The sector plays a vital role in engaging communities, fostering social cohesion, and promoting resilience.
- b) Not all communities have the capacity or resources to identify and build solutions to the issues they face. Investment in community development is required.

### 4. Funding Models

- a) More flexible funding models that allows for adaptation to changing needs and circumstances would enhance the sustainability of third sector organisations.
- b) Long-term investment in the third sector as a strategic partner can yield long-term benefits for the city, including improved outcomes for residents and reduced reliance on public services.

## Recommendations

- 1) Uncomfortable and serious whole-system discussions between the Council, other public agencies and the third sector are required to prevent catastrophic loss of services. A long-term strategy for funding and supporting the third sector is needed, recognising its vital role in addressing social challenges.
- 2) The sector is asking that our work is valued, both in terms of respect for the work we do, but valued financially for the impact it has. Charity is not free.
- 3) Involve the third sector in the decision-making process, not just in the consultation process, to ensure that their needs are built into the outcomes. Organisations who may be affected by proposals should be offered a direct line into the process so that a very clear picture of impact can be understood by the Council in detail.
- 4) Acknowledgment that communities cannot replace public services or mitigate their loss without the financial resources to do so.
- 5) Cuts and service reductions that impact vulnerable communities should not be considered. It is a false economy and will drive even more demand to our stretched and underfunded third sector services.

## Conclusion

Our member organisations understand, more than most, the financial situation that the Council finds itself in because it reflects the economic situation of our own sector over decades. The message from the third sector to the Council is not one of “us and them” – it is that we are one city striving for the same thing. “We are you, and you are us” is a direct quote from one of our members talking about the decisions that Aberdeen City Council face.