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with  
community

# Acting on **FUNDING**

How Youth Scotland and its Area Associations support  
community-based youth work in the current funding climate





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This report examines the current funding climate and the effect it is having on community-based youth groups, alongside the work Youth Scotland and its Area Associations are doing to build capacity across the sector and support groups to become more sustainable. Community-based youth work provides vital opportunities for young people across Scotland to develop new skills, improve their wellbeing and reach positive destinations. To do this work and to do it well, organisations require adequate funding.

The funding landscape has become increasingly challenging in the last five years. COVID-19 and the cost of living crisis have meant that demand for youth services is higher and that running costs for groups has increased. The amount of funding available to third sector organisations has not increased to accommodate this. Moreover, short-term funding, delayed decisions and changes to funding processes have all negatively impacted organisations' abilities to plan strategically and recruit and retain staff. The current funding climate is detracting from youth groups' ability to deliver high quality youth work.

Youth Scotland is the largest national youth work organisation in Scotland and supports over 600 member organisations, 2,400 youth groups, 11,700 youth workers and 113,000 young people.

As the national charity for supporting and delivering youth work in the community, we know that youth work changes lives and that this crucial work must be effectively resourced. We provide support to our network of youth groups by advocating for a fairer funding system, administering small grants, providing fundraising training and capacity building support and helping groups to make closer links with funders.

We do this in partnership with our Area Associations in: the Lothians (LAYC), the Borders (Youth Borders), Fife (Youth 1st), The Highlands (Youth Highland), Orkney (Orkney Association of Youth Clubs) and the Western Isles (Lewis and Harris Youth Clubs Association; Youth Scotland for Uist & Barra).

## Funding landscape

The third sector is made up of over 46,000 organisations that work to improve the lives of people in Scotland<sup>1</sup>. Many of these organisations offer vital services to young people, including opportunities to develop their skills and gain qualifications, improve their mental health and wellbeing, build support networks and help them have positive futures.

Youth Scotland's 600+ member organisations vary in size from established charities with teams of paid employees, to volunteer-run groups. Our membership is diverse, encompassing groups in urban, rural and island communities, with over 66% based in Scotland's most deprived areas (SIMD 1–5). They get their funding from a range of sources including local authorities, third sector organisations like Youth Scotland, trusts and foundations, community fundraising and more. Since 2020, the funding landscape has become increasingly challenging for these groups.

SCVO's Third Sector Tracker<sup>2</sup> is a research community of representatives from third sector organisations in Scotland which produces regular reports on the health of the sector, the latest of which was published in Autumn 2024. In November 2024, the Scottish Parliament's Social Justice and Social Security Committee also published a pre-Budget report examining third sector funding principles, that collected responses from third sector professionals<sup>3</sup>. The findings in both paint a picture of a sector that is struggling to cater to increased demand for support, whilst contending with higher running costs and short-term funding cycles that leave them unable to plan sustainably.

SCVO research shows that 76% of third sector organisations reported facing financial challenges in the last four months, including difficulty fundraising, financial restraints and rising costs and inflation<sup>4</sup>. The report also raised concerns around the sector's use of reserves and long-term sustainability<sup>5</sup>. The picture is the same amongst Youth Scotland member groups. Since 2023 we have distributed the Safe Spaces Fund, supported by RS MacDonald, which offers small grants to Youth Scotland members to provide more essential youth work activities and trusted adult support for young people in their communities. 97% of applicants cited lack of funding as a reason that they were unable to deliver more youth work. In a recent series of consultation sessions Youth Scotland and our Area Associations hosted, 79% of our members who attended said funding was the main challenge facing their organisation.

**“Funding is a huge challenge on a regular basis, we have our own hall which we rent from the local authority... we will always need to source and secure funding to operate the youth club.”** —Kilwinning CFC, Youth Scotland member group

**“It's tough at the moment, we want to plan as far ahead as possible but we can't plan without knowing where the money is coming from.”** —Youth Scotland member group

**“I think funding is the main stumbling block.”** —Staff member, The Ripple Project, YS Safe Spaces funding recipient

# 79%

**of our members who attended said funding was the main challenge facing their organisation.**

FIGURE 1





## Doing more with less

In the last 5 years, both COVID-19 and the cost of living crisis have increased demand for third sector services and support. Individuals and families who may not have needed support before are now struggling to make ends meet and the pressure of this takes a toll on mental health.

Many of Youth Scotland's member youth groups are supporting families by providing hot meals to the young people who use their services and covering the costs of their travel where they might not have done so before. The travel costs and availability of transport are a particular challenge for groups based in rural areas.

“We are seeing lots of young people come in very hungry and needing to eat.” —Oor Space Youthy, Youth Scotland member; supported by Youth Scotland's Generation CashBack programme

“We hold in high regard our dignified response to food insecurity. Provision of a hot meal has been a central component in all our youth work sessions.” —Crossroads Youth and Community Association, Youth Scotland member; supported by Youth Scotland's Generation CashBack programme

“We are feeding a minimum of 20 young people each week. We know that some of our young folk are not always getting access to nutritious hot meals at home so at least this one dinner time each week they know they have a good home cooked meal to look forward to.” —Girvan Youth Trust, Youth Scotland member and Safe Spaces Fund grantee

“We have seen a huge increase in numbers at our youth club and food has been a key part of the club to provide access to free food they may not be getting at home, there has been a significant rise in food larders and foodbank use within the local community in recent months. With the rise in fuel prices both petrol and gas electric we can see families struggling to afford these essential needs for their families. We try to keep our activities free or at a very low cost so as we do not have a financial barrier but this can be a challenge for families to even get their children to attend the sessions.” —Kilwinning CFC, Youth Scotland member

**“The kids are hungry. A lot of our participants come for the warm space and something to eat.”** —Youth Scotland member

Alongside this, running costs for organisations have grown due to prices rising with inflation<sup>6</sup>. Office space, venues, bills, wages, food and equipment are all more expensive. SCVO found that 60% of organisations believed that rising costs had significantly or moderately affected their ability to deliver their core services. Only 11% of organisations reported no impact at all<sup>7</sup>. In many cases sources of income from individual and corporate giving and commercial activity have also reduced, creating greater reliance on grant funding. When asked how the cost of living crisis had impacted their organisations, Youth Scotland members responded:

**“Really high running costs – energy.”** —Youth Scotland member

**“We are going to struggle to find a way to pay the venue hire without using up more personal time from our volunteers to run fundraisers. We are also facing a supply and demand issues where we have more young people needing our service than we can accommodate in the building or support with the volunteers we have.”** —Portlethen Youth Club, Youth Scotland member

**“Extortionate energy costs. Expectation of free access all the time.”** —Youth Scotland member

**“The commercial income that supports our charity has decreased meaning a greater reliance on funding.”** —Youth Scotland member

**“We are seeing a decrease in individual giving and corporate giving as a response to the cost of living crisis.”** —Youth Scotland member

**“The cost of living has made my priority as the manager of the Tain YMCA change as I have to spend more time seeking funding to simply pay the bills!”** —Tain Youth Café, Youth Scotland member

In the Autumn budget, the Chancellor of the Exchequer announced plans to increase Employers National Insurance from 13.8% to 15%, alongside a reduction in the threshold for contributions from £9,100 to £5,000. In SCVO's briefing to MPs they state that this is: 'a significant additional cost to medium and large voluntary organisations across Scotland, at a time when the sector and the essential services and support we provide are under pressure<sup>8</sup>.' This additional pressure has been felt by larger Youth Scotland member groups:

**“As an organisation we are also seeing a huge increase in staffing costs (NI increases etc.) and locally our council taxes have increased by 10% but we can't increase our pay by this!”** —Youth Scotland member

In the Centre for Social Justice Foundation's Big Listen Scotland report, they found that third sector leaders across the board were agreeing that demand for services had gone up and yet funding and resources had gone down, resulting in financial pressure<sup>9</sup>. Proportionally, government funding has not increased to match the price and tax rises and higher community need. The third sector has seen a decrease in Scottish Government funding, with £21.1million allocated in the 2024-25 year budget compared to £21.2m in 2023-24 – marking a 0.5% cash decrease and 2.1% real-terms reduction<sup>10</sup>. This has a knock-on effect on community-based youth groups who are often supported by larger organisations or local authorities in receipt of government funding.

## 60%

**of organisations believed that rising costs had significantly or moderately affected their ability to deliver their core services.**

FIGURE 2



## Short-term and project-based funding

The recent report by the Scottish Parliament's Social Justice and Social Security Committee found that short-term funding cycles are creating financial instability and diverting time and resources away from the third sector's delivery of services<sup>11</sup>.

At a recent Introduction to Fundraising training offered by Youth Scotland, one youth worker shared their concerns that their fixed-term contract was finishing in a matter of months and they had not had time to apply for further funding to continue their role alongside the day to day youth work delivery. This would mean an end to a programme they ran that supported children with additional support needs, that was a lifeline for both the young people and local parents. Writing multiple applications for lots of smaller, short-term grants inevitably takes up more staff capacity than one application for multi-year funding, especially considering that most funders have different criteria and require reporting on distinct outcomes.

**“With short-term funding it's reporting, reporting and more reporting. I think this month I have about eight reports to write.”**

—Youth Scotland member group

As well as posing problems for staff capacity, short-term funding also impacts on staff retention and wellbeing. The Centre for Social Justice Foundation found that many third sector organisations reported staff burnout and an inability to recruit and retain staff. As funding increases were below inflation, organisations

were unable to offer salary increases and as a result, staff would leave for more secure and better paid jobs<sup>12</sup>. It is unsurprising that many staff reach burnout when trying to cater to a high demand for emotionally exhausting work, while simultaneously worrying about the stability of their own livelihoods.

**“The challenges that come with short-term funding are then keeping the project going and staff job stability.”**

—Youth Scotland member group

**“Last year we had a cut to funding that contributes to our core costs, it was a very stressful time for all and we had to plan for redundancies. Currently we are only funded for the next few months.”**

—Youth Scotland member group



Short-term core funding also negatively affects groups' ability to deliver successful youth work services. Youth work is reliant on strong, trusting relationships built between youth workers and young people. Through this, youth work supports young people to build resilience, ambition and lifelong skills – none of which happen overnight. If we are to instil these values in young people, the systems that support them must reflect the same commitment to longevity and sustainability. The challenge facing many groups is the funding mix; as seen in figure 3, 86% of successful funding awarded to member groups was 'project-based' over 'core or unrestricted'. Without a solid foundation of longer term, multi-year core funding, the funding mix is a barrier to the operation of many groups. Groups also voiced that short funding cycles can mean prioritising short-term outputs over long-term outcomes and that often the targets were unrealistic within the timeframe.

**“It can take a while for trust to develop around a service. Then just when it's getting traction you have to stop.”**  
—Youth Scotland member group

**“I've had projects where the funding is awarded in December, but the project is due to be delivered from January to March. Organising staffing and delivery for projects takes time – these timelines just aren't realistic.”** —Youth Scotland and Youth Borders member group

**“Short-term funding goals are unrealistic and demanding.”** —Youth Scotland member group

**“Short-term projects do not provide continuity to the young people. They get engaged, then it ends.”** —Youth Scotland member group

**“We end up addressing the hot topic of whatever issue is fashionable rather than the general benefit of youth work for all young people.”** —Youth Scotland member group

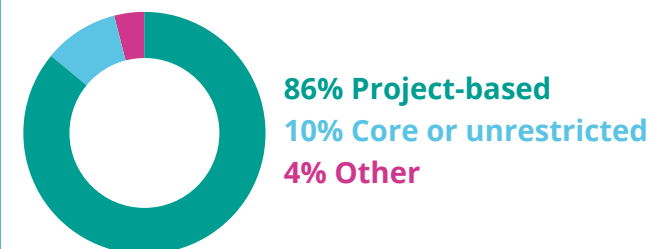
**“Often projects are one off and just as they are starting to make an impact they are finished.”** —Youth Scotland member group

Many of Youth Scotland's members highlighted challenges in covering their core costs, as many available grants offer project funding alone. When asked what types of funding they were most successful in securing, 86% of member groups said 'project-based', while only 10% said 'core or unrestricted'.

**“There are restrictions on what funding can be used for. You're not allowed to use it on things you actually need – can't use it for staff, can't use it for repairs...”** —Youth Scotland and Youth Borders member group

**“I'm noticing that funds are specific, project based funds. Lots of organisations are struggling with building maintenance and their buildings falling apart, but there aren't any funds available for repairs. Without the spaces we can't deliver our projects.”**  
—Youth Scotland member group

**“Funding to pay core costs, casual staff wages and running costs is very hard to come by. We can't do what we do without our casual staff and yet funding for them is difficult to source.”** —Youth Scotland member group



When asked what types of funding they were most successful in securing,

**86%**

of member groups said 'project-based', while only 10% said 'core or unrestricted'.

FIGURE 3



## Delays and changes

Delays to funding decisions, or last-minute changes to funding programmes also have a significant effect on groups' ability to deliver their work. Where funders have regular funding strands that groups have come to rely on, last minute changes to the application process, delays to decisions, or cancellation of the fund altogether can have devastating effects.

**“ We are waiting until June or July for decisions that should have been made before the financial year... At what point do we need to start scaling down our service? And if we start scaling down, are we scaling down until it doesn't exist anymore? And if that happens, what is the impact on the young people?”** —Youth Scotland and Youth Borders member group

**“ How are funders and government risk assessing the impact when a service suddenly closes? Have they done an Equalities Impact Assessment to understand what the impact is on the young people?”** —Youth Scotland and Youth Borders member group

With more notice, organisations would be able to plan strategically for their own sustainability and apply for funding from other sources.

Voluntary sector respondents have highlighted that the sector often fills gaps in public sector provision, particularly where it comes to preventative interventions. Many felt that public sector provision was reactive, responding to crises and not investing in preventative services, which causes everything to be more expensive in the long term<sup>13</sup>. Where a young person engages well with community-based youth work, it often diverts them away from negative outcomes, saving money in the long run.

**“ What we deliver is the only option for the marginalised groups. Ultimately youth work should receive core funding from government.”** —Youth Scotland member group





## Fair work first

In 2023, the Scottish Government published a refreshed action plan to become a Fair Work Nation by 2025. Through Fair Work First, the Scottish Government is encouraging and supporting employers to take action to deliver high quality and fair work and workforce diversity<sup>14</sup>. This includes offering job stability through proper contracts, paying the Living Wage, closing gender and disability pay gaps and ensuring workplaces are inclusive. For those applying to or in receipt of government funding, there are associated targets and commitments in line with the Fair Work guidance.

In their Fairer Funding briefing, SCVO find that the voluntary sector is supportive of these principles, but that current funding practices can act as a barrier to implementing them<sup>15</sup>. They summarise that the current funding landscape including short-term and project-based funding and delays and changes to funding decisions, lead to many roles being fixed-term contracts. This impacts negatively on job security, opportunities for career progression, staff feeling respected and fulfilled and employees feeling able to have their voice heard at work.

**“Funding projects and resources is amazing, but please remember that staff are vital and have the positive and trusting relationships with the young people and we need funding for staffing too.”**  
—Youth Scotland member group

**“Organisations need their core funding covered in order to provide the services. Small grants are great add-ons but the core salaries need to be there first!”** —Youth Scotland and Youth Borders member group



## More competition for fewer funds

Capacity is another issue for the community-based youth work sector, especially for smaller organisations. Many of Youth Scotland's member groups don't typically have a dedicated member of staff or volunteer with a fundraising remit or experience, meaning that where they may be working with more young people than ever, they don't have the expertise or the time to apply for funding to facilitate this.

**“It's like playing your centre forward at right back. When you're filling out funding you aren't doing youth work.”**

—Spartans Community Foundation, Youth Scotland member group

With more demand and less funding available, organisations are competing over the same grants and larger organisations can win at the expense of smaller groups<sup>16</sup>. This also reduces the likelihood of groups collaborating with each other, making services less joined up and young people more likely to fall through the gaps and miss out on support.

**“When our club started, we had a small group of children, with only myself running and organising it, with the support of the local librarian. We now have around 90-100 children per session. These sessions provide a safe haven for so many children experiencing the effects of a range of challenging issues: being in care, coping with bereavement, living in poverty, experiencing family unemployment, dealing with parental substance/alcohol dependence, having a disability, parental separation or mental health challenges. The biggest issue facing us is securing enough funding to ensure that Sticky Fingers Club continues.”**

—Sticky Fingers, Rural Action Fund Beneficiary





Funders report that demand for funds is high and so success rates are often low and many organisations invest time in writing applications that never come to fruition. Gannochy Trust's small grant programme received 71 applications in 2024/2025 of which 30 were successful, giving them a 42% success rate. In 2023/2024 they received 53 applications of which 34 were successful, a 63% success rate. In just one year the success rate has reduced by over 20% and the Trust reports an increase in applicants who are not already known to them but whose funding is drying up, forcing them to look to new avenues. Children in Need is currently only able to fund 1 in 8 applications due to an increase in demand and decrease in available funding, meaning that funders have to say no to a lot of projects that they would fund if they had the resources. As a funder that raises money from donations, the cost of living crisis has hugely affected the amount they have available to give – their total annual grant funding pot has halved since 2018 from £70million to £35million. This in turn takes a toll on the motivation and mental health of those making funding decisions, as well as those affected by them.

Youth Scotland's own 2023 Safe Spaces pilot, funded by RS MacDonald, was similarly oversubscribed. We received 68 applications requesting over £130,000—more than six times the available funding. With a grant pot of £20,000, we were able to fund 11 member groups. The unmet demand left many high-need groups without resources and reliant on Youth Scotland signposting to other potential funding opportunities.



## Looking to the future

For youth groups across Scotland, the lack of certainty around funding and the struggle to cover core costs makes it challenging to plan strategically, retain skilled staff and build the relationships necessary for sustained impact. Community-based youth groups often struggle to effectively design and deliver programmes when their ability to operate is affected by short-term funding cycles, delayed decisions, project-based funding, alongside higher demand and higher running costs.

However, there are some indications of a change in approach to funding. Following the report by the Social Justice and Social Security Committee, the Scottish Government have announced a new Fairer Funding pilot to help eradicate child poverty<sup>17</sup>. The pilot will distribute over £120million to third sector organisations in 2025/26 and 2026/27. Social Justice Secretary Shirley-Anne Somerville said:

**“ I know many charities, faced with rising costs and falling donations, need more security and stability to enable them to plan and develop. Child poverty, in particular, requires longer-term interventions to help achieve the solutions we want to see. For that, the third sector needs financial stability and certainty. That’s why I have prioritised delivering on our commitment to provide more multi-year funding where we can to support the vital work of the third sector in Scotland, as part of our fairer funding approach. The pilot is the first step in mainstreaming multi-year funding agreements more widely across the third**

**sector. It will give organisations the ability to plan for the future and make the most of their resources.”**

£34million of multi-year funding will also be available through Creative Scotland<sup>18</sup>. Other funders are also moving towards offering more multi-year and unrestricted funding. At a recent panel discussion at SCVO’s 2025 The Gathering event, several funders shared existing pilots or future aspirations to increase the amount of multi-year and unrestricted funding available to applicants, in a bid to support organisations to plan more sustainably<sup>19</sup>.

We are hopeful that these examples will set a precedent and be replicated by other funders of the third sector. It could be the beginning of a much-needed shift in mindset with a move towards longer funding cycles, transparent processes and further collaboration between funders and the voluntary sector. A move away from ‘doing more with less’ and towards a system that recognises the value of investing in the future.





Funding is consistently the number one issue that our member youth groups say they face. Youth Scotland has been working hard to support community-based youth groups across Scotland with their fundraising, enabling them to become more sustainable and to continue meeting the needs of young people.

We know that resourcing community-based youth groups (including in areas of disadvantage and deprivation) enables young people to access a variety of opportunities that allow them to build self-esteem, develop life skills and increase their confidence. These environments and trusted relationships with youth workers can also provide extra 'eyes on' vulnerable young people and a vital safety net for those who may not be engaging in other support.

We believe that affinity to Youth Scotland and our Area Associations as membership organisations is key to engaging community-based youth groups in accessing the various opportunities and services available in the sector. We collect feedback from our members to understand their needs and to develop the support that we provide accordingly. The two primary ways that we support our members with funding are through capacity building support, including connecting groups directly with funders and small grants programmes.

Many of our grassroots member youth groups state that their lack of success securing funding is due to minimal connection with funders and not receiving adequate information and support during the funding process. However, Youth Scotland's relationship to our membership coupled with extensive small grant management experience, enables national funders to reach and connect with local youth groups and communities.



## Capacity building – fundraising support

Many community-based youth groups do not feel confident applying for funding, lack time and resources to dedicate to funding applications and struggle to compete with larger organisations who have professional fundraisers.

Youth Scotland provides free fundraising training to our members that caters to different levels of experience. Our fundraising training pathway starts with 'Introduction to Fundraising', a half-day session for those who are just getting started with fundraising. This covers: how to choose an appropriate funder; different methods of fundraising from grants to community events; and how to write a good funding bid. The sessions are tailored to the community-based youth work sector and designed to be interactive in order to build groups' confidence in talking about their work. They also end with a funding surgery, in which participants can bring a specific challenge or application they are working on and seek advice from Youth Scotland staff and peers. Additionally, we are offering 100 free places on a 'Writing Successful Funding Bids' e-learning course in 2025, with plans to expand this further.

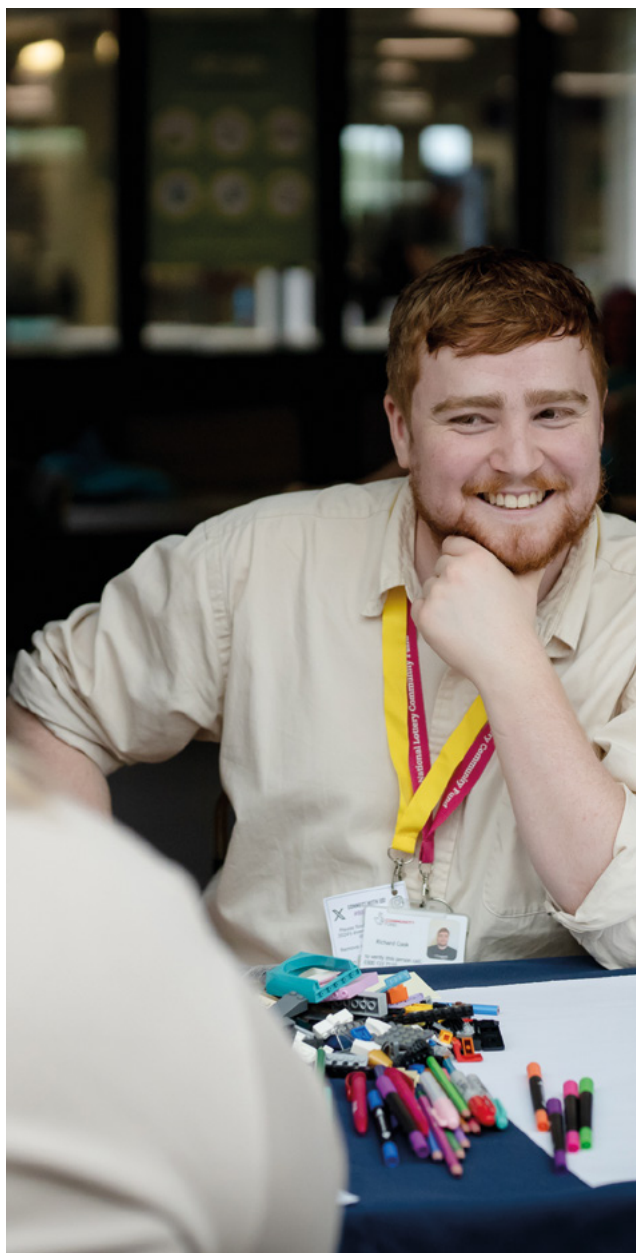
**“ There was a lot of new knowledge about the funding processes that are very key.”** —Introduction to Fundraising participant

For those who are no longer at the introductory stage, we offer 'Developing your Trusts and Foundations Fundraising Skills'. This is a full day of training that covers the importance of planning, how to develop a funding action plan and supports participants to write a funding bid as part of the session.

In addition to training, we are piloting further fundraising surgeries as part of our place-based approach. For these, the local knowledge and connections of Youth Scotland and Area Associations are used to run open sessions in specific regions for groups to bring their fundraising challenges or an application they are working on and receive bespoke advice. This has been piloted in Dumfries and Galloway, with plans to expand to other local authorities.

All groups who participate in our fundraising training or surgeries can access Youth Scotland's resources on our website including a section focussed on funding within our **Youth Work Essentials toolkit** ([www.youthscotland.org.uk/essential/youth-work-essentials-funding](http://www.youthscotland.org.uk/essential/youth-work-essentials-funding)) a resource that shares key tips for writing a successful application, where to search for grants and information on a range of youth-focused funders.





**“The Youth Scotland website is informative and easy to navigate.”**

Attendee at Youth Scotland Funding Consultation

In addition to fundraising training, we offer support in measuring impact and evaluation, through the National Impact Network which we co-ordinate. Leaders from Youth Scotland member groups and other youth work leaders from across the sector meet quarterly. Participation in these forums benefits those responsible for the leadership or evaluation of their organisation. Through attendance at the networking meetings, participants receive access to free evaluation tools and resources, access to free workshops and training, as well as peer support through themed discussions, input from guest speakers and tips on communication and how to demonstrate impact to funders.

Recent forums have focused on digital tools to capture data and writing impact reports; making research and evaluation more accessible for young people who are neurodiverse or who have a disability; how to create case studies to make an impact and how to use data to tell your story; creative consultation, research and evaluation ethics; and youth participation work.

Sessions were designed to encourage the relationship between telling your story as a means to build understanding and relationships with funders and to link funded work to recognisable benchmarks, such as the National Youth Work Outcomes & Skills Framework.

Feedback gathered from attendees at each National Impact Network meeting showed the importance of this information and sharing of best practice:

**“This has given us the motivation to actually produce a proper impact report this year!”**

**“I like the sessions with getting information from other people that’s always great.”**

**“Learning from other leads in the sector around good practice etc.”**

**“Really enjoyed hearing some examples from other practitioners around similar work and issues in different contexts. Reassuring but also exciting to see possibilities for partnership or collaboration.”**



## Capacity building – connecting groups to funders

Searching for funders and identifying the appropriate ones to apply to is a time consuming exercise. Many Youth Scotland member groups do not have a strong idea of which funders would be appropriate to their size and the activities they provide. We raise awareness of different funders amongst community-based youth groups, as well as giving them a direct line of communication to decision makers.

**“It was good to hear the information of the different funds and what each fund covers and I really like the fact that it is done in half an hour it's easy and accessible to be able to attend.”** —Attendee at Meet the Funder session

**“Really informative and useful information about the funding options.”** —Attendee at Meet the Funder session

**“Helpful to hear about the different funds available.”** —Attendee at Meet the Funder session

We regularly signpost to youth work funding in our monthly E-newsletter, which reaches over 4,000 subscribers. Our latest edition included information on over 20 different funds, sharing the amount available, the eligibility criteria and other useful information for groups to quickly identify whether they should make an application. This information is also available on our website.

Youth Scotland runs monthly Meet the Funder sessions, during which youth groups can hear directly from funders about what they are looking to support and ask questions about their applications. We have hosted 12 of these sessions since the series began in late 2023, with eight different funders: The Gannochy Trust, Garfield Weston Foundation, BBC Children in Need, National Lottery Community Fund, Scottish Children's Lottery, Creative Scotland, STV Children's Appeal and Foundation Scotland. So far, 262 places have been taken up by staff and volunteers from Youth Scotland members. The sessions have been invaluable for groups who feel they would not otherwise be able to communicate with these funders.

**“It was very detailed and helpful. Guidance on funding websites is useful but it's really beneficial having further insight and tips into how to write a great application.”** —Attendee at Meet the Funder session





**“Great chance to meet funders and ask questions, making the application process less daunting!”** —Attendee at Meet the Funder session

**“The opportunity to hear directly from funders, what they are looking for in terms of applications and projects along with the opportunity to ask questions and make that initial connection with funders was really useful.”** —Attendee at Meet the Funder session

**“It is really helpful being able to talk face to face with funders and ask questions. It was helpful to hear about their process and aims.”** —Attendee at Meet the Funder session

**“Hearing the funding criteria and application process directly from the funder as it's now clear our work wouldn't fit their criteria so that's saved a lot of potentially wasted time.”** —Attendee at Meet the Funder session

**“I liked that it was meeting a funder that had a fund currently open that I have been working on, so that was helpful and insightful.”** —Attendee at Meet the Funder session

**“It was great to hear directly from a funder and having an opportunity to learn about a fund from a friendly face rather than just scrolling on a website.”** —Attendee at Meet the Funder session

We ran a funders marketplace at our annual Big Ideas weekend event in 2024 where funders and groups could network and share information. The event was attended by Creative Scotland, The National Lottery Community Fund, Scottish Children's Lottery and The Robertson Trust. Funders all gave a short presentation about their work and how to go through their application process. The event offered funders the opportunity to connect with smaller, grassroots groups, doing vital work in their communities, but who they might not otherwise connect with.

## Small grants, big gains

Youth Scotland has extensive experience managing targeted grant schemes. We are well positioned as a trusted intermediary, bridging national funding with grassroots impact. Our small grant schemes capitalise on our wide membership network and effective communications strategy to ensure the funds reach those most in need.

For funders, supporting Youth Scotland to distribute small grants to our members comes with the benefit of knowing that any funded group has already undergone appropriate checks including the reassurance that appropriate governance and safeguarding measures are in place. In addition, many of Youth Scotland's members are small volunteer-run operations so even modest levels of funding can go a long way – positively impacting the lives of young people, often those in greatest need of support.

The added value of working through Youth Scotland lies in our strong connection to youth work on the ground and the wrap-around support provided through our membership model. Funded groups are not only recipients of financial support; they also become more actively engaged in Youth Scotland's wider membership offer. This includes accessing young leader training, staff and volunteer development opportunities, practical resources and national events. The capacity-building support we provide to successful applicants helps them to maximise

the potential of their funding and extend their long-term impact. One of Youth Scotland's critical success factors is the membership infrastructure that continues to support groups beyond the life of any single project – building resilience, sustainability and growth in community-based youth work. Going forward, it is not only grant funding that is vital to support this work but also investment in the membership support that underpins it.

We believe that affinity to Youth Scotland as a membership organisation is key to engaging community-based youth groups in accessing wider sector opportunities. Many grassroots groups tell us that one of their biggest barriers to securing funding is a lack of connection to funders as well as limited access to guidance during the funding process. Youth Scotland's established relationship with our membership coupled with our extensive experience in small grant delivery enables funders to reach and meaningfully connect with local youth groups and the communities they serve.

Our most recent small grant schemes include the Rural Action Fund and the Safe Spaces Fund. Previous schemes have included What's Your Big Idea?!, Step into the Arts, the Winter Fund, Inspire 2022 and more. We also run the CashBack programme offering capacity-building support and resources to groups in areas of multiple deprivation. In previous phases we successfully distributed small-scale grants through CashBack, further demonstrating our reach and impact across Scotland's youth work sector.





## Rural Action Fund

The Youth Scotland Rural Action Fund is a micro-grant fund supported by The Gannochy Trust. The fund was created in response to the challenges which rural youth groups are facing in funding the delivery of community-based universal youth work. Rural youth groups provide vital services, often where there are no other alternatives. They experience challenges with both a lack of availability and prohibitive costs of transport and reduced access to other services.

The fund makes small awards to enable youth groups operating in rural communities to provide more frequent and better quality youth work opportunities for young people. The first round took place in 2023 and it is open again for 2025.

Many youth groups identified that the Rural Action Fund and Youth Scotland support was a lifeline against the backdrop of a challenging funding landscape.

**“Without this fund we would not be able to run any youth activities over the summer.”**—Rural Action Fund Beneficiary

**“To be able to know that we have support with our rent will mean that we won’t have to increase our weekly entrance fee (currently £2) which is important during this Cost of Living Crisis.”**—Rural Action Fund Beneficiary

**“The project has provided a regular, supported, safe environment for young people that did not exist before... Providing space has enabled a sense of community and belonging to develop.”**—Rural Action Fund Beneficiary

**“The children on the Isle of Cumbrae had no youth club and no space to meet their peers in a safe and supervised way. We hoped that the funding provided by the Rural Action Fund would help us to train our volunteers so we could offer safe, supervised and fun sessions for the children to attend. Our Island children now have somewhere to meet their peers and congregate safely, we have up and coming projects that will continue to build on this and with children in mind we hope to increase the amount of services we offer and narrow the gap between Island and Mainland children.”**  
—Rural Action Fund Beneficiary

The need for further support for our rural and island member groups is still very much apparent and we want to invest more time and resources into these communities to enable youth work to grow and thrive and to overcome the barriers associated with rural service delivery.



## Safe Spaces Fund

The Youth Scotland Safe Spaces Youth Work Fund is a small grant fund supported by The RS Macdonald Charitable Trust. The fund was created in recognition of the fact that youth work and the support of trusted adults provides a valuable safety net for young people in the community, including those who are considered vulnerable. Youth Work builds young people's capacity to consider risk, navigate the opportunities they face in their lives and choose positive, safer behaviours. Small grants and capacity-building support allows groups to enhance and increase this provision.

The fund provided small grants of £1,000 - £2,000 to member youth groups across Scotland, enabling them to offer safe, trusted environments where young people could engage in issue-based programmes, connect to their communities, build resilience and receive support from trained youth workers and volunteers. £20,000 was distributed through the Safe Spaces fund to 11 member organisations, benefitting 572 young people. Many groups were based in areas of multiple deprivation and/or working with young people involved in anti-social behaviour. Others identified that they were working with young people with multiple Adverse Childhood Experiences (ACEs) or vulnerable in other ways. Projects supported young people from varied backgrounds including those with additional support needs, young people exploring their identity, young carers and those living with addiction.

**“ I am in a caring role in my family and my time is being taken up throughout the week to help my family. TD1 has helped me meet new people and get involved in things in my community and at school, that I felt I did not have time for. I have learnt so much and enjoyed being with others that have similar experiences than me, people that I did not know before.”** —Young Person from Safe Spaces Beneficiary

**“ Without Ripple Buddies I wouldn't leave my house, I'm so glad it's on over summer it gives me something to do.”** —Young Person from Safe Spaces Beneficiary

**“ It was amazing to see the young people opening up throughout the sessions – they had been so quiet at the start. Relationships are really important between staff and young people as trust has and is being built. It's a real good buzz at the club and the work is rewarding.”** —Youth Worker from Safe Spaces Beneficiary





## Youth participation and funding

Youth leadership and youth participation are at the core of Youth Scotland's ethos, as outlined in our recent Acting on Youth Participation report. When it comes to funding practices, we promote the involvement of young people in decision making. Our Young Grantmakers programmes use a bespoke version of our iLead Pathway to train young people to design funds and decide on how to award funding.

In 2021-22, the National Lottery Community Fund commissioned Youth Scotland to design and deliver a participatory grant-making pilot project in Glasgow. The aim was to give young people an opportunity to identify and fund initiatives to tackle anti-social behaviour within their local communities. The Young Grantmakers designed the fund and administered £40,000 to 10 successful applicants.

In 2023, Creative Scotland commissioned Youth Scotland to recruit a group of Young Grantmakers to design a youth led fund that supported young people's creative development. The result was Step into the Arts, which distributed £65,000 to young people across Scotland.

As with Step into the Arts, Youth Scotland have run other programmes that fund fully youth led projects. What's Your Big Idea?! was funded by the Audrey Milan Fund and offered microgrants to young people with an idea they wanted to get off the ground. Young people were awarded funding for small business ideas, learning new skills and putting on activities with their youth groups.

**“ Thank you so much for awarding me ... which has enabled me to give my mini enterprise a boost. Already my self-confidence has grown as a result of these priceless tweaks... each improvement made my nerve to put myself out there & promote my products on social media.”** —What's Your Big Idea!? Beneficiary

From 2022-23 we ran Inspire 2022, in partnership with UK Youth and funded by Spirit of 2012. Taking inspiration from the tenth anniversary of the London 2012 Olympic and Paralympic Games, Inspire 2022 was a youth-led, events-based social action programme which used national events as a springboard for young people to design positive activities for their own communities, bridging community divides and giving young people a voice in a year of national celebration. Across the programme, 52 teams of over 400 young people delivered community events in locations across Scotland – a legacy continued in the Inspiring Ayrshire programme.



## Combining grants and capacity building support

Youth Scotland's small grants schemes are offered to member youth groups alongside other benefits provided by our membership infrastructure. This leads to more sustainable impact on groups and young people, as not only do they access funding, but they are also supported with training, youth work programmes, advice and more. While these opportunities are available to all groups in Youth Scotland's membership, often accessing a small grant improves groups' awareness of the other services on offer and leads to them taking up more.

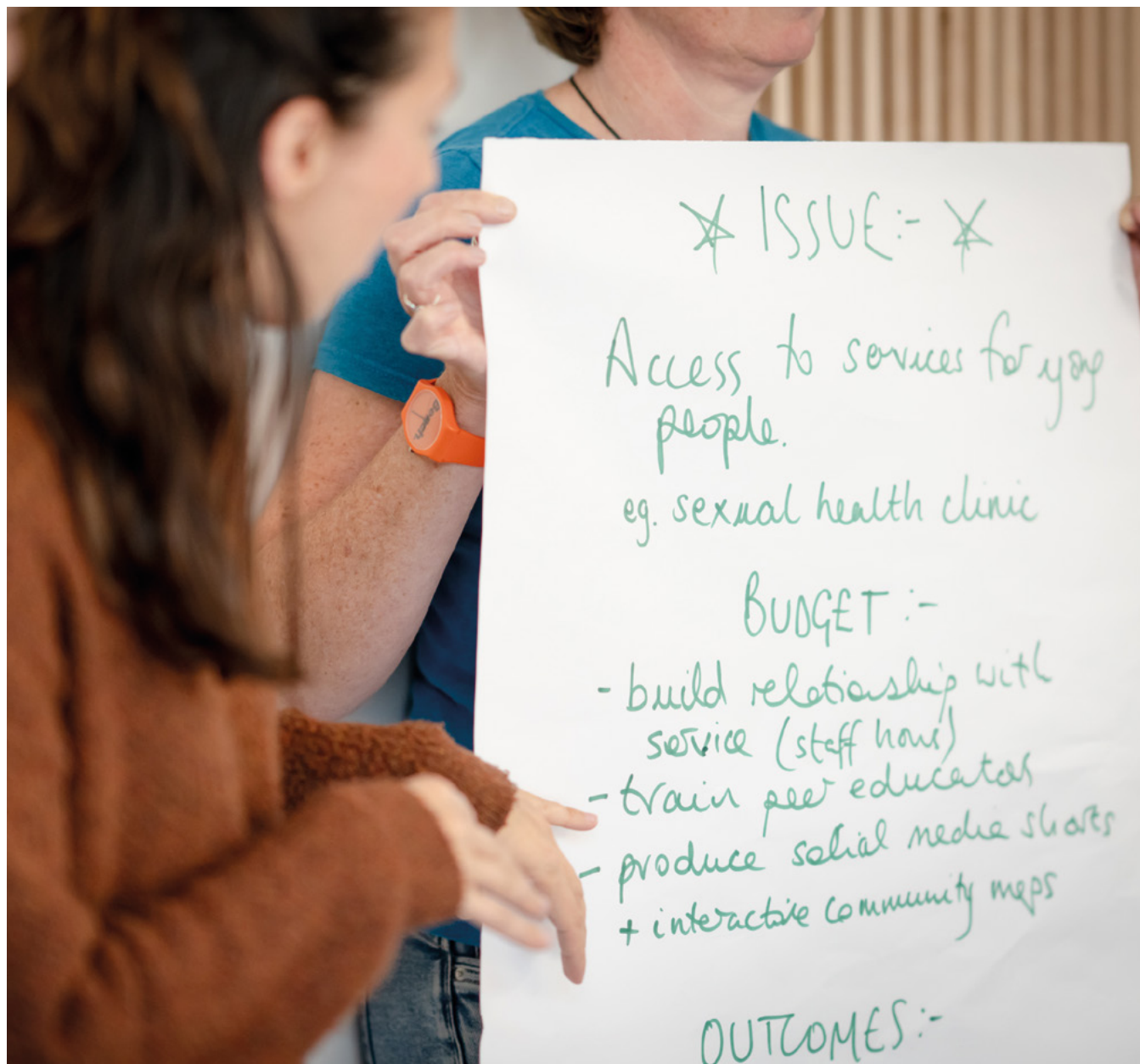
**“ I love Youth Scotland. I've always found them a great support through my own personal journey and so I've always pushed my team forward. I've encouraged my team to go for training.”** —Youth Scotland member

Youth Scotland's Generation CashBack programme offers capacity building support and resources to make identified projects and youth work activities happen. It is delivered by a Consortium comprising Youth Scotland, Girlguiding Scotland, Boys' Brigade and Scouts Scotland. Each organisation identifies member groups to support that are in areas of multiple deprivation and/or that are supporting young people who are at risk of involvement with anti-social behaviour or the criminal justice system. The programme is divided into two main strands of project delivery, 'Grow' and 'Lead'. For 'Grow', Generation CashBack staff support groups to put together a proposal for how to

grow and/or improve their offer to young people. Following a comprehensive community-mapping and needs-analysis process, groups are given bespoke training and advice as well as resources to support delivery. 'Lead' consists of a range of direct youth work opportunities, either delivered directly to groups, or centrally, including support to help groups deliver accredited youth awards.

The combination of financial support and capacity building support leads to increased impact: staff or volunteers involved with delivering funded projects are trained in the skills they need to deliver impactful work; young people have access to further opportunities beyond their youth group, including qualifications; and groups can make use of extra staff resource via their membership organisation, increasing their planning and delivery capacity.





“The experience, the knowledge it's given me. Yeah, absolutely unreal. Can't believe my luck, really!” —Youth Worker accessing training from a Generation CashBack supported group

“Meeting other people in youth work and seeing how they deliver it and seeing how they work with young people and sharing ideas and like building a community from that has been really, really good. We have a group chat and we're always chatting on there. And if you need help with something you can ask them and they're all there to help you and we're all there to help each other.” —Youth Worker accessing training from a Generation CashBack supported group

“It gives you that knowledge base and with that knowledge base comes confidence. Knowing that you're doing the right thing, having a clear understanding of what you're doing, why you're doing it, as well as some practical skills and tools to take with you... I just think it's invaluable.” —Youth Worker accessing training from a Generation CashBack supported group



## Advocating for fairer funding for community based youth work

As well as small grants and capacity building support, Youth Scotland also aims to amplify the concerns of our membership and advocate for more and fairer funding for community-based youth work.

In drawing up this report, we spoke to 25 member groups across Scotland, in a series of three consultation sessions, some of which were run in partnership with our Area Association partners. We also hold regular, regional membership meetings where groups share current challenges and seek to support each other. As outlined in the first section of this report, the feedback groups shared painted a picture of a challenging funding landscape against rising demand and increased costs due to inflation. The frustration groups are feeling is palpable – they know the services that they deliver are transformative for their local communities, but challenges with funding are pulling focus away from delivery and for some groups are necessitating the reduction or closure of services.

In the consultations member groups were asked what message they wanted to feed back to funders. You can see a summary of the responses below.

“Core costs are vital and while they may not give you the big shiny bright impact report of how many people it has impacted, without being able to put the lights on, open the doors, we have no project.” —Network member group

“Funding projects and resources is amazing, but please remember that staff are vital and have the positive and trusting relationships with the young people and we need funding for staffing too.” —Network member group

“Work with us in youth work to set the outcomes together.” —Network member group

“Chat to us! Get to know us, we would love to have a more personal relationship with our funders.” —Network member group

“Think about the smaller, grassroots organisations that are run by volunteers. Our group is in a rural community with poor infrastructure.” —Network member group

“Keep up the good work! Streamlined and standardised reporting obligations. Opportunities for peers to come together who are simultaneously being funded, for peer to peer support on areas like evaluation.” —Network member group



The community-based youth work sector often punches above its weight, delivering high impact services with limited funding and often relying on volunteers. Many of our member groups have a small team and small income, but as grassroots groups they have relationships with and understanding of their local communities that other organisations may lack. This allows them to respond to the needs of their community. In our consultation sessions, many of our smaller members shared that it can be hard to get their voices heard by government and other funders due to their size in comparison with others in the sector. This is where Youth Scotland and our Area Association partners come in. On behalf of community-based youth groups across Scotland we are asking for:

## Transparent funding processes

This includes making decisions on time, communicating changes to funding streams with plenty of notice and sharing rationale behind changes. It also means clear application processes and an explanation of why and how criteria and outcomes have been set. This would make it easier for groups to plan strategically and understand which funds they are eligible for, reducing the amount of time spent on unsuccessful applications.

## Longer term and multi-year funding

This allows groups to become more sustainable and makes strategic planning easier. It would ensure that programmes are long term, offering young people stability and allowing time for youth workers to build the trusting relationships that effective youth work is reliant on.

## Funding for salaries and core costs

Again, this increases the sustainability of groups and provides a stable baseline from which to secure project funding for activities with young people.

## Increases in line with inflation

This would allow organisations to increase staff salaries in line with inflation, reducing staff burnout and dissatisfaction and enabling organisations to retain and recruit employees.

## More collaboration with the sector

This supports funders to have a better understanding of the community-based youth work sector and the impact it has on young people, as well as the needs that groups are seeing emerging in communities across Scotland.

## Realistic outcomes and reporting requirements

A by-product of the point above, outcomes set in collaboration with the youth sector and with consistency across funders, would reduce the burden on groups and lead to more effective monitoring and evaluation systems.

## Continued support with capacity building and small grants

These have been an important support for groups in Youth Scotland's membership and demand has been high.

**We understand that funders do listen and are leading change in our sector in a challenging landscape. Thank you for working with Youth Scotland and our membership.**

**“ We know that charities have to report to several funders. We are very happy for you to ‘recycle’ information you have used for other reports. We don’t have a specific form, you have the flexibility to tell us about your work in your own words.” —Gannochy Trust**

**“ You might already be writing these kinds of reports for them too. So we don’t want to make you write a whole new report just for us. This means you can send us something you’ve already written for other organisations that covers the things we’re funding you for. If you’re sending us something you’ve already written, just highlight the bits that are relevant to us.” —National Lottery Community Fund**



**This report has highlighted the importance of implementing fairer funding practices for the community-based youth work sector and the positive impact that this can have on young people's lives.**

When properly resourced and where youth workers have capacity to focus on service delivery instead of fundraising and reporting, we know that youth work is uniquely placed to deliver long term, transformative outcomes for young people. This happens through the development of strong, trusting relationships, that allow youth workers to support young people in the development of resilience, social networks and lifelong skills. To effectively support these processes, funders must prioritise longevity and sustainability.

Youth Scotland's capacity building support, work to build connections between funders and groups and small grants schemes all support youth groups to navigate the challenging funding landscape. However, in order for community-based youth work to thrive and deliver long-term, high quality interventions for young people, we are calling for a sector-wide change in the approach to funding. This should include multi-year funding, funding for core costs and transparent funding processes. These changes would lead to a more sustainable community-based youth work sector, with a more resilient workforce and better outcomes for young people across Scotland.





**1** Pre-Budget Scrutiny 2025-26: Third sector funding principles  
[Scottish Parliament](#)



**2** Scottish Third Sector Tracker  
[SCVO](#)



**3** Pre-Budget Scrutiny 2025-26: Third sector funding principles  
[Scottish Parliament](#)



**4** Scottish Third Sector Tracker, Wave 9 Report – P.6  
[SCVO](#)



**5** Scottish Third Sector Tracker, Wave 9 Report – P.4  
[SCVO](#)



**6** Pre-Budget Scrutiny 2025-26: Third sector funding principles  
[Scottish Parliament](#)



**7** Scottish Third Sector Tracker, Wave 9 Report – P.7  
[SCVO](#)



**8** Briefing to MPs: National Insurance Contributions Bill  
[SCVO](#)



**9** Drowning not Waving – Discussions with Scottish Small Charities – P.6  
[The Centre for Social Justice Foundation](#)



**10** “Growing financial pressures”: chief executive urges funding overhaul  
[TFN](#)



**11** Short-term funding cycles are creating financial instability for Scotland’s charities  
[TFN](#)



**12** Drowning not Waving – Discussions with Scottish Small Charities – P.6  
[The Centre for Social Justice Foundation](#)



**13** Drowning not Waving – Discussions with Scottish Small Charities – P.7  
[The Centre for Social Justice Foundation](#)



**14** Fair Work First: guidance – March 2023  
[gov.scot](#)



**15** Fair Funding and Fair Work: Scottish Council for Voluntary Organisations and TSI Scotland Network  
[SCVO](#)



**16** Drowning not Waving – Discussions with Scottish Small Charities – P.6  
[The Centre for Social Justice Foundation](#)



**17** Fairer funding for charities  
[gov.scot](#)



**18** Scottish Government announces £60m in multi-year funding deals  
[TFN](#)



**19** The Gathering Extra: Shared Pain – Navigating the Funding Climate Together  
[SCVO](#)









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