

Social Justice and Social Security Committee
Pre-budget 2025-26 scrutiny - Third sector funding principles
Evidence of the Children and Young People's Commissioner Scotland.

August 2024

Established by the Commissioner for Children and Young People (Scotland) Act 2003, the Commissioner is responsible for promoting and safeguarding the rights of all children and young people in Scotland, giving particular attention to the United Nations Convention on the Rights of the Child (UNCRC). The Commissioner has powers to review law, policy and practice and to take action to promote and protect rights.

The Commissioner is fully independent of the Scottish Government.

The third sector plays a vital role within Scotland in the fulfilment of children and young people's human rights. These organisations often find ways to connect with children and young people, and their families, in a way statutory agencies cannot and play an important role in early intervention and prevention. The third sector play a key role in delivering on Scottish Government policy objectives such as the Promise, GIRFEC and poverty targets. Yet 14% of third sector workers and 16.6% of women in the third sector, earn less than the real living wage.¹ The importance of the third sector and its workforce in realising children's human rights must be better recognised in the strategic investment plan.

Rights Framework

Scotland recently became the first country in the UK to incorporate the UNCRC into domestic law. The Scottish Government must address fair and efficient funding of the third sector in a children's rights context, in line with Article 4 which states;

'States parties shall undertake all appropriate legislative, administrative and other measures for the implementation of the rights recognized in the Convention. With regard to economic, social and cultural rights, States parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international cooperation.'

The UN Committee on the Rights of the Child address Article 4 in more detail in their General Comment 19, on public budgeting for the realisation of children's rights², which is discussed later in this statement. In Scotland, although the third sector are

¹ Living Wage Scotland, 2022. *Low paid third sector workers risk being swept away by the cost-of-living crisis.* <https://scottishlivingwage.org/low-paid-third-sector-workers-risk-being-swept-away-by-the-cost-of-living-crisis/>

² UN Committee on the Rights of the Child, 2016. *General comment No, 19 on public budgeting for the realization of children's rights (art. 4)* <https://www.ohchr.org/en/documents/general-comments-and-recommendations/general-comment-no-19-2016-public-budgeting>

delivering many children's services, it remains the government's duty to ensure that children's rights are upheld and that sufficient resources are available.

Children's rights are indivisible and interdependent – all rights must be fulfilled.³ However, there are key rights considerations when thinking of third sector funding, including:

- Article 3 – best interests of the child
- Article 6 – right to life and development
- Article 15 – freedom of association
- Article 18 – parental responsibilities and state assistance
- Article 22 – rights of refugee children.
- Article 23 – rights of disabled children.
- Articles 28 and 29 – the right to an education
- Article 31 – right rest, play and leisure.

Poverty

Poverty is not an inevitability in Scotland, it can be exacerbated or alleviated by Government policy. The third sector are consistently helping to fill gaps in statutory services and are key to Scotland's ambition to end child poverty. It is vital that they are properly funded. We cannot tackle poverty without fair funding for the third sector.⁴

Investing in children is a long-term investment: poor experiences and lack of support in childhood can lead to a number of issues in later life. Children experiencing poverty are more likely to experience poverty in adulthood, have mental health issues and experience domestic abuse.⁵

The third sector is essential to tackle poverty from the services it provides, it should also be recognised there is in-work poverty experienced by those working within the third sector. In this disproportionately female sector, 17% are not receiving a real living wage.⁶ Typically, the lowest paid and most at risk of in-work poverty will be front line workers who are directly supporting vulnerable people. Only 15% have job security and roles are significantly underpaid compared to similar roles within the public sector. This will of course include those working in the sector who have children themselves but it also impacts significantly on staff retention and therefore continuity in the lives of the children they support.

Challenges to the Third Sector

The sector has experienced specific challenges due to the pandemic and the impact of the cost-of-living crisis. More people have sought support from third sector

³ UN General Assembly. 2006. *Resolution 60/251*.

https://www2.ohchr.org/english/bodies/hrcouncil/docs/a.res.60.251_en.pdf

⁴ SCVO, 2023. *We can't challenge poverty without Fair Funding for the voluntary sector*

<https://scvo.scot/p/62876/2023/10/10/we-cant-challenge-poverty-without-fair-funding-for-the-voluntary-sector>

⁵ Child Poverty Action Group. *Effects of poverty* <https://cpag.org.uk/child-poverty/effects-poverty>

⁶ [Guest blog: Fair Work in the Third Sector - The Poverty Alliance](#)

services which has meant more pressure on them, whilst at the same time their running costs have gone up.

The Scottish Third Sector Tracker found that staffing issues were the biggest challenge for these organisations.⁷ In August 2021, 35% of organisations reported a significant concern about staff and volunteer numbers but by 2023 this figure rose to 65%. This is at the same time as a corresponding rise in the demand for services. Without significant investment, the outlook will not improve.

We support the calls from the third sector to have access to:

- longer-term funding of three years or more
- flexible, unrestricted core funding – this helps organisations to provide security, plan effectively, and fulfil good governance requirements
- sustainable funding that includes inflation-based uplifts and full costs, including core operating costs
- funding that accommodates paying staff at least the Real Living Wage
- accessible, streamlined, proportionate, and consistent approaches to funding applications and reporting
- timely process and payments
- partnership between the funder and funded organisation

Human Rights-Based Budgeting

Properly funding the third sector is in line with principles of human rights budgeting, which places a focus on early intervention. It means distributing resources in a way that uphold human rights and reflects their standards and principles. This includes how governments raise revenue, where money comes from, how it is allocated and spent.

‘You can’t guarantee people’s rights without funding the policies, institutions and systems which are required to make them a reality.’⁸ (Participant, SHRC Human Rights Budgeting)

These principles are expressly outlined in General Comment No. 19 (2016) which addresses the issue of public budgeting for the realisation of children’s rights under article 4.⁹ This makes recommendations on how to realise all the rights under the UNCRC through ‘effective, efficient, equitable, transparent and sustainable public budget decision-making’. The UN Committee on the Rights of the Child makes it clear that – ‘The realisation of human rights requires financial investment.’¹⁰ There

⁷ SCVO, 2023. Scottish Third Sector Tracker Winter 2023. <https://files.scvo.scot/2024/02/Third-Sector-Tracker-W7.pdf>

⁸ SHRC, 2023. Human Rights Budget Work: What, Why, How. <https://www.scottishhumanrights.com/media/2546/hrbw-collected-briefing-papers-vfinal.pdf>

⁹ UN Committee on the Rights of the Child. General comment No. 19 (2016) on public budgeting for the realization of children’s rights (art. 4). <https://www.ohchr.org/en/documents/general-comments-and-recommendations/general-comment-no-19-2016-public-budgeting>

¹⁰ Together, 2021. Introduction to Human Rights Budgeting. <https://www.togetherscotland.org.uk/media/2150/introduction-to-human-rights-budgeting.pdf>

are obligations under the convention, now part of Scots law following incorporation of the UNCRC, to uphold article 4.

As stated by Professor Aoife Nolan, President of the Council of Europe's Committee of Social Rights;

"Budgets are a key sign of a government's values. So, if human rights are not in there, what's being said is that they are not a value worth counting".¹¹

The UN Committee on the Rights of the Child's most recent Concluding Observations on the implementation of the UNCRC in the UK recommended that a child's rights-based approach to budgeting be introduced.

"Implement a tracking system for the allocation, use and monitoring of resources for children, with a view to eliminating disparities and ensuring equitability, and assess how investments in all sectors serve the best interests of children' and in particular 'Introduce budgetary allocations for children in disadvantaged situations and ensure that children are not affected by austerity measures."¹²

The needs of children, especially vulnerable children, are not always prioritised in budgeting decisions by the Scottish Government or local authorities. This includes decision-making around funding for third sector organisations.

It is important to include children and young people in decisions made about budgets. Children's views are largely absent from these decision processes, but the UN Committee on the Rights of the Child has repeatedly emphasised the need for governments to consult directly with children, including in relation to public spending decisions.¹³

'It is impossible for you to invest in us if you do not ask us what to invest in!'¹⁴

¹¹ SHRC. What is Human Rights Budget Work? <https://www.scottishhumanrights.com/projects-and-programmes/human-rights-budget-work/>

¹² UN Committee on the Rights of the Child, 2023. Concluding Observations on the United Kingdom of Great Britain and Northern Ireland. <https://www.ohchr.org/en/documents/concluding-observations/crccgbrco6-7-concluding-observations-combined-sixth-and-seventh>

¹³ Lundy, L., Orr, K., & Marshall, C. (2020). *Children's rights budgeting and social accountability*. <https://pureadmin.qub.ac.uk/ws/portalfiles/portal/227281132/child.pdf>

¹⁴ UN Committee on the Rights of the Child, 2016. *General Comment No. 19 Public budgeting for the realization of children's rights (Art 4)*. <https://www.ohchr.org/en/documents/general-comments-and-recommendations/general-comment-no-19-2016-public-budgeting>