

## VCSA Recession Survey Results

### Summary

This paper is used to report the results of the 2010 VCS Assembly Recession Survey. 22 VCS Assembly members returned questionnaires and the results have been compared to the responses received in 2009 when the survey was first carried out.

### Recommendations

The Board is asked to:

1. Consider the findings from the survey.
2. Specifically note the action members would like the Board to take on their behalf (see paragraphs 2.16 and 2.17).
3. Agree any follow up actions required (see suggested next steps in paragraph 3.2).

### Key Findings

Due to the length of the survey report, key findings have been summarised as bullet points below.

- 22 Voluntary and Community Sector Assembly members completed a survey.
- Responses were received from a good mix of VCS groups and organisations.
- The main areas of focus/service provision reported by the survey sample were working with people with disabilities and working with children and young people.
- The vast majority of the survey respondents felt that the recession had not had an impact on volunteering. (This was also the response when the survey was conducted in May 2009).
- Although a majority of survey respondents report reduced income and increases in expenditure the recession has had a variable impact on staffing and levels of work. Some VCS organisations report increases in levels of work while others have seen no change or a reduction.
- The survey sample reported decreases in the levels of charitable donations, the value of assets/investments and grant funding from local and national sources. The most noticeable change from 2009 is that now, national funding sources are also a concern. In 2009 local funding was a concern due to unitary authority changes but national funding had not been affected to a significant degree.
- Many of the groups and organisations involved in the survey had seen increases in the spending on products and services and the costs of running buildings.

- 73% of respondents believe they have seen increased vulnerability among groups within the community. Those affected most are people on low incomes, the unemployed and people with mental or physical health problems.
- In 2009 the main change seen in the people using VCS services was an increase in the number of people who are out of work. In 2010 the main change has been increased health problems caused by stress/anxiety etc. and an increased incidence of depression. Increases in people who are out of work or looking to improve their skills were also reported.
- The most commonly reported new area of work as a result of the recession is an increased need for risk management and contingency planning.
- Actions used to manage the impact of the recession have included risk management and contingency planning. In 2010 more organisations are now also looking at collaboration and merger and doing a lot more work to look for alternative sources of income.
- 3 organisations feel at risk of failing as a result of the recession. In 2009, 4 considered their organisation at risk of failing.
- In 2009 some organisations felt the recession had had a slightly positive impact on their work but in 2010 75% saw the impact of the recession as slightly negative or significantly negative and the remaining 25% had seen no impact.
- A range of support is required from the Assembly Board in responding to the impact of the recession on Shropshire's Voluntary and Community Sector. The most commonly called for support is raising awareness of issues, collating evidence and having a voice at a regional or national level.

## **REPORT**

### **1. Background**

- 1.1 At the VCS Assembly Board meeting on the 3<sup>rd</sup> March 2009 a report from the Shropshire Partnership Leadership Board was considered. The Leadership Board report was entitled 'Responding to recession' and summarised the issues highlighted through the LSP including the impact recession was having upon numbers of young people not in employment, education and training (NEET), health impacts such as depression and conditions relating to substance misuse and more specific impacts upon organisations such as significant increases in referrals to Job Centre Plus and Citizens Advice.
- 1.2 It was agreed, by the VCS Assembly Board, that a more detailed understanding concerning the impact the recession is having upon the VCS in Shropshire would be beneficial. The Board developed and conducted its recession survey and worked with NAVCA to develop a Local Resilience Action Plan.
- 1.3 It was agreed that the survey should be carried out again in order to monitor whether the impact of the recession had changed. In May 2010 the survey was repeated with a particular emphasis on encouraging previous survey respondents to take part again. The response rate in 2009 was 29 and in 2010 22 VCS organisations completed the survey.

## 2. Survey Results

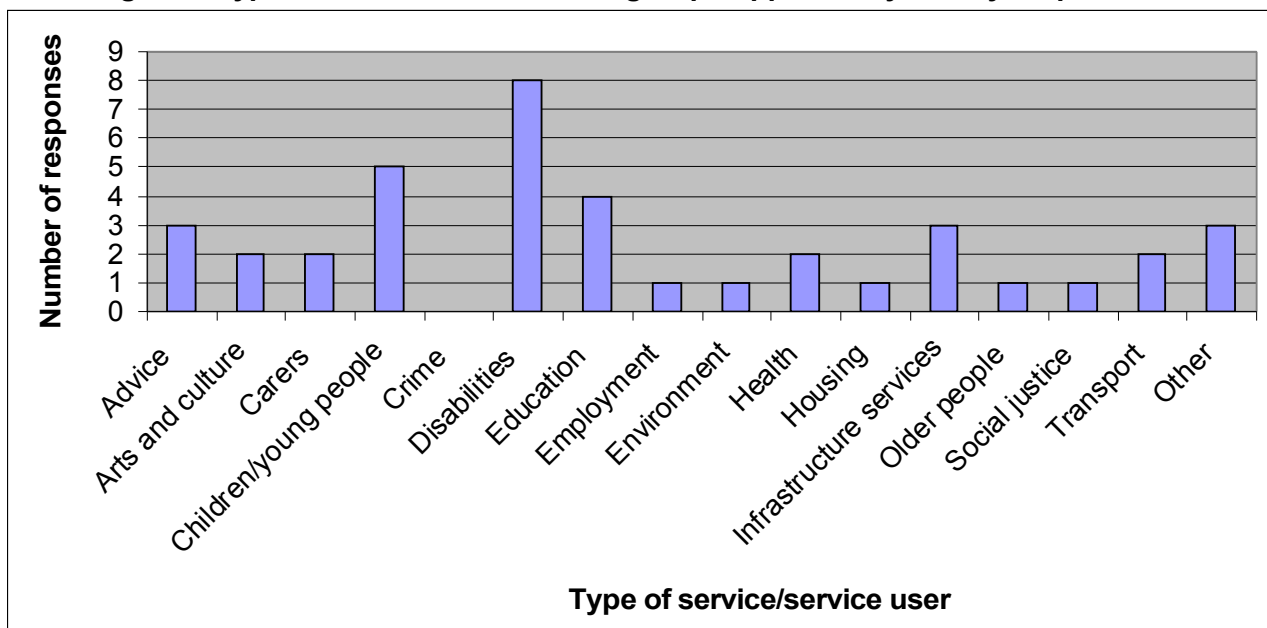
2.1 The low response rate to both surveys may suggest that there are a large number of Shropshire's VCS groups and organisations that are not experiencing any significant impact from the recession.

2.2 In 2010 responses were received from the following organisations:

- A4U: Action, Advice, Advocacy
- Autonomy
- Axis Counselling
- Confide
- Crossroads Care
- CRUSE
- Headway
- HMM Arts Ltd/The Hive
- Home Start, South Shropshire and Bridgnorth
- Home Start, North Shropshire & Oswestry
- IMPACT Alcohol and Addictions Services
- Landau
- Llanymynech Social Enterprise Centre
- Oswestry Community Action
- Parent and Carer Council Shropshire
- Perry RDA
- Pre-school Learning Alliance
- Severn Tree Trust
- Shrewsbury Abbeyfield Society
- Shropshire Insight Group
- Wheels to Work
- WRVS

2.3 The type of service delivered by the organisations above is shown in Figure 1. It should be noted that many of the groups/organisations provide a range of support across multiple categories. Counselling was a common service provided by the survey respondents.

**Figure 1 Type of service/ service user group supported by survey respondents**



2.4 19 of the 22 survey respondents use volunteers. Table 1 highlights that the recession has had little impact on volunteering in Shropshire but the impact has increased since 2009. 2010 has seen a greater proportion of respondents reporting slight or significant increases in volunteering. In total 6 of the groups/organisations have seen an increase in volunteering and 2 a decrease. Table 2 shows the results when the organisations that have seen an increase in volunteering were asked why they thought volunteering may have increased. The main reasons given were to support applications for paid work, young people wishing to gain experience and people wishing to help solve current problems.

**Table 1 Impact of the recession on volunteering**

Impact	Number of respondents
Significantly increased numbers of volunteers	2
Slightly increased numbers of volunteers	4
No impact on volunteering	13
Slightly decreased number of volunteers	2
Significantly decreased numbers of volunteers	0

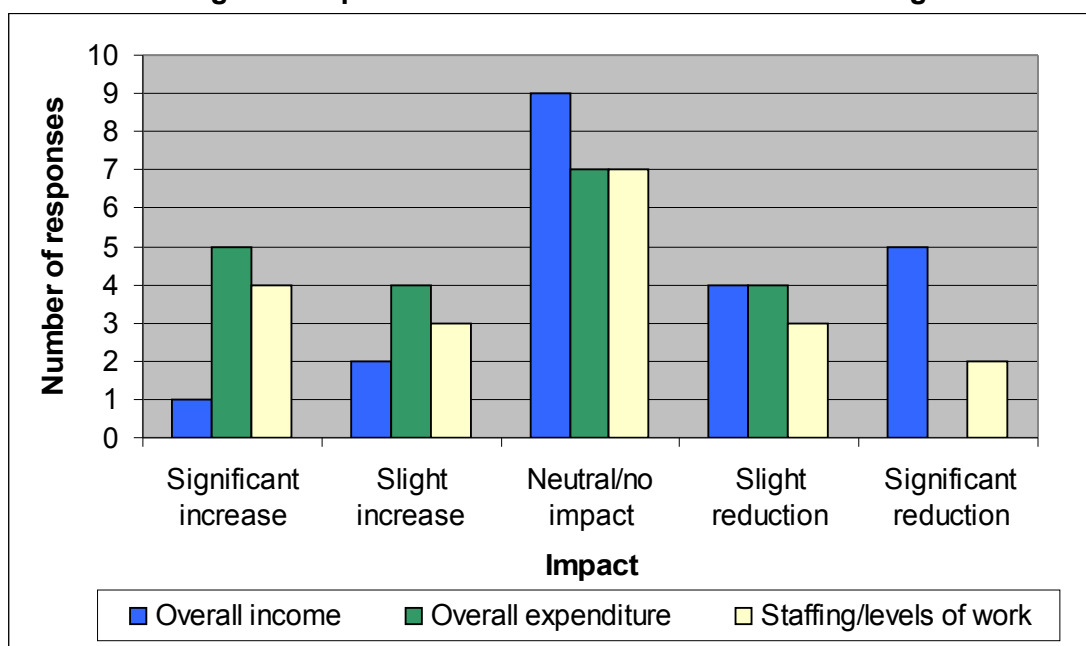
**Table 2 Reasons for increases in volunteering**

Reasons for more volunteering	Number of respondents
Retired people wishing to contribute	0
People made redundant keeping active	1
Young people wishing to gain experience	3
To support applications for paid work	3
People wishing to solve current problems	1

2.5 The survey also sought to identify whether the finances of Shropshire’s VCS organisations and groups had been affected by the recession. The results displayed in Figure 2 display a range of different experiences. Overall income has reduced.

2.6 More specific problems noted by survey respondents included reducing income from non-contract clients, increasing costs such as catering and stationary costs etc. and increased bank charges and lower interest rates.

**Figure 2 Impact of recession on finances and staffing**



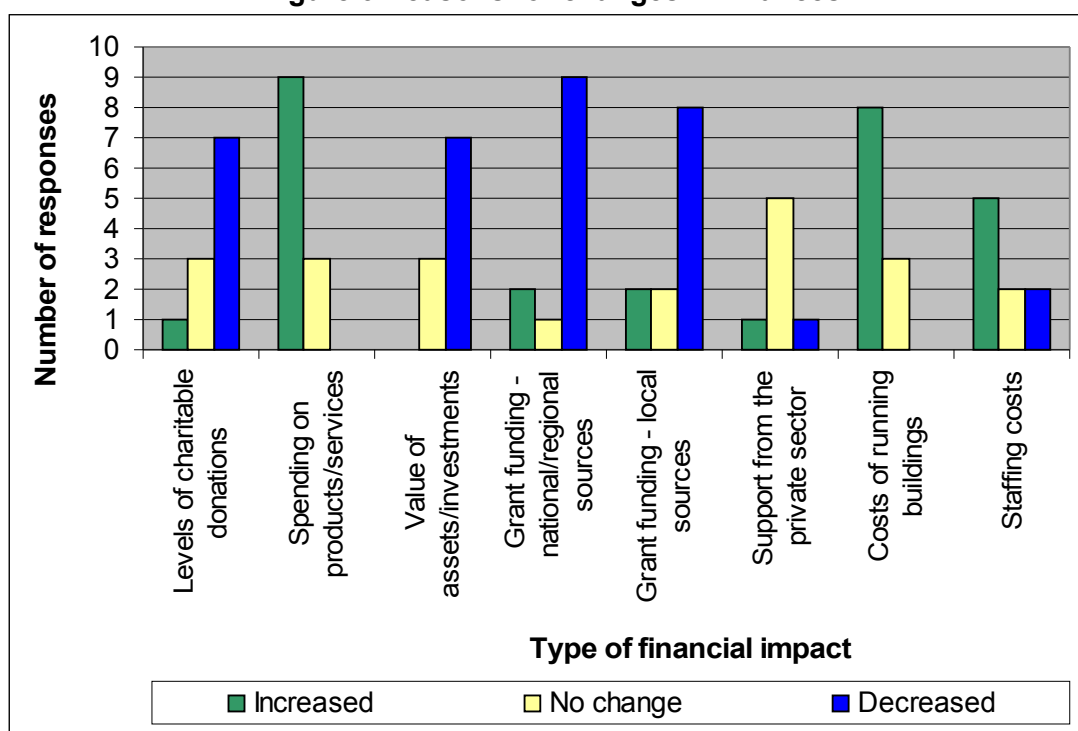
2.7 The results of a question asking what the reasons are for changes in finances are shown in Box 1 and Figure 3. Levels of donations have decreased, along with grants from national and local sources and spending on products and services has increased along with the increased costs of running buildings.

**Box 1 Reasons for changes in finances**

- Funding reductions on a national basis.
- Fewer sources of grants to support for revenue costs of running core services as apposed to pilots/one off/project development funds.

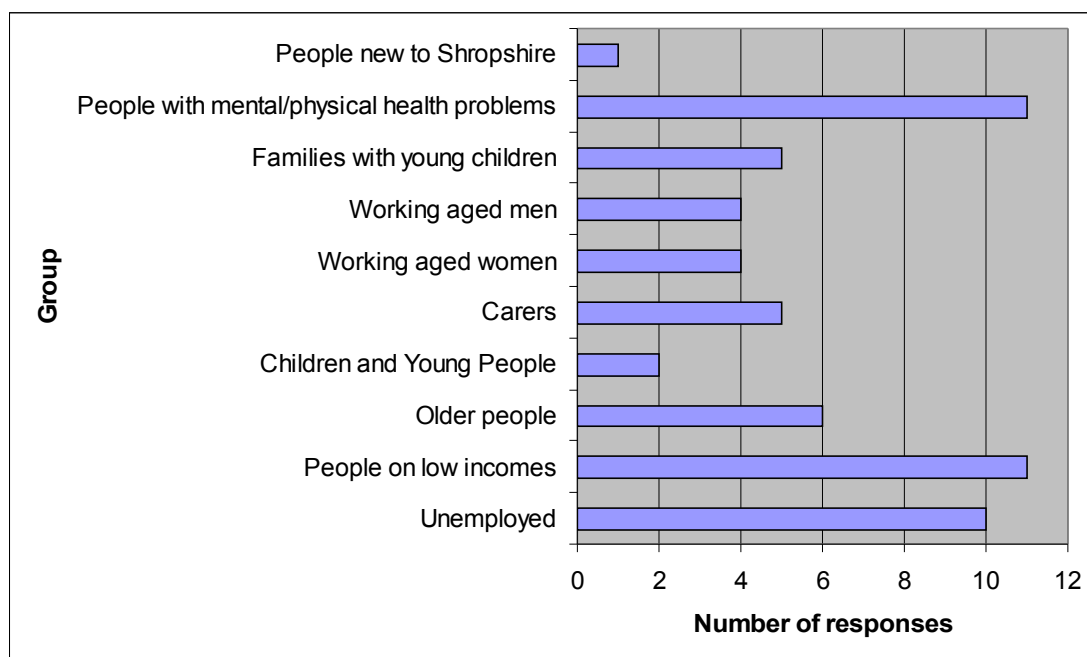
- Local Government cuts are being passed on very quickly.
- Contracts/funding streams are ending and not being renewed. The bodies we receive funding from have experienced cuts and delays which are passed onto us.
- Cutbacks by statutory services have implications on the voluntary sector.
- Reduction in available funding sources. This has meant that we have had to cease providing subsidised driving lessons and grants.
- No inflationary increase in grants from Joint Commissioning.
- Inability to gain full cost recovery. Rise in statutory requirement placed upon us and no funding to support this.
- In October we became a new organisation, separate from the International Tree Foundation. We now receive no income from ITF. Local members have been generous with donations towards start up but this is likely to be one off. We now need to do more to generate income.
- Drop in income due to investment and interest reduction.
- Clients are asked for a contribution based on their income and personal circumstances. This has declined over the past couple of years despite the contribution scales being increased. There has been a more significant reduction in numbers of non-contract clients. Both aspects suggest that clients may not be able to manage even our low fees.
- Although we have been successful in obtaining grants, the demand for the services (especially volunteering help) has meant that staff members have worked more hours and we have taken on additional staff to cope. We are also finding that our funding, particularly for transport, is not increasing in line with inflation and is remaining static. As our costs are increasing particularly the cost of fuel it means we either do less for the same amount of money or carry on as we are and bear the cost ourselves.
- General increases in costs of living.
- Costs are up.
- Staffing costs increased to deal with capacity issues.
- Donations are down due to lower incomes.
- Interest levels on bank accounts are significantly reduced.
- Targeted support fund helped to cover additional costs.
- We won a bid to roll out a new service across Shropshire. Otherwise everything is much the same as before.

**Figure 3 Reasons for changes in finances**



2.8 Of the 22 organisations/groups that took part in the survey, 16 believe they have seen groups within the community experiencing increased vulnerability as a result of the recession. The types of groups are shown in Figure 4.

**Figure 4 Groups within the community experiencing increased vulnerability due to the recession**



2.9 Other groups considered to be affected within Shropshire's communities include:

- People struggling with transport for work.
- People with disabilities and additional needs - all ages.
- Visually Impaired People

2.10 Survey respondents were also asked why they think there has been a change in the people using their services. Table 3 shows the results. The main reason for change in 2009 was an increase in people who are out of work/unemployed. In 2010 the main reasons were increased health problems caused by stress/anxiety etc. and Increased incidence of depression.

**Table 3 Reasons for changes in people using services**

Reason	Number of respondents
More people in debt	4
More people worried about their finances	5
Increased incidence of depression	8
Increased health problems caused by stress/anxiety/depression	11
More people out of work/unemployed	7
More people looking to improve their skills and experience	7
Increased cost of travel/transport	3

2.11 New areas of work generated as a result of the recession are shown in Table 4 below. The main areas of work are an increased need for risk management/contingency planning, increased levels of demand, the need for more communication/marketing and the need to work more closely in partnership with others.

**Table 4 Work generated as a result of the recession**

Type of work	Number of respondents
Increased number of referrals/demand	9
Increased signposting to other services	7
Need for more communication/marketing activity	9
Increased partnership working with other VCS groups/organisations	9
Increased partnership working with the public sector	8
Increased partnership working with the private sector	1
Higher expectations from Funders	7
Increased need for risk management/contingency planning	11
Increased competition from other organisations	8

2.12 7 of the 22 survey respondents feel that the recession has affected the length of contracts being offered to them (fewer than in 2009). Other impacts of the recession felt by the various groups and organisations involved in the survey are displayed in Box 2 below.

**Box 2 Impacts of the recession felt by survey respondents**

- There has been a slight increase in the number of younger volunteers as they seek to boost their job prospects if seeing to work full time in a related area.
- No promise of continuous funding. Three year contracts have been withdrawn.
- The recession has significantly affected the length of contracts we are being offered. We are going through a period of change with transformation and the personalisation agenda etc. Increased fuel costs.
- Increased transport costs and lack of services for the disabled. Potential loss of services. More difficulty planning for the medium to long term. Some volunteers have left as a consequence of recession. Others have possibly been more likely to volunteer - overall a changing but balanced impact.
- Rural Transport Links.
- Levels of stress within the workforce due to uncertainty of the future/job security. Short term contracts and future tendering challenges.
- Long term delivery for WRVS in supplying not only a hot meal but a well being check to its community of Shropshire in jeopardy.
- More anxiety amongst the Trustees. They are implementing changes to safeguard the organisation which impact on staff who have worries about their jobs.
- More work and less resources. I spend more time seeking funding than doing the day job.

2.13 Survey respondents were also asked what the reasons were for the impacts experienced and Box 3 displays the responses.

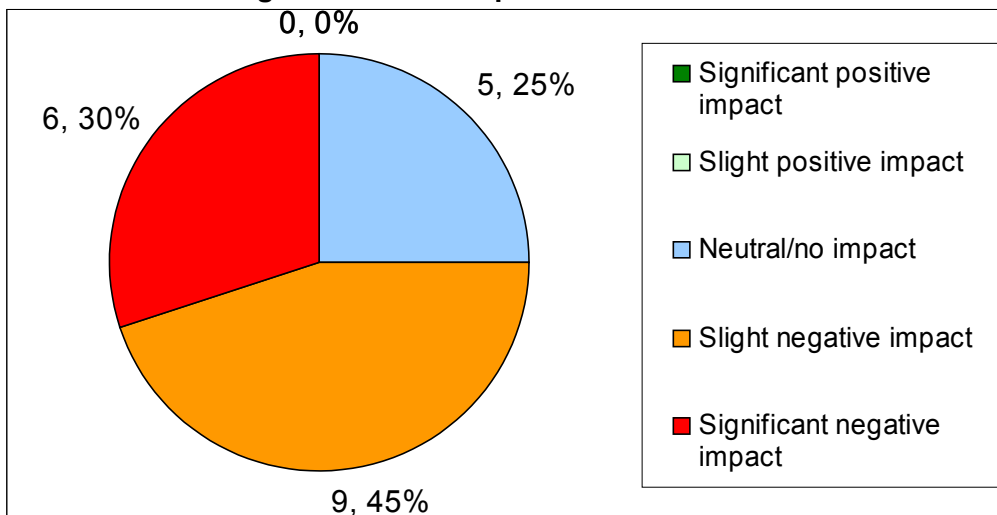
**Box 3 Reasons/causes generating the impacts of the recession described**

- It is difficult to be certain of the impact. We do record the reasons for clients coming to us, whether referred under contract or self-referred, but not at the level of detail which would point clearly to the recession.
- Uncertainty about new government measure to payback the country's deficit, instability in budgets.
- Lack of future confidence and funding costs.
- Less money available and it is getting worse!
- For OCA the emphasis being placed on volunteering as an option for the unemployed has meant that we are having more referrals to the volunteering centre, but these people are either not ready to volunteer, not committed to volunteering and often don't really understand what it means to volunteer. As a result we are having to give more support to people in greater numbers as the number of enquiries has increased dramatically in the last 18 months.

- More difficult to source available funding.
- Smaller budgets coping with increasing demand.
- Some loss of opportunity for some service users. Greater anxiety about sustainability. Shortages of money in bodies that previously may have funded tree planting activities. The advent of unitary authority has reduced the places we can look for free trees or funding for planting.
- Additional short term funding from targeted support fund, but not enough to match the increased volume of people requiring help and support.
- Government, Banking and things that are beyond our control.
- Trustees have felt the need to implement an exit strategy whereas before they were happy to rely on future funding becoming available as it always had.
- Less money to go around. It may mean smaller amounts go to more organisations and they deliver less. No service is cost free, even using volunteers.

2.14 The 22 respondents were asked what overall impact the recession has had on their organisation/group. In 2009 a slight negative impact was the majority response. In 2010 a slight negative impact was still the majority response but there were more who described the impact as significantly negative and now no-one believes the impact of the recession is positive.

**Figure 5 Overall impact of the recession**



2.15 In order to better understand the type of work being undertaken to limit the risks of the recession, the survey asked respondents to describe the action they had taken to survive the recession. Box 4 displays the responses received.

**Box 4 Actions being undertaken to minimise the negative impacts of the recession**

- Diversifying/expanding service provision and fundraising
- Recession or not, we are looking at increasing current income streams from fundraising activities, provision of CPD workshops and conferencing for external counsellors and by attracting more counsellors. We are also examining prospects of extending our range of activities in order to generate new income streams.
  - We are exploring more income generating opportunities and applying for grants.
  - Continually looking for other sources of funding.
  - Increasing services offered, charging for services, increased grant seeking.
  - Looking for alternative sources of funding to match our core funding reduction.
  - Looking for more/alternative funding

- Looking at alternative sources of funding. The problem is, when providing health and social care, Funders expect the Local Authority to fund it.
- Undertaking additional fundraising activity.

#### Financial planning

- Closer budgetary and financial management controls are in place and we have spread the risk of contracts.
- Continuous finance monitoring.
- Trimming away activities/travel costs/ Value For Money exercise. Raising awareness amongst staff of Value for Money principles.

#### Training and managing staff

- All Trustees and the Senior Management Team have undergone financial risk management training.
- Training for Trustees relating to impact of recent actions and the recession. Recruiting new Trustees.
- Reassuring staff.
- Redundancies of staff.
- Cutting back on staffing.
- Not replacing Counsellor resource.

#### Organisational review

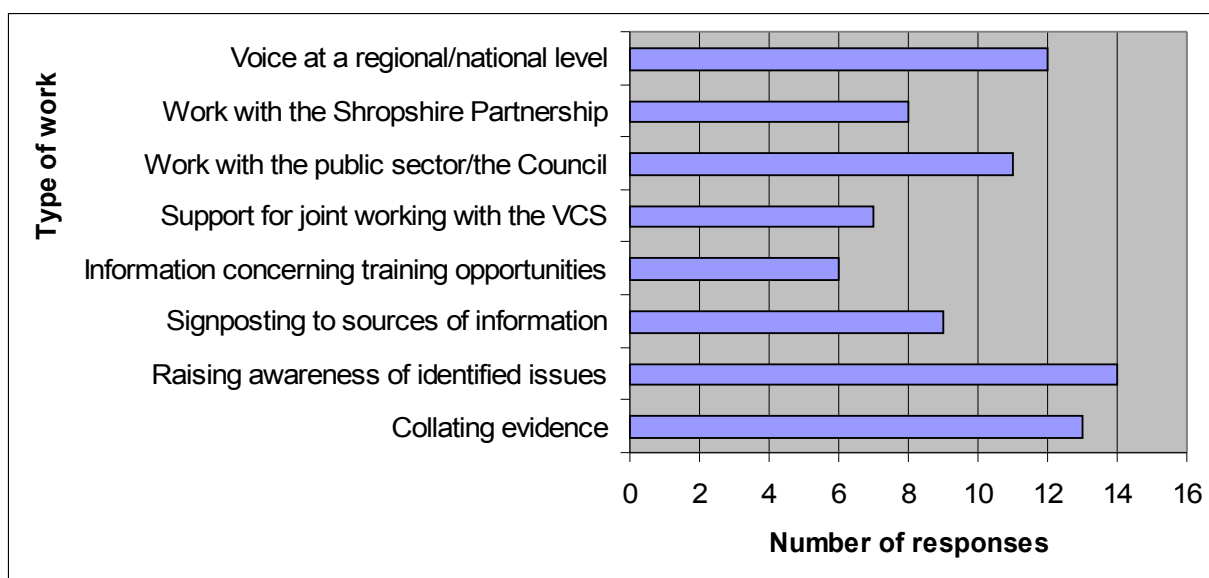
- Revised business plans. Revised organisational structure.
- Developing partnerships with opportunities for income generation or maximising reach with funding already obtained.
- Using an external consultant funded through Capacity Builders to help use our resources more efficiently and to look for new ones. Keeping up to date with local and national issues that affect us.

#### Other

- Looking to merge with other schemes within our family.
- Exploring partnership/collaborative working.
- Increased marketing to ensure clients are 'in the wings' as very elderly residents have to leave us.
- Having to manage longer waiting lists.

2.16 Lastly, survey respondents were asked how the VCS Assembly Board should help Assembly members respond to the recession. Figure 6 displays the results and suggests that a range of measures would be helpful, with the most popular actions being raising awareness of issues and collating evidence. The results were very similar in 2009.

**Figure 6 Suggested actions for the VCS Assembly Board**



2.17 Additional comments are shown as Box 5.

#### Box 5 Additional Comments

- We have now been awarded funding but have had to match significant amounts from other sources and the funding tapers off cover the period which may have longer term financial implications for the project.
- More needs to be done to help organisations source sustainable funding. There is funding for new projects but these are lost when funding ends.
- Environmental organisations appear in a minority within the VCS but their concerns at this time of climate change, pollution and dwindling natural resources do need to be aired.
- Ensure Public Authorities are following the Disability Standards Charter. The workforce should reflect the local population. Does it? There are 4,000+ visually impaired people in Shropshire. How many are employed by public authorities? Campaign for equal opportunities for visually impaired people.
- Our house is very small 8 rooms and recession does not seem to have affected the rate at which we can attract replacement residents.

### 3. Conclusion

3.1 The survey response rate suggests that many of Shropshire's Voluntary and Community Sector groups and organisations are not currently experiencing any significant impacts due to the recession. The survey results in 2010 are very similar to the results in 2009 suggesting that the local situation has not changed significantly over time.

3.2 It is recommended that the following actions are carried out:

- Share the survey findings with the Council's economic development team (in relation to the work of the Business Board).
- Share the survey findings with the Shropshire Partnership.
- Continue to encourage Forums of Interest to report issues relating to the recession.
- Monitor any issues reported and consider the need for any further action in a year's time.