

# Third Sector Resilience Fund Phase 2 FAQs

## 1. General Information

### **What is the purpose of the fund?**

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.

## 2. Eligibility

### **Who can apply for the Third Sector Resilience Fund (Core Costs)?**

Organisations that:

- Deliver activities which aim to address or prevent poverty, and which align with the city's End Poverty in Edinburgh framework (see guidance for full details of what's included in each)
  - Increase income from work and opportunity to progress
  - Maximise support from social safety nets
  - Reduce the cost of living
- are 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,
- are 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
- are not 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.

## 3. What costs can be covered?

### **Eligible costs include:**

- Salaries of key employees (e.g. chief executives, admin, finance, HR, fundraising).
- Premises costs (e.g. rent, utilities, insurance).
- Other vital organisational costs (e.g. audits, IT systems, governance support).

The Council welcomes flexible definitions of core costs and encourages conversation to clarify individual cases.

### **Costs which are not eligible include:**

- The fund must not be used to provide costs associated with the closure of an organisation.
- Services which have been delegated to the EIJG under the Public Sector Joint Working Act and the Edinburgh Scheme of Integration. The Council cannot decide to directly fund health and adult social care services in Edinburgh.

#### 4. Assessment & Decision-Making

##### **How will applications be assessed?**

A panel—including Council staff, Capital City Partnership and HSCP will score applications in pairs based on:

- Eligibility and financial viability
- Alignment with the purpose of the fund
- How core funding will help maintain function through 2025/26

#### 5. Is this a competitive process?

Yes. The amount of funding available is relatively small and so we need to make sure that it is allocated as fairly as possible.

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##### **Is funding available to organisations planning to close?**

No. The fund is not designed to support closure costs. It is for organisations planning to continue operating.

##### **Can we apply if we're only financially viable *with* this funding?**

Yes. Financial viability *with* this funding counts. However, if you would remain financially unviable even with the grant, this will likely make you ineligible.

##### **Will it count against us if we have a strong organisation with adequate reserves to meet our project requirements or if we would not close if we didn't get your funding?**

No, having adequate Reserves will not work against you – it would indicate lower risk of insolvency, and the aim of the Financial Due Diligence is to ensure applicants have sufficient resources to continue operations, with a risk of failure that is commensurate with the value of funding awarded. Only organisations indicating high risk of insolvency who are unable to mitigate that risk could be excluded as part of the scoring criteria.

##### **Can we apply to fund salaries that will be cut without this support?**

Yes for core staff—this is one of the core aims of the fund. You'll need to describe the risks, and how the grant will prevent redundancies or closures.

##### **What happens if someone is off sick or on holiday during the application period?**

Contact the Council as soon as possible if this is a risk for your organisation.

##### **What is the Scheme of Integration?**

*The Public bodies (Joint Working) Act 2014 requires Councils (and health authorities) to integrate and delegate powers to carry out health and adult social care functions. In Edinburgh's case these functions are delegated to the Edinburgh Integration Joint Board (EIJB) by the City of Edinburgh Council and NHS Lothian. This legislation also requires the Council to transfer budgets to the EIJB for those services so that the EIJB can make the strategic and financial decisions on what services are provided in regard to these functions.*

*As a result, the Council cannot decide to fund directly health and adult social care services in Edinburgh. Decisions about funding or providing those services can only be made by the EIJB and any money that the Council set aside in relation to these functions/services should be provided to the EIJB for decisions on its use.*

*With reference to the EIJB third sector grants programme, this means that the Council is unable to simply replace the EIJB as the provider of all grants to third sector organisations impacted by cuts to the EIJB grant fund. The Council is only able to directly fund services that fall outwith those delegated health and adult social care functions or for the core costs associated with the running of the organisation itself.*