

SCOTLAND'S COST OF LIVING CRISIS

AUGUST 2022

✱ BANK OF SCOTLAND
Foundation

The pandemic has made the last two years incredibly difficult for the Third Sector in Scotland, and now we face a new challenge that is having just as big an impact - the cost of living crisis.

Charities applying for funding through our grants programmes are already indicating that their core cost expenditure is rising significantly and at the same time the number of people seeking support from them is rapidly growing as more and more people experience food insecurity, housing issues, redundancy, worsened mental health and fuel poverty.

As the crisis heightens, we recognise the importance of acting swiftly and helping charities to reach some of Scotland's most vulnerable people. With the pandemic already landing a big financial blow on many, it is again the low-income families that are hardest hit as increasing food and energy bills place more and more into severe financial hardship.

How we are helping charities face rising costs

All of our current grantees have been offered a **10% grant uplift** to help towards rising costs and ensure they can continue to deliver their services. **We expect 179 charities to share £327,332.**

As there is the strong possibility that some charities will not be able to survive the coming year, we have **increased the budgets** of our remaining programmes

for this year by **£600,000** to ensure more charities can benefit from our programmes.

We also remain **committed to offering core cost funding** for charities though all of our grants programmes, funding costs such as fuel, electricity, heating, lighting, salaries - some of the areas hardest hit by the cost of living crisis.

For the second year running, we will be providing **unrestricted funding** over 1-2 years through our Change grants programme allowing charities to direct our funding to where they need it most. Offering significant amounts of funding, charities can apply for unrestricted core costs, project costs and capital costs of between £20,000 - £100,000 per year.

We also continue to offer strategic support and guidance to charities through our **Enhance Mentoring** programme which sees Lloyds Banking Group colleagues mentor some of our funded charities. In addition, charities and individuals can access online lessons and webinars in digital, life and work skills at the **Bank of Scotland Academy** (www.bankofscotlandacademy.co.uk)

As we strive to help charities through the challenging months ahead, we remain hugely grateful to Lloyds Banking Group for our donation of almost £4m in February this year, without which our work would simply not be possible.




GRANT PROGRAMMES JUNE 2022 - FEBRUARY 2023

Due to the impact of the cost of living crisis on charities, we have increased the budget for our remaining grants programmes this year by **£600,000** to ensure we can support even more charities and reach a greater number of people in need.

Our **Reach** grants programme is for smaller charities with an income of £1m or less and offers **£1,000 - £25,000 of funding over one year**. Charities can apply for funding for their greatest area of need whether that be project costs, capital costs or core costs.

Through our **Change** grants programme, charities can also apply for **unrestricted core costs** allowing them to respond quickly to a changing environment and deploy resources accordingly. Offering significant amounts of funding, charities with an income of £500,000 - £5 million can apply for **£20,000 - £100,000 per year, over 1-2 years**.

Programme Dates June 2022 - February 2023

PROGRAMME	OPEN	CLOSE	GRANTS AWARDED
 Reach	12 Noon Monday 6th June 2022	12 Noon Tuesday 14th June 2022	End of August 2022
 Change	12 Noon Monday 22nd August 2022	12 Noon Wednesday 31st August 2022	End of November 2022
 Reach	12 Noon Monday 12th September 2022	12 Noon Tuesday 20th September 2022	End of November 2022
 Reach	12 Noon Wednesday 4th January 2023	12 Noon Tuesday 10th January 2023	End of February 2023



COST OF LIVING CRISIS UPLIFT FUNDING

Many charities have spent the last two years supporting their communities through the pandemic and in doing so, their budgets have been significantly stretched. Now, with reduced reserves, a further decline in donations and rising costs, the financial impact on charities is severe.

We recognise it's becoming harder for charities to respond to the needs of their communities, especially when they provide people with food, housing assistance or transport - some of the areas hardest hit by the cost of living crisis.

Therefore, in response to this, we've offered our **179 current grantees an additional 10% of their grant**. Totalling **£327,332**, our uplift funding will help charities to cover rising costs and enable them to continue to provide vital services to those most in need.

BUILDING OUR BOARD

We have been delighted to welcome several new Trustees to our Board with the appointment of Jackie Leiper, Ken MacIntosh, and Julianne Reddin in November 2021. More recently, Jon Alexander and Laura Armstrong joined our Board. Our new Trustees bring a wealth of collective experience and will help to shape the Foundation's strategy for 2023 and beyond.

In February, we said a fond farewell to our Chair, Philip Grant, as he stood down after seven years with the Foundation. Under Philip's leadership, we have seen significant progress and improvement as the Foundation has grown and continued to deliver a positive impact in communities across Scotland.

Also in February, Donald MacKechnie, Insurance & Wealth Transformation and Strategy Director, Lloyds Banking Group, was appointed as our new Chair and brings with him a fresh dynamic to the Board. Donald's knowledge and experience will enrich our Board and he will continue to challenge us to do more to support Scotland's charities.

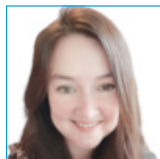
We are excited to continue our journey with our new Board members and look forward to them visiting some of our current grantees over the next few months to discuss the challenges they are facing and see first-hand how our funding is helping.



Donald MacKechnie
(Foundation Chair)
Scottish Executive Committee
Lloyds Banking Group



Jon Alexander
General Counsel,
Lloyds Bank Corporate
Markets



Laura Armstrong
Operations Lead, Group
Transformation, Lloyds
Banking Group



Graham Blair
Head of Mortgages,
Bank of Scotland Retail,
Lloyds Banking Group



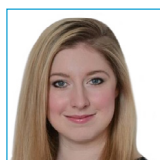
Jackie Leiper
Managing Director, Pensions,
Distribution & Stockbroking,
Lloyds Banking Group



Alison Macdonald
Director, Business Risk & Financial
Crime, Insurance & Wealth Division,
Lloyds Banking Group



Ken MacIntosh
Former Presiding Officer of
the Scottish Parliament



Julianne Reddin
Strategy and Development
Manager, Zero Emissions
Transport, Climate Group



Graeme Thompson
Chairman and Board Director,
Rugby League
International Federation



Karen Watt
Chief Executive, Scottish
Funding Council for Further
and Higher Education

A WORD FROM OUR CHAIR



Firstly, my thanks go to Philip Grant, who retired from our Board in February. Having been Chair for seven years, Philip performed with dedication and passion throughout his tenure and helped steer the Foundation through an incredibly difficult two years as the full extent of the pandemic became clear for charities.

In my first six months as Chair, we face a new challenge. The cost of living crisis is making the need for funding ever more crucial and while many charities weathered the pandemic, some may not survive the coming year due to rising operating costs and increasing demand for services. Therefore, we felt it vitally important that we take swift action and increase our financial support for charities to enable them to continue to operate.

Having seen the hugely positive impact that our Covid-19 contingency awards made to charities, we hope the uplift funding we are providing to our 179 current grantees will help them to survive this latest crisis. Increasing our grants programme budget by £600,000 will also enable our funding to support

even more charities through this difficult period.

We are very proud of our partnership with Lloyds Banking Group and hugely grateful for our annual donation. Their donation of almost £4m in February enabled us to plan the ways that we would support charities throughout 2022, but also flex our response as the cost of living crisis escalated.

The Trustees and the Foundation team continue to work tirelessly and with great dedication to support Scotland's charities and make me very proud to hold the position of Chair.

D. MacKechnie

Donald MacKechnie,
Chair

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