State of Sector Survey

Report - March 2024

VAL

Helping people change
their lives for the better

Introduction

Challenges and possibilities are familiar themes in current times, whichever sector you turn your focus towards, and the Voluntary, Community and Social enterprise (VCSE) Sector is no different.

Nationally, there is a 'Reset' in progress (thinknpc2024)[1] when it comes to the voluntary, community and social enterprise (VCSE) sector. Communities are potentially looking good too, with 64% of people who answered The National Lottery Community Fund's survey saying "they are willing to work with others to improve their local community" (tnlcf2024)[2], and the same survey identified 1 in 7 people are intending to volunteer for the first time this year.

It's encouraging to see that despite the challenges posed by the pandemic and economic uncertainties, there's a positive trend emerging within the voluntary, community, and social enterprise (VCSE) sector. The willingness of communities to collaborate and the increasing interest in volunteering signify a resilient spirit and a commitment to building stronger local communities.

However, it's crucial to acknowledge the ongoing challenges, such as inflation-linked cost increases, energy bills, and navigating complex funding landscapes. These factors can undoubtedly strain resources and add complexities to the work of groups within the VCSE sector.

Conducting a local VCSE sector survey demonstrates a commitment to continuous improvement and responsiveness to the needs of the community, it can lay the groundwork for a more resilient and effective sector. During these times of crisis and high demand for services., VAL has taken the initiative to carry out this local VCSE sector survey across Leicestershire.
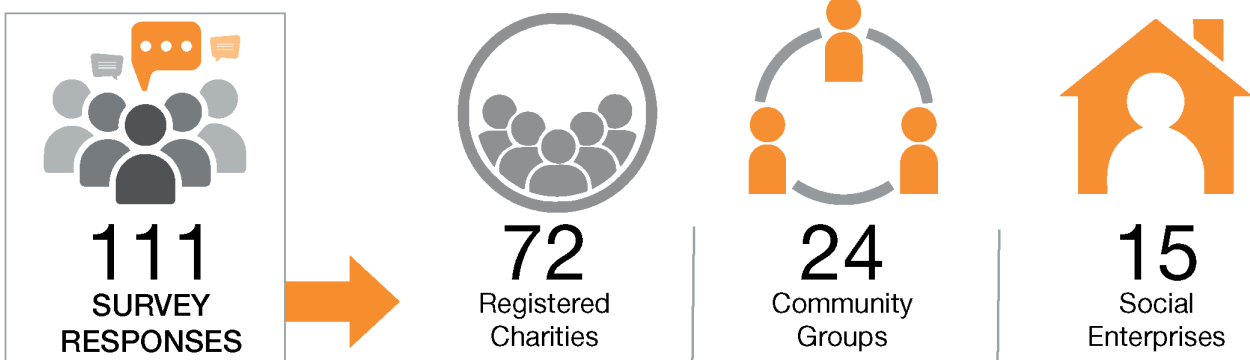
In November 2023, Voluntary Action Leicestershire asked groups within the VCSE in Leicestershire to respond to a survey asking them about their recent experiences following the pandemic, the impact on them of more recent pressures on Councils to deliver services, and how they are getting on with the Funders who supply the grant funding. VAL carried out this 'State of the Sector Survey' to enable us to better understand the impact over the previous few years, and how the sector is responding currently to these new challenges and opportunities.
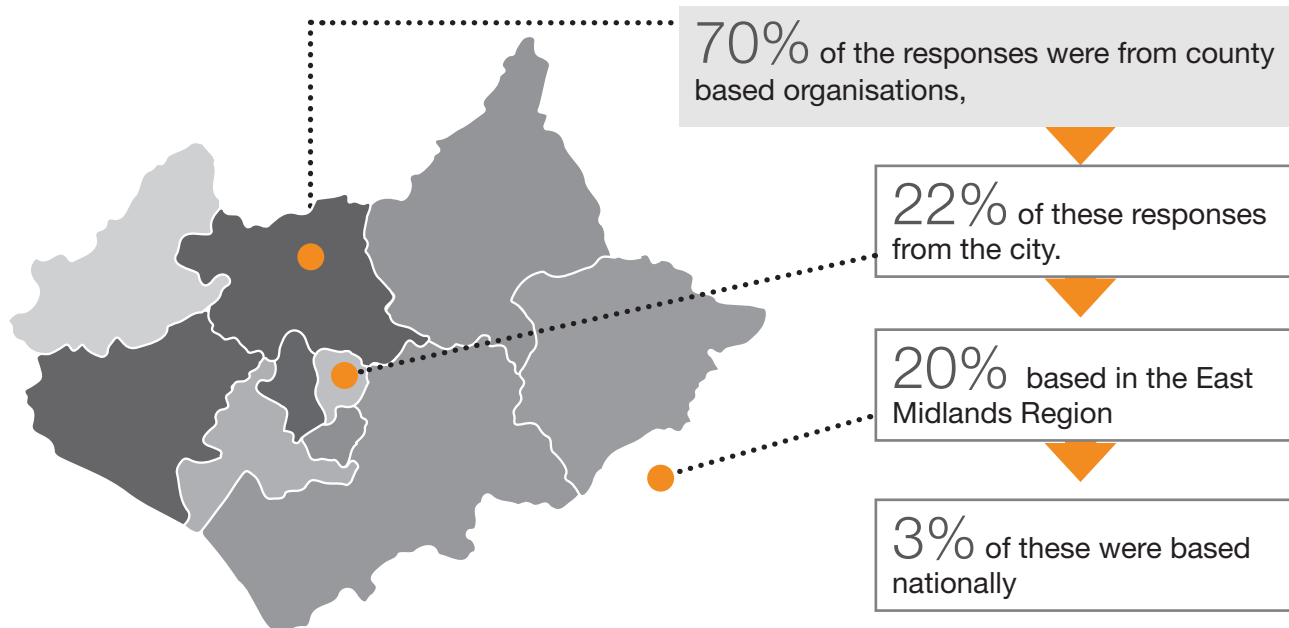
The survey ran for a month, we wanted to gain enough of a sample to be able to see what the sector needs, and a quick enough turnaround that we could then inform not just the sector itself, but also those with resource and opportunity to help with the solutions..

1   Thinknpc: www.thinknpc.org/resource-hub/state-sector-2024/
2   TNLCF: www.tnlcommunityfund.org.uk/news/press-releases/2024-01-08/2024-community-spirit-shines-in-uk

A total number of 111 surveys were completed, of which 72 responses were from registered charities, 24 from community groups and 15 by social enterprises


111 SURVEY RESPONSES

72 Registered Charities

24 Community Groups

15 Social Enterprises

70% of the responses were from county based organisations,

22% of these responses from the city.

20% based in the East Midlands Region

3% of these were based nationally

These questions aim to capture both qualitative and quantitative data on the impact of volunteers and the sector's response to challenges, as well as insights into future trends and needs. We also expected to see resilience and creativity in how the VCSE sector is responding locally to these new challenges.

The questions covered 4 key areas:

- Funding issues including views on sustainability,
- Delivery of services and what has changed
- levels of volunteer involvement with paid staff and service delivery, and
- future planning including development needs and ideas

We wanted to understand to what extent volunteers are involved in the day to day activities of groups in the sector. In relation to operational delivery 83% of respondents told us their services are delivered either solely by volunteers or with a mix of staff and volunteers.

83% of services are delivered with a mix of staff and volunteers.
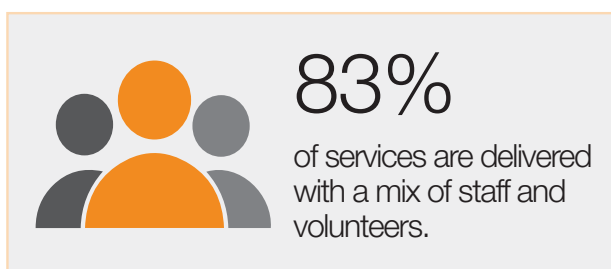
Combine this with 77% of these organisations telling us that demand for these services has increased in the last 12 months we can see what we probably already know, that what is happening here in LLR is consistent with the national picture.

The importance of the staff and/or volunteer picture is evidenced further with reporting that following the pandemic 60% of services are now delivered with face to face provision.

60% of services are now delivered with face to face provision

These services are most often a generic community service (44%) though closely matched by 39% offering services to specific categories across age ranges, ethnicity and diversity, and support needs.

From our survey we can see that groups are dependent on the support of volunteers to provide their services and work alongside the staff base. However, the volunteer picture is a mixed one, and not surprisingly as these reports are from groups who represent a very wide range in terms of size of organisation, length of time running as a group, intake numbers of volunteers, and whether the group is in a period of growth or reduction.

By addressing these challenges proactively and collaboratively, groups can harness the full potential of volunteers to advance their missions and create meaningful social change.

Overall, a large number of groups (43%) reported that they haven't been able to hold onto volunteers over the past 12 months, often due to changes in what volunteers want or offer in terms of irregularity in hours available, or indeed length of time they can give, and also with respect to the levels of general commitment needed of being a volunteer. One group comment told of their experience trying to recruit volunteers:

"We have lots of interest but find some are not ready to volunteer, they either do not complete the application process, submit references, or commence."

Clearly, if we are to harness the goodwill of people willing to volunteer as reported in the national surveys, we need to consider our approach as a sector in some key areas:

Volunteer Recruitment and Retention:

Groups must develop effective strategies for attracting volunteers, ensuring their roles are appealing and meaningful. Retaining volunteers over time requires ongoing engagement, recognition, and support. Groups struggling to hold onto volunteers over the past 12 months may need to assess why volunteers are leaving.

Common reasons include lack of engagement, insufficient recognition, mismatched expectations, and limited opportunities for growth or advancement.

Managing Volunteer Expectations:

Addressing the difference between what volunteers want to provide and what organisations need requires clear communication and alignment of expectations. Clearly define volunteer roles, responsibilities, and expectations upfront, including the time commitment, tasks involved, and potential benefits. Provide realistic previews of volunteer experiences through job descriptions or volunteer testimonials.

Managing Volunteer Diversity:

Volunteers come from diverse backgrounds, with varying skill sets. Managing this diversity requires careful planning and coordination to match volunteers with appropriate roles, providing necessary training and support.

By addressing these challenges and implementing effective strategies for volunteer retention and recruitment, groups can strengthen their volunteer base and enhance their capacity to carry out their volunteering roles more effectively.

The issues with recruitment are also interlinked with another important issue raised by groups in this survey, one group told us this:

"As local authority funding is cut there is an increasing call for volunteers to take over roles and services previously funded centrally. But there are only so many people able or willing to undertake these roles."
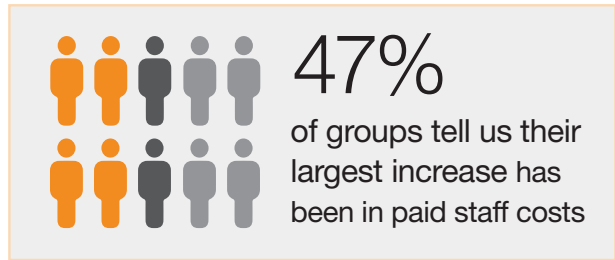
Funding

64% of groups tell us they need more access to funding and contracts
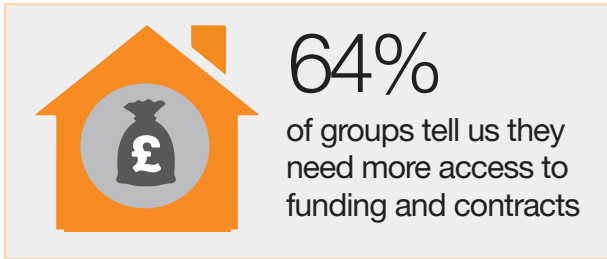
Funding is another very complex situation, and just as groups are telling us they are trying to meet an increase in demand, 64% of groups responding to this survey are also telling us they have been needing to access more funding and contracts in the past 12 months to cope with that demand, and these groups told us that 70% of services delivered were funded by either Grants or Donations.

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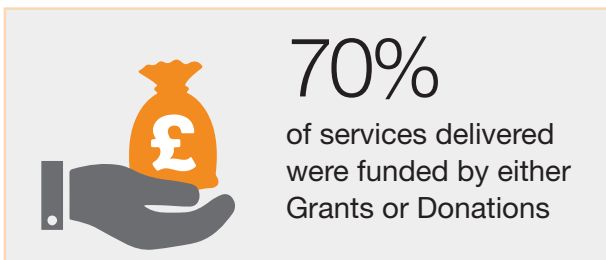
The groups responding were varied in their abilities and opportunities to raise funds to enable them to at least continue during difficult times. The solutions they found included examples of increasing income from memberships and subscriptions, increasing entrance fees, or charging them for the first time, benefiting from charity specific funding streams, and in one case a substantial donation from another charity that unfortunately had to close down.

47% of groups tell us their largest increase has been in paid staff costs

We had a similar level of comments from groups telling us about decreases in donations as people felt the effect of less money in their pockets, funding that became unavailable, cuts in fund amounts, and several comments about the amount of time and effort they were putting into fundraising, seeking alternatives to raise funds, and constantly applying to whatever fund or scheme they can.

And its not just meeting the cost of services delivered, for some their largest increase has been in paid staff costs (47% of groups reported this) and also unsurprisingly in current times a significant increase in utility costs reported by 31% of groups.

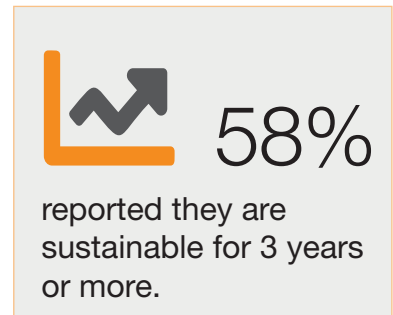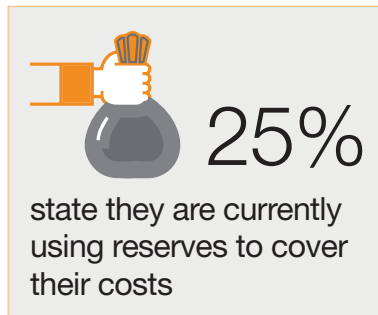**31%** of groups have seen an increase in their utility costs
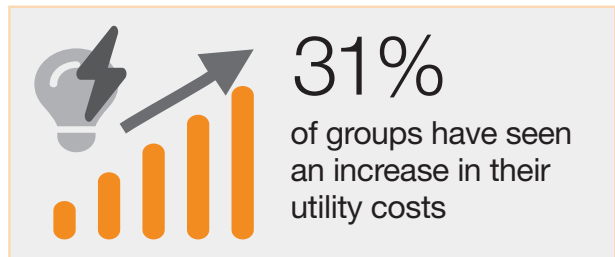
The sector has seen pressure on some funders to be able to continue to provide the schemes and funding types required, this creates uncertainty for some, causing them to consider closely their longer term strategies and sustainability. A group told us :

> "Donations have fallen, costs have risen, and grant applications seem to be becoming more complex and time consuming. The need to apply for ever more grants is a constant pressure that may not be sustainable."

The challenges described - falling donations, rising costs, and increasing complexity in grant applications - are unfortunately common struggles for many organisations within the VCSE sector.

10% consider themselves sustainable for less than 1 year

25% state they are currently using reserves to cover their costs

58% reported they are sustainable for 3 years or more.

Across our survey we saw disparity in this regard, for example 10% of respondents indicated they consider themselves sustainable for less than 1 year, with 25% stating they are currently using reserves to cover their costs. A much larger number (58%) reported they are sustainable for 3 years or more.
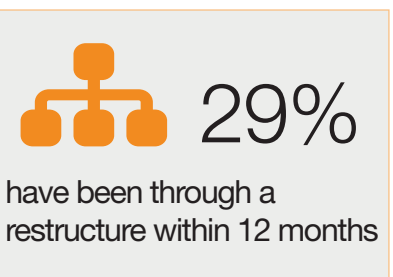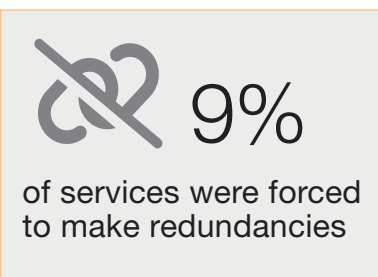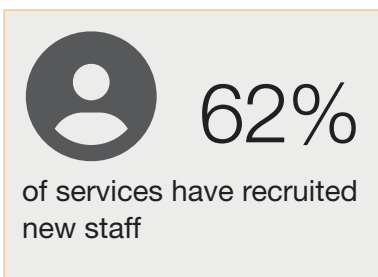
Groups are also looking to the future, and described changes, for example, a larger charity that has resources to manage the financial challenges, still has other issues to resolve.

A group comment highlights typical finance issues:

"Local authority focus on saving money has decreased our income substantially such that we have restructured (and made redundancies – more to come) and utilised reserves."

"As a national charity making ourselves locally relevant is important... which requires effective partnership working."

Despite the pressures that many are under, 62% have recruited new staff, compared to 9% making redundancies. 29% told us they have been through a form of restructure in the last 12 months in order to manage currently and prepare for the future.

62% of services have recruited new staff

9% of services were forced to make redundancies

29% have been through a restructure within 12 months

So looking forwards from here, we asked groups what would help them with future development ?

51% say, funding and diversifying income will help their organisation to develop.

20% highlighted that Networking with other organisations is important

18% cited volunteer development as an area which needs more effort

Understandably finances are a necessary part of future planning, and 51% told us that funding and diversifying income will help their organisation to develop. Networking with other organisations was also highlighted by 20% as important, and a further 18% cited volunteer development as an area they will spend time and effort on.

Recommendations

Looking ahead, it's clear that financial sustainability is a primary concern for many VCSE groups within the sector. The majority of respondents identified the need for more funding and diversifying income streams as crucial for future development, recognising the importance of securing stable financial support to ensure continued operation and growth.

Networking and collaboration also emerged as significant factors for future development, with a sizable portion of respondents recognising the value of partnerships and alliances in advancing their missions.

Developing and expanding volunteering roles within VCSE groups, not only addresses staffing needs but also creates opportunities for individuals to make meaningful contributions to causes they care about. This approach not only benefits groups, but also enriches the lives of volunteers and strengthens the community we live in. This sense of community will strengthen the groups support base and contribute to its long-term sustainability.

Despite the uncertainties posed by reductions in local funding, a notable proportion of VCSE groups express confidence in their sustainability for the coming years. This suggests a degree of resilience and adaptability within the sector, as well as proactive efforts to secure alternative sources of support.

In summary, while financial challenges persist, there's a recognition of the importance of diversifying income, fostering collaboration, and maximizing the contributions of volunteers in ensuring the long-term viability and impact of groups within the sector. Through strategic planning and proactive measures, these VCSE can navigate uncertainties and continue to thrive in fulfilling their missions.

Conclusion

The future of volunteers appears to be evolving in response to various challenges faced by charities, and VCSE groups. From the comments and responses in the survey, it's evident that these organisations are encountering difficulties in recruiting and retaining volunteers, despite the pressing need for their services.

One significant shift is the recognition that volunteers themselves have changed. This could imply a shift in motivations, availability, or expectations among potential volunteers. Organisations are realising the importance of adapting their approaches to volunteer recruitment and management to align with these changes.

Collaboration emerges as a key strategy for addressing these challenges. VCSE groups and organisations are recognising the need to work together more closely to find solutions. By pooling resources, expertise, and networks, they can maximize the impact of their efforts and overcome some of the barriers to volunteer recruitment and retention.

Overall, while there are challenges in recruiting and working with volunteers, there is also a sense of adaptability and willingness to find innovative solutions among VCSE groups. By embracing change, fostering collaboration, and refining their approaches to volunteer engagement, these organisations can better navigate the evolving landscape of volunteering in the future.

VAL will be using all of the feedback to review our approach to supporting the sector as well as looking at opportunities in the coming quarter and beyond.

This survey was just the beginning – It's a glimpse into the needs and aspirations of our community, helping us lay the foundation for a more supportive future. We know that this is only a small sample of the sector, however your insights will guide us as we begin to shape initiatives that matter. Together, we'll focus on what's needed, building on strengths, and creating positive change for the future.

Your responses lay the groundwork for what's to come. We're committed to building on these insights, understanding your needs, and crafting a roadmap for a stronger, more resilient future for the local VCSE and working in partnership with local stakeholders.

We're grateful for the trust and collaboration that define our community. Together, we'll build a stronger, more resilient sector.

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