

Third Sector Resilience Fund Phase 2 – Specification

Introduction

In March 2025, the City of Edinburgh Council agreed to invest up to £3.5m from Council reserves in establishing a new one off Third Sector Resilience Fund to provide financial stability for third sector organisations in Edinburgh during 2025/26.

The first phase of allocation of these funds took place during April and May 2025, and concluded with Council agreement to distribute up to £3.27m to organisations who had been significantly affected by the closure of the Edinburgh Integration Joint Board third sector grants programme.

On 27th May 2025, the Council further agreed to the establishment of a second phase of work to distribute the remaining £273,000 set aside as part of the Third Sector Resilience Fund.

This document sets out the purpose, specification, and application process for organisations who wish to apply for support through this fund.

Purpose

Phase 2 of the Third Sector Resilience Fund aims to provide short term support to small and medium sized third sector organisations in Edinburgh working to end poverty in the city who are facing financial challenges. In doing so, the fund aims to help organisations maintain financial resilience and service delivery during 2025/26.

The fund is to cover the period 1st September 2025 to 31st March 2026.

Organisation eligibility criteria

To be eligible for this funding organisations must:

- deliver activities which aim to address or prevent poverty, and which align with the city's End Poverty in Edinburgh framework (described below)
- be headquartered in Edinburgh,
- have registered charitable status or be a non-private-profit distributing organisation (e.g. - Community Interest Company without shares, Limited Company without shares, Community Benefit Society)
- have a gross annual income of less than £500k,
- be experiencing financial challenges, for example arising from:
 - an unexpected drop in grant funding or other income
 - an unexpected increase in running or delivery costs, or
 - an unexpected increase in service demand
- not be in receipt of funding from the City of Edinburgh Council through Phase 1 of the Third Sector Resilience Fund or the Income Maximisation Grant Programme.

The End Poverty in Edinburgh Framework was developed by the Edinburgh Partnership in response to the calls to action made by the Edinburgh Poverty Commission. The framework sets out priorities for action across a number of themes. In order to be eligible for this phase of funding, **organisations must be delivering actions in Edinburgh** in at least one of the following areas:

- **Increase income from work and opportunity to progress** - this includes actions to:
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 - Maximise support from social safety nets.
 - Improve attainment, achievement, and positive destinations for young people who grow up in poverty.
- **Maximise support from social safety nets** - this includes actions to:
 - Maximise uptake of benefits entitlements through welfare, debt and money advice
 - Deliver food, cash, and other local crisis support focused on mitigating the impacts of poverty and low income, and
 - Support people experiencing or at risk of homelessness.
- **Reduce the cost of living** - this includes local actions to:
 - Help people access decent homes they can afford to live in
 - Provide targeted support for rising energy costs
 - Improve access to affordable childcare, and
 - Improve digital inclusion and access to affordable transport.

Eligible uses of funding

Organisations can apply for up to £10,000 from this phase of funding. Funding can be used to support core costs or to maintain service delivery where this is at risk from the loss of expected grant funding, increased costs or unexpected increases in demand.

The fund must not be used to provide costs associated with closure of an organisation.

Services which have been delegated to the EIJB under the Public Sector Joint Working Act and the Edinburgh Scheme of Integration which means that Council cannot decide to directly fund health and adult social care services in Edinburgh.

Eligible uses of the fund include:

Core staffing costs	Core premises costs	Project/Service delivery costs
Salaries of key employees, this could include – <ul style="list-style-type: none"> • Chief Executives • Management and administration 	<ul style="list-style-type: none"> • Cost of office space and other premises • Energy costs • Telecommunications, internet and phone costs 	<ul style="list-style-type: none"> • Project or service delivery costs where this is at risk from the loss of expected grant funding or increased

<ul style="list-style-type: none"> • HR • Payroll (internal or outsourced) • Fundraisers • Communications • Finance, governance, regulation, and compliance 	<ul style="list-style-type: none"> • Insurance • Other costs critical to the maintenance of the organisation as a going concern for example for an Independent Auditor 	<p>costs or unexpected increases in demand.</p> <ul style="list-style-type: none"> • Applications for project or service delivery costs will be assessed in accordance with the Council's competencies under the Public Sector Joint Working Act and the Edinburgh Scheme of Integration.
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Timeline

The timeline of Phase 2 of the TSRF is as follows:

Date	Application Stage
16 June at 12 noon	<ul style="list-style-type: none"> • Application period opens
4 July at 12 noon	<ul style="list-style-type: none"> • Application period closes
17 June at 11 am on Teams	<ul style="list-style-type: none"> • Application briefing meeting
7 th July to 22 th July	<ul style="list-style-type: none"> • Assessment of applications • Development of funding recommendations
Week commencing 4 th August	<ul style="list-style-type: none"> • Publication of officer recommendations
19 th August	<ul style="list-style-type: none"> • Policy and Sustainability Committee discusses officer recommendations and funding awards are approved by Committee.
20 th August onwards	<ul style="list-style-type: none"> • Organisations are contacted about funding decisions by email. • Grant Award Letters and Grant Agreements issued to successful applicants. • Payment schedules confirmed

Application and assessment process

The application process for this funding stream will be competitive. Organisations that meet the eligibility criteria can apply for up to £10,000 to cover eligible core costs or to maintain service/project delivery.

To apply for funding, organisations must:

- [access and complete an application form](#)
- email policyandinsight@edinburgh.gov.uk, attaching a copy of the most recent financial years Annual Accounts.

The application form will request information regarding:

- the organisation's fit with the eligibility criteria,

- the organisation's financial position to conduct a financial due diligence assessment,
- the activities delivered by the organisation and how these address and prevent poverty in Edinburgh,
- the financial challenges faced by the organisation,
- the amount of funding required and how this will be used,
- the impact that this funding will have on the organisation and poverty provision in the city.

A scoring panel made up of officers from the City of Edinburgh Council and partner organisations will assess the applications.

The process will operate as follows:

- The assessors will work in pairs
- Each pair will be allocated a certain number of applications to score
- The members of the pair will score and assess each application individually against a detailed specification document
- The pair will then meet in a consensus meeting to discuss these scores and come to an agreed score
- One pair will be allocated a random sample of the assessment forms and reach a consensus between them; their scores will then be compared with the other scores for those applications
- If this process highlights disparities, then a consensus meeting will be held with all assessors to reach an agreed score
- A panel co-chaired by Council officers will confirm funding recommendations

Funding recommendations will be based on:

- Eligibility for funding based on core eligibility criteria,
- A financial due diligence assessment,
- The fit of the organisation's work with addressing and preventing poverty in Edinburgh and the city's poverty priorities,
- Each application's fit with the fund purpose and criteria in relation to:
 - The financial challenges faced by the organisation,
 - The amount and proposed uses of funding requested,
 - The impact that funding will have on the organisation and poverty provision in the city.

The geographical distribution of funding will be taken into account when forming recommendations.

These recommendations will then be presented to a Committee at the City of Edinburgh Council for approval. Once the funding recommendations are approved, all applicants will be informed of the outcome of their application.

If you are unsuccessful:

You will receive a letter by email to let you know that you have been unsuccessful. You will also be offered the opportunity to receive feedback to explain why your

application has not been successful. Further support and advice can be provided by Edinburgh Voluntary Organisations' Council (EVOC).

If you are successful:

You will then receive an award letter and funding agreement which will include full details of the award, the terms and conditions of your funding, and any specific conditions that need to be met prior to releasing payment. The approach to payment will be determined based on the amount of funding requested and financial assessment.

Guidance and Scoring Criteria

Introduction

This document provides:

- Guidance on what information to include in your application for Phase 2 of the Third Sector Resilience Fund.
- An overview of the selection criteria that will be used to assess applications.

Scoring Approach

Part D of the Third Sector Resilience Fund Phase 2 application process is scored. The questions in this section are scored on a scale of 0-6 based on the strength of evidence provided. The scoring approach is as follows:

Score	Strength of evidence	Details
0	No evidence.	An answer will receive a 0 if an answer is not provided or the answer provided does not correspond to the question.
2	Limited evidence.	An answer will receive a 2 if an answer to the question is provided but the evidence is limited, and some aspects of the answer do not clearly link to the question.
4	Good evidence.	An answer will receive a 4 if it provides evidence that corresponds with the question, but some detail is lacking. Some of the information required to answer the question may be present in other areas of the application form rather than being included in this specific answer.
6	Very strong evidence.	An answer will receive a 6 if it provides a detailed response to the question and provides clear related evidence.

Guidance and Scoring Criteria

Part A – Organisation and Contact Details

This section **will not be scored**. It is to gather information about the organisation to check your organisation's eligibility for funding and so that the City of Edinburgh Council can:

- contact you about funding outcomes,
- understand the impacts of funding recommendations on the city and its residents.

Please complete all of the questions in this section by providing the following information –

Organisation and contact details:

- your organisation name,
- your organisation status for example a registered charity or non-private-profit distributing organisation.
- if you are a registered charity, please provide your Scottish Charity Number.
- your organisation headquarters address,
- contact details for two nominated contacts within your organisation.

Geographical profile:

Please tick the localities in which your organisation delivers services. If your services cover the whole city, please tick city-wide. The locality areas include the following wards:

- North West Locality – Almond, Drum Brae/Gyle, Corstorphine/Murrayfield, Forth and Inverleith.
- North East Locality – Craigentinny/Duddingston, Leith, Leith Walk and Portobello/Craigmillar.
- South East Locality – City Centre, Morningside, Southside/Newington, and Liberton/Gilmerton
- South West Locality – Pentland Hills, Colinton/Fairmilehead, Sighthill/Gorgie and Fountainbridge/Craiglockhart.

Please follow the following link for a map of Edinburgh Wards - [Edinburgh Ward Boundaries | City of Edinburgh Council Open Spatial Data Portal](#)

Service User Profile:

Please indicate which protected characteristic groups your organisation focuses on supporting. For further information about protected characteristics please follow this link [Equality Act 2010](#). For more information about the Council's Corporate parenting responsibility please follow this link [Corporate parenting – The City of Edinburgh Council](#).

Part B – Financial Due Diligence

The Council has a statutory duty to demonstrate best value from the use of public funds. As a result, the Council needs to collect information about your organisation's financial position to assess eligibility and conduct a financial probity assessment. The aim of this evaluation is to ensure applicants have sufficient resources, with the funding requested, to continue operations, with a risk of failure that is commensurate with the value of funding awarded.

The assessment will consist of the review of accounts and other financial and organisational data that the prospective applicant makes available to the Council. The Council may also use other publicly available information as well as references from third party credit agencies. The assessment will look at:

- 1) Organisational Stability
- 2) Financial Stability

3) Financial Capacity

The assessment will be conducted in accordance with the following approach:

Assessment rating	Classification definition	Classification impact
Green	No material risks are detected	This will not influence your organisation's ability to access this funding from the Third Sector Resilience Fund.
Amber	Risks are present in the financial position	The Council's finance team may get in touch to have further discussions about your organisation's financial position. This may influence the phasing of funding and the conditions of grant.
Red	Risks associated with potential insolvency are detected	The Council's finance team may contact you to have further discussions about your organisation's financial position and the degree to which funding provided through the Third Sector Resilience Fund is likely to support future financial viability.

Question 1 – Please provide a copy of your most recent financial years Annual Accounts.

If available, please provide a copy of your most recent financial years Annual Accounts.

This will allow us to verify the figures provided in the other Sections and get a broader sense for the financial health of the organisation to conduct our financial probity assessment.

If your organisation is part of a parent organisation or consortium, please submit the accounts for the project/subsidiary organisation itself not the parent company.

Question 2 – Please provide your organisation's gross annual income.

Please provide your organisation's gross annual income during 2024/25 or the most recent financial year for which data is available. This is part of the fund eligibility criteria. To be eligible for this funding your organisation's gross annual income must be below £500k.

Question 3 - Please provide details of your organisation's income and expenditure.

Please complete the table to provide the most up to date information available on your organisation's income and expenditure for the financial year of 2024/25 and projections for 2025/26.

This is based on the financial year running from April to March. If your financial year runs on a different timescale or you do not have complete information for 2024/25, please provide the information that is currently available to you.

If your organisation is part of a parent organisation or consortium, please submit the accounts for the project/subsidiary organisation itself not the parent company.

The Council understands that this may not be fully complete and may be subject to change. This information is needed to gain further insight into your organisation's surplus/deficit and what proportion of your income the grant applied for equates to.

Question 4 - Please provide details of your organisation's reserves.

Please complete the table to provide information about your total reserves, designated/restricted reserves and general/unrestricted reserves for the financial year 2024/25 and projections for 2025/26.

This is based on the financial year running from April to March. If your financial year runs on a different timescale or you do not have complete information for 2024/25, please provide the information that is currently available to you.

If your organisation is part of a parent organisation or consortium, please submit the accounts for the project/subsidiary organisation itself not the parent company.

Designated/restricted reserves are reserves that have a set purpose and terms attached to their use. General/unrestricted reserves are reserves intended for general resilience without terms attached to their use.

The Council understands that this may not be fully complete and may be subject to change. This information will allow us to see what Reserves are at your organisation's disposal to support your financial position.

Question 5 - Please provide details of your organisation's current assets and liabilities.

Please complete the table to provide details of your organisation's current assets and liabilities for the financial year 2024/25 and projections for 2025/26.

This is based on the financial year running from April to March. If your financial year runs on a different timescale or you do not have complete information for 2024/25, please provide the information that is currently available to you.

If your organisation is part of a parent organisation or consortium, please submit the accounts for the project/subsidiary organisation itself not the parent company.

Debt due in the next 12 months (included in Current Liabilities) could include pension payments due, insurance claims and overdraft/credit arrangements due.

The Council understands that this may not be fully complete and may be subject to change. This information will allow us to assess the current ratio for the organisation to understand liquidity and to evaluate how well the organisation may be able to meet its short-term debt obligations.

Question 6 - Please provide details of anything that is not included in the information you are submitting or referenced within the Annual Accounts provided, that the Council should know about in relation to your organisation's financial position.

Please use this space to provide details of anything that is not included in the information you are submitting or referenced within the Annual Accounts provided, that the Council should know about in relation to your organisation's financial position.

If your organisation runs on a different financial year from April to March, or your information for 2024/25 is currently incomplete then please record this here.

If your organisation is part of a parent organisation or consortium, please provide the parent company name and company number. The Council will be in touch to ask for further information about your organisation if required, and this may influence the conditions of grant.

Part C – The Third Sector Resilience Fund Phase 2

This section **will be scored** to assess your application's fit with the purpose and criteria set out in fund specification document. Specifically, this information will be used to assess fit in regard to:

- The fit of your organisation's work with regards to addressing and preventing poverty in Edinburgh, with a focus on the city's poverty priorities outlined in the fund specification.
- The financial challenges that your organisation is experiencing for example arising from:
 - loss of expected grant funding.
 - increasing costs.
 - unexpected increases in demand.
- The amount and proposed uses of funding requested.
- The impact of funding on your organisation and poverty provision in Edinburgh.

Question 7 - Please indicate which of the city's poverty priorities that your organisation addresses.

Please describe the activities that your organisation delivers that aim to address and prevent poverty in Edinburgh, with reference to the city's poverty priorities.

(300-word count)

To answer this question, please tick which poverty priority your organisation addresses.

In the space provided below the table, please describe the activities that your organisation delivers that aim to address and prevent poverty in Edinburgh, with reference to the city's poverty priorities as described on page 2 above. For more information on the poverty related priorities in Edinburgh please see the [End Poverty in Edinburgh Annual Progress Report](#). It would be beneficial to provide evidence of impact in your response to this question, such as numerical data on outcomes and/or case studies.

Your answer will be assessed based on the strength of evidence that you provide and will be scored against the following criteria.

Score	Description
0	No evidence that the organisation delivers activities that aim to address and prevent poverty in Edinburgh, aligned to the city's poverty priorities.
2	Limited evidence that the organisation delivers activities that aim to address and prevent poverty in Edinburgh, aligned to the city's poverty priorities.
4	Good evidence that the organisation delivers activities that aim to address and prevent poverty in Edinburgh, aligned to the city's poverty priorities.
6	Very strong evidence that the organisation delivers activities that aim to address and prevent poverty in Edinburgh, aligned to the city's poverty priorities.

Question 8 - Please provide details of the financial challenges that your organisation is experiencing, for example arising from:

- a. loss of expected grant funding,
- b. increasing costs,
- c. unexpected increases in demand.

(300-word count)

To answer this question, please provide details of the financial challenges that your organisation is experiencing for instance arising from loss of expected grant funding, increasing costs and/or unexpected increases in demand.

If your organisation is having to take cost reduction or financial measures, you may want to include this information. This could include information about changes that are actively being considered for 2025-26 including:

- Changes to organisation structures and processes
- Changes to organisation staffing
- Changes to organisation premises
- Unsustainable use of financial reserves

Your answer will be assessed based on the strength of evidence that you provide and will be scored against the following criteria.

Score	Description
0	No evidence that the organisation is facing financial challenges.
2	Limited evidence that the organisation is facing financial challenges.
4	Good evidence that the organisation is facing financial challenges.
6	Very strong evidence that the organisation is facing financial challenges.

Question 9 - Please state how much funding your organisation is requesting.

Please describe how you will use this funding (maximum of 300 words).

This question is for information.

Please state the amount of financial support requested from the Third Sector Resilience Fund Phase 2. Organisations can request amounts **up to the limit of £10,000**. Any amounts requested above this limit will not be considered for funding.

Please describe how you plan to use this funding with reference to the eligible uses outlined in the project specification. This includes:

Core staffing costs	Core premises costs	Project/Service delivery costs
<p>Salaries of key employees, this could include –</p> <ul style="list-style-type: none"> • Chief Executives • Management and administration • HR • Payroll (internal or outsourced) • Fundraisers • Communications • Finance, governance, regulation, and compliance 	<ul style="list-style-type: none"> • Cost of office space and other premises • Energy costs • Telecommunications, internet and phone costs • Insurance • Other costs critical to the maintenance of the organisation as a going concern for example for an Independent Auditor 	<ul style="list-style-type: none"> • Project or service delivery costs where this is at risk from the loss of expected grant funding, increased costs or unexpected increases in demand. • Applications will be assessed in accordance with the Council's competencies under the Public Sector Joint Working Act and the Edinburgh Scheme of Integration.

The fund must not be used to provide costs associated with closure of an organisation.

Question 10 – What impact will this funding have on your organisation and poverty provision in the city?

(300-word count)

Please describe the impact that this funding would have on your organisation and poverty provision in the city, examples could include:

- filling a gap in funding following withdrawal of a grant.
- supporting maintenance of key staff roles to continue fundraising activities and support the organisation's financial position.
- using funding to maintain members of staff delivering a service or project to address or prevent poverty.
- enabling continuation of a project or service that addresses or prevents poverty.
- enabling increased delivery capacity for a project or service that addresses or prevents poverty that is in high demand.

It would be beneficial to include outcome data of the organisation and/or specific projects/services in relation to addressing and preventing poverty in Edinburgh, with reference to the city's poverty priorities.

Your answer will be scored based on the strength of evidence that you provide and will be scored against the following criteria.

Score	Description
0	No evidence that funding requested will have positive impacts on the organisation and poverty provision in the city.
2	Limited evidence that funding requested will have positive impacts on the organisation and poverty provision in the city.
4	Good evidence that funding requested will have positive impacts on the organisation and poverty provision in the city.
6	Very strong evidence that funding requested will have positive impacts on the organisation and poverty provision in the city.

GDPR Statement

This is not assessed.

Grant Conditions/Terms

This is not assessed.

Declaration

Please read the declaration and provide your full name, job title/status/designation in applicant organisation and signature and have the application countersigned by a board member.

Once you have completed the application in full, please submit the form as a Word document, along with the additional information requested, by email to policyandinsight@edinburgh.gov.uk by 13:00 on 4 July 2025.