



**Dundee Volunteer and
Voluntary Action**

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**Urgent concerns regarding the proposed 2026/27 budget cuts to Third Sector
commissioned services**

For the attention of Members of the Dundee Integration Joint Board (Dundee IJB):

On behalf of Dundee's Third Sector Interface (Dundee TSI) and representatives of the health and social care commissioned services, we are writing to express our serious concern regarding the proposed up to 10% funding reduction to Third Sector contracts for the 2026-2027 budget, and potential termination of key preventative services and early intervention provision. This letter reflects the collective evidence gathered through two consultation sessions facilitated by the Dundee TSI on 11 and 13 February 2026, which involved organisations delivering frontline support to thousands of Dundee residents. See Appendix 1.

Whilst we recognise the significant budgetary pressures which the Dundee IJB is facing, the scale and method of the proposed cuts will have profound, immediate, long-term and compounding implications for NHS Tayside and statutory services which have already been under sustained pressure, and consequently for the people of Dundee. The presently proposed cuts will lead, once again, to reduced service capacity, placing those who are already vulnerable and stigmatised at higher risk, increased crisis interventions and more costly, longer-term statutory support.

The Third Sector has already absorbed a decade of real-term cuts

Most organisations and services have received no uplift for 12–13 years, some are still recovering from last year's funding reductions, and others have not seen contractually agreed annual increments materialised. Furthermore, Third Sector health and social care service providers did not receive additional funding to cover the increase in employer National Insurance Contributions taking effect in April 2025. Combined with stand-still budgets and no recognition of the 2025/26 Scottish Government pay uplift, providers are being left to meet Fair Work wage commitments while absorbing real-terms cuts. This creates risks to workforce stability and service viability, reinforcing the need for cost-reflective funding and full transparency.

In real terms, after inflation and rising operational costs, stand-still budgets equate to an effective 24% reduction in funding before any new cuts are considered. Meanwhile, demand has risen sharply and need is increasingly complex — driven by increases in poverty, mental health need, complexity of cases, and reductions in statutory capacity. Frontline staff and volunteers are experiencing burnout and unsustainable workloads. Goodwill has kept services afloat, but goodwill alone cannot sustain a system that now faces existential strain.



A potential 10% cut will result in significant service losses and closure risks

Across our collective consultation, organisations reported that decreased funding would result in direct loss of key service provision, with one provider noting a loss of support for up to 300 highly vulnerable people per year, whilst another provider up to 440; and also potential closure of partial or entire services, including trauma, recovery, addiction support provision, domestic abuse, mental health, advocacy, parent and carers support, community transport, and outreach provision; 24/7 crisis services such as Hope Point may no longer be viable under reduced funding. These are not marginal or peripheral services, they are lifelines for people at higher risk and greatest need.

Cuts will increase pressure on NHS and Social Care

Third Sector organisations report daily referrals directly from GPs, education, NHS mental health teams, prisons, social work, and housing services, and routinely support people whose needs statutory services cannot currently meet due to lengthy or non-existent waiting lists. Removing or reducing that capacity will affect the scope and quality of the Third Sector service provision, driving more individuals into crisis pathways, increasing safeguarding and child protection workloads, and escalating the cost of NHS admissions and statutory referrals.

One commissioned service referred to returns on investment of £10–£12.50 in savings for every £1 invested, and others reported that NHS services redirected patients to their commissioned services, advising that primary/ secondary care would not be provided until they engaged with Third Sector provision. This is not speculative, it is already happening.

Organisations need transparency and adequate notice

Partners raise significant concerns regarding the consultation process. The short termination notices severely limit planning and jeopardise the stability of long-serving employees who are at high risk of redundancy. The lack of advanced, open and transparent communication and the absence of a strategic review that was promised last year have pushed commissioned services into a state of resignation and hopelessness. Organisations are also concerned about the fact that proposals conflict directly with Dundee's Strategic and City Plans, IJB's commitment to early intervention and prevention, and the Scottish Government's Fair Funding and prevention-first principles. Removing investment from services undermines long-term sustainability and contradicts strategic ambitions, locally and nationally.

A collective call for a different approach

Health and social care service providers have already made as many 'efficiencies' as they could, some losing roles along the way – there is little left to cut. We cannot be expected to continue absorbing ongoing funding reductions, nor can it be relied upon to compensate for underlying system shortcomings. Therefore, we urge the Dundee IJB to:



1. Reconsider the proposed up to 10% cut and explore alternative savings that do not dismantle preventative capacity.
2. Honour commitments to early engagement, transparency, and collaborative planning.
3. Consider full cost recovery budgets as part of the commissioned services review.
4. Engage in transparent dialogue about internal efficiencies considered before external cuts.
5. Invest in prevention, recognising its direct economic and social value. The Third Sector delivers the preventative infrastructure that keeps people well and safe. If prevention collapses, crisis costs escalate dramatically.
6. Work with the Third Sector as true partners, not as a sector that must continually absorb risk and cost.
7. Protect critical and crisis response services, as well as specialised, trusted and not replaceable support which have no statutory equivalent.

As the local TSI, we are actively advising commissioned services and the wider sector to reconsider service design and delivery in accordance with proposed budget cuts. The sector is unable to run sustainably and to effective standards if the investment is insufficient or non-existent.

If you need any further information, please do not hesitate to contact me.

Yours sincerely,

Christina Cooper
Chief Executive Officer
Dundee Volunteer and Voluntary Action
On behalf of the Dundee Third Sector Interface



Appendix 1

Service providers who participated in the consultation sessions:

Advocating Together

Art Angel

Dundee Carers Centre

Dundee Community Transport

Dundee Repertory Theatre

Dundee Women's Aid

North East Sensory Services

Parent to Parent

Penumbra

Positive Steps Partnership

Richmond Fellowship

Scottish Autism

Scottish Huntingston's Association

We Are With You

Action for Children