



VCSA Recession Survey Report

Key Findings

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

- 29 Voluntary and Community Sector Assembly members completed a survey.
- Responses were received from a good mix of larger and smaller groups and organisations.
- The main areas of focus/service provision reported by the survey sample were working with people with disabilities and providing advice.
- The vast majority of the survey respondents felt that the recession had not had an impact on volunteering.
- The main impacts of the recession to date have been reduced income, and to a lesser extent an increase in expenditure and levels of work.
- Increased costs had been experienced as a result of costs of running buildings, costs of products and services and increases in staffing costs.
- The survey sample reported decreases in the levels of charitable donations, value of investments and grant funding from local sources.
- Many of the groups and organisations involved in the survey had seen significant increases in the demand for their services.
- 23 of the 29 respondents believe they have seen increased vulnerability among groups within the community. Those affected most were considered people on low incomes and the unemployed.
- One of the main changes seen in the people using VCS services was an increase in the number of people who are out of work.
- Actions used to manage the impact of the recession have included risk management, contingency planning and the management of increased referrals/demand.
- 18 of the 29 respondents believe the recession has had a negative impact on their group/organisation. 4 even consider their organisation at risk of failing.
- 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.

REPORT

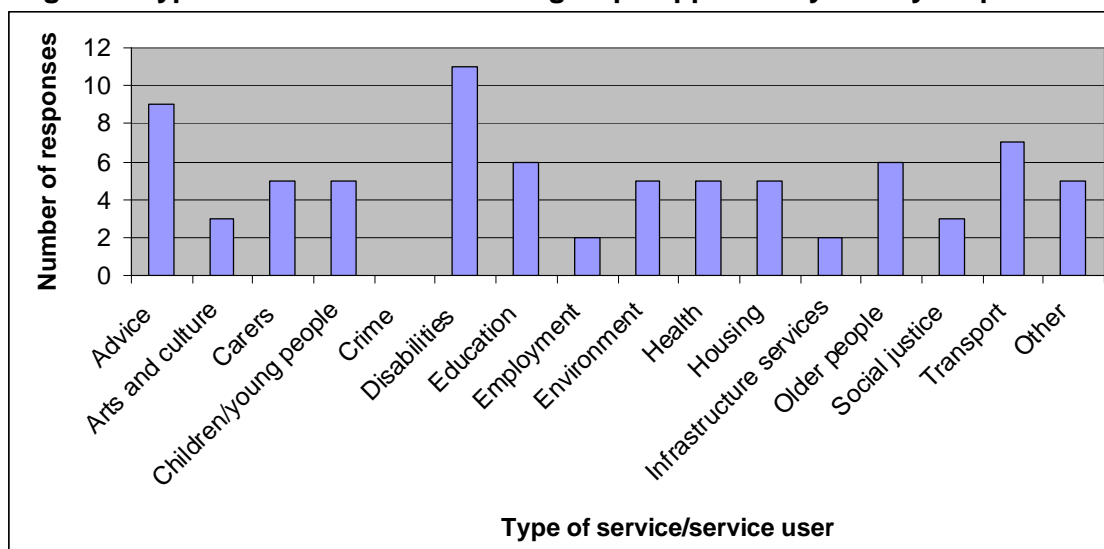
1. Background

- 1.1 At the VCS Assembly Board meeting on the 3rd 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 decided to develop a short survey in order to obtain information from the wider Assembly membership.
- 1.3 The survey was initially distributed to all Assembly members on the 15th April 2009 with a deadline of 8th May.

2. Survey Results

- 2.1 In total 29 completed questionnaires were returned. The low response rate may suggest that there are a large number of Shropshire's VCS groups and organisations that have not yet felt any impact of the recession. The majority of those who did respond have generally been affected by the changing economic climate in some way.
- 2.2 Responses were received from the following organisations:
 - Age Concern Shropshire, Telford & Wrekin
 - Autonomy
 - Axis Counselling
 - Bridgnorth District Community Transport Group
 - Bridgnorth District Furniture Scheme
 - CHUMS Befriending Service
 - Churches Together Clun
 - Citizens Advice Shropshire
 - Disabled Holiday Information
 - Headway Shropshire
 - IMPACT Alcohol Advisory Services
 - International Tree Foundation Shropshire and Montgomery Branch
 - Isaiah 58 Project
 - Landau
 - Mayfair Community Centre
 - North Shropshire Wheelers
 - Oswestry Community Action
 - Parent and Carers Council (Shropshire)
 - PCAS - Shropshire Peer Counselling and Advocacy Service
 - Pre-school Learning Alliance
 - Shrewsbury Abbeyfield Society
 - Shropshire Housing Group
 - Shrewsbury Mencap
 - Shropshire Mind
 - Shropshire Wheels to Work Project
 - South Shropshire Furniture Scheme
 - The Studios
 - Through the Doorway to Healthy Living
 - Worthen Community Car Scheme
- 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.

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



2.4 All 29 of the survey respondents use volunteers. Table 1 highlights that the recession has, as yet, had little impact on volunteering in Shropshire. In total only 5 of the groups/organisations have seen an increase in volunteering and 2 a decrease. Table 2 shows the results when the 5 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	3
No impact on volunteering	20
Slightly decreased number of volunteers	1
Significantly decreased numbers of volunteers	1

Table 2 Reasons for increases in volunteering

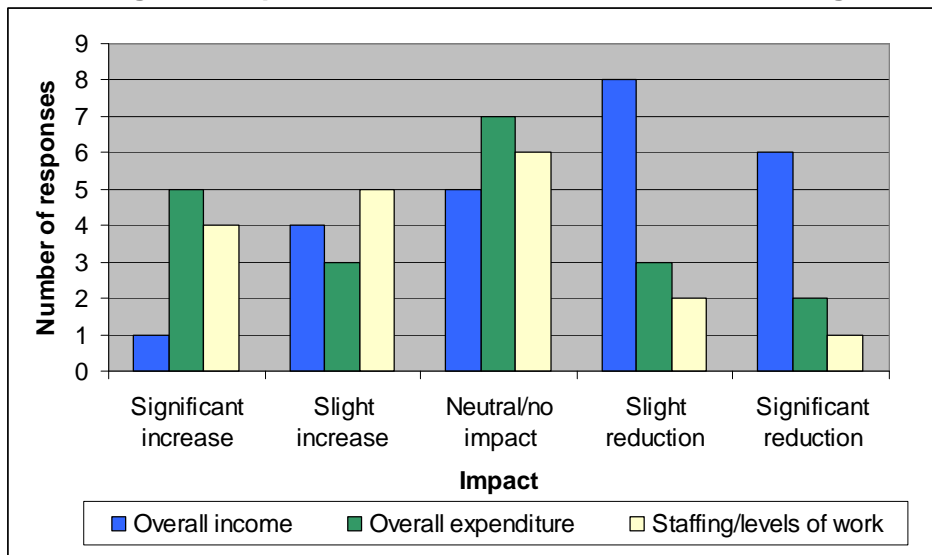
Reasons for more volunteering	Number of respondents
Retired people wishing to contribute	0
People made redundant keeping active	2
Young people wishing to gain experience	3
To support applications for paid work	4
People wishing to solve current problems	3

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 wide range of different experiences. Overall, expenditure and levels of work appear to have remained the same or increased whereas income has reduced.

- 2.6 More specific problems noted by survey respondents included:
- Uncertainty over future funding from Advantage West Midlands.
 - Local Government change has caused uncertainty in funding.
 - It is a difficult time in which to raise funds.
 - Bank interest rates have dropped to 0%.
 - Staff members are leaving for financial reasons.
 - There has been an increase in fuel and utility costs.

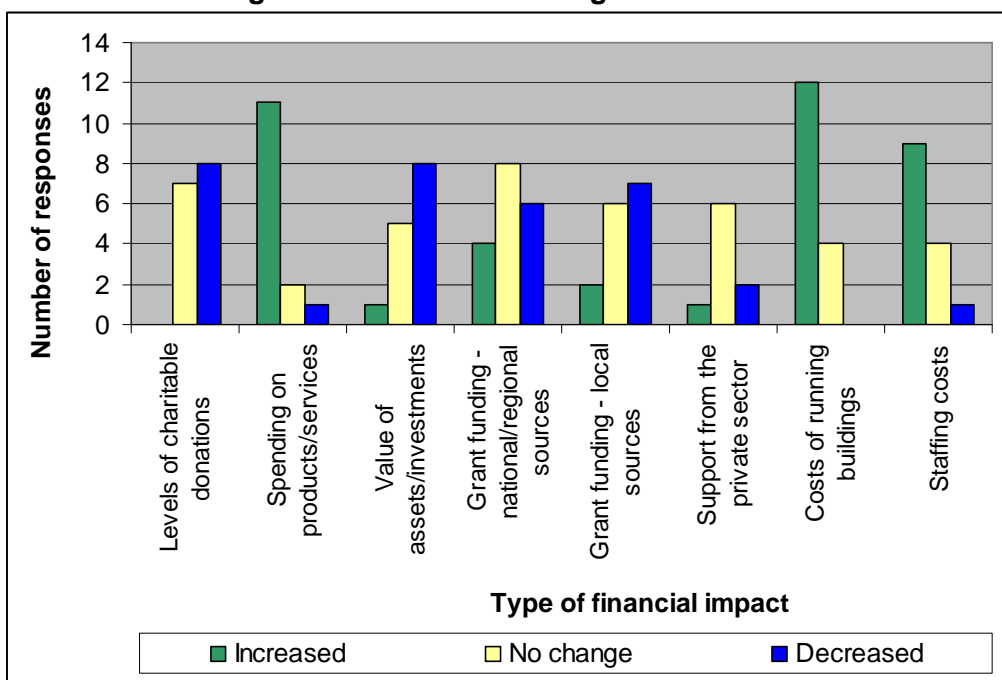
- Food costs have increased.
- People are less willing to offer discounts and the overall costs for maintenance have increased considerably.

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 Figure 3 and in Box 1. The questionnaire respondents provided very helpful and detailed responses. The information collected is available for each organisation/group but within this report all comments have been combined and broken into themes to provide an overview rather than the detail for each organisation.

Figure 3 Reasons for changes in finances



Box 1 Reasons for changes in finances

Volunteering

- We have also had a large increase in the numbers of people seeking voluntary or training opportunities. These people who have been made redundant wanting to keep active. We have also seen an increase in the numbers of volunteers with mental health issues.
- More younger people are volunteering to improve CVs and keep busy - but this has a cost if they don't stay.

Changes in demand for services

- Greater demand for CAB services and expertise especially around debt and homelessness prevention - recognised both locally and nationally.
- Reduced take up of services such as cafe - higher deficit due to lack of customers.
- We are experiencing a significant increase in demand for services. Information and advice <100%, advocacy <21% and benefits <35%.
- As W2W directly assists people with transport to work we have seen a 30% increase in referrals over this time last year (mainly from job centres).
- An increased number of people are looking for low priced household goods (increased demand for service).
- Since January 09 we have had a 40% increase in the numbers of people in need of our services - i.e. people on low incomes needing essential household items.
- Less income. Increased work load.
- We have grown as a group and have an improved reputation.

Grants, Funding and Charitable Donations

- Below inflation uplifts year on year. Lack of full cost recovery.
- Our main Funder (AWM) has delayed a decision on our future funding for three months.
- Much of our income came from grant making charitable trusts that funded from interest on their capital investment and as a consequence of the recession there is little interest on investment and so little funding for grant making.
- Receiving two grants from DFID. Without these things would have been very hard as the number of funds available to apply for seems to have been reduced.
- Some Service Level Agreement cutbacks.
- Reduction in grants (previous years we have had support from SSDC from Council Tax Second Homes payment and Core Grant). Harder environment to locate grants - more partnership working required to get grants that cover a wide geographical area.
- We run on a small budget and have no staff or building costs. We seek local and private sector funding for tree planting and this has been harder to find in the past year. Another decrease in income is to do with funding from national office. This appears to be more to do with policy rather than the impact of recession.
- There are charities that need funds and people do not have as much money at the moment.
- General donations from clients reduced due to general increased spending costs.
- Donations are reduced.

Increased costs

- Higher costs, less money available, time staff have available.
- Increased costs of utilities.
- There has been a significant increase in diesel costs which has increased outgoings. Due to level of charging for members the rate per mile does not truly reflect all costs.
- Food prices have gone up significantly and this has put costs up.
- Salary and running costs increased in line with inflation.

Banking, Interest Rates and National Circumstances

- Slight increase in grants but a significant reduction in investments.
- A significant drop in investment income which props up basic services.
- Bank charges increased by 50%.

- Less interest on investments - lost £17k over a 12 month period with change in interest rates.
- Loss on invested reserves which as well as loss of finance is loss of income from interest earned.
- Lack of value in investments and assets.
- Reduced debt charges for borrowing, but significant decrease in value of assets. Increased government investment in housing has allowed the building of more homes.

Other comments

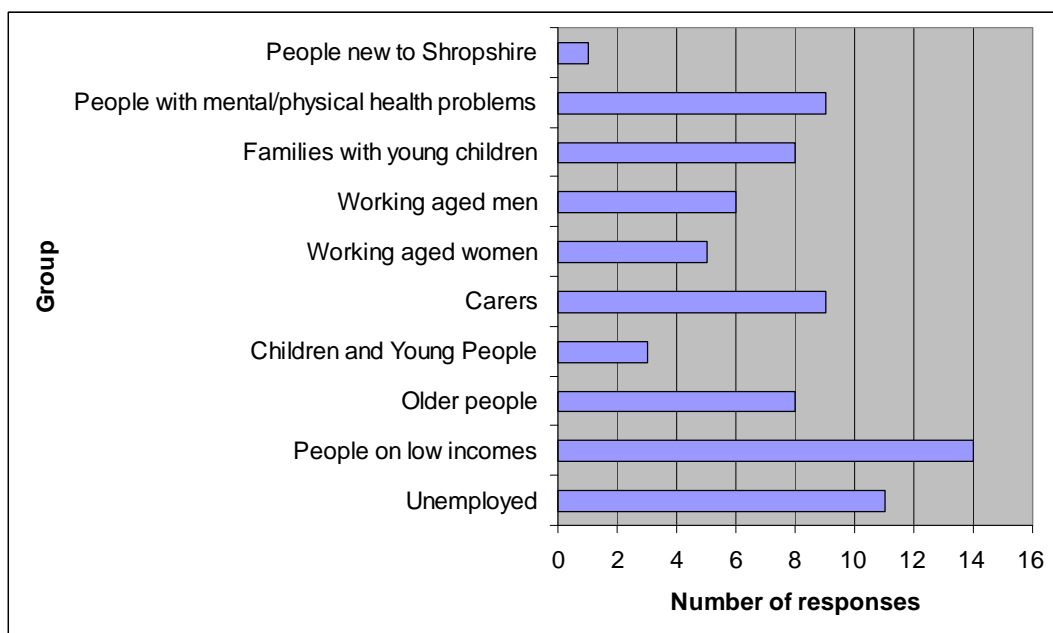
- Our costs are increasing, but I don't believe that this is due to the recession e.g. we are moving some of our activities to better (and more expensive) premises - inflationary uplift in salary costs etc.
- New project developments as a response to local strategic plans.
- We are funded from the Big Lottery: we are not affected until that funding runs out.
- No change as yet.

2.8 Of the 29 organisations/groups that took part in the survey, 23 (79%) 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. People on low incomes have been most significantly affected by the recession followed by the unemployed, people with mental and/or physical health problems and carers. Other groups considered to be affected within Shropshire's communities include:

- People with alcohol and addiction problems.
- The rurally isolated.
- Disabled people.
- People in threat of homelessness.
- Survivors of Childhood sexual abuse.

The environmental impact of the recession was also raised as an issue.

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



2.9 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 has been an increase in people who are out of work/unemployed. Other reasons given included more people experiencing redundancy.

Table 3 Reasons for changes in people using services

Reason	Number of respondents
More people in debt	7
More people worried about their finances	9
Increased incidence of depression	9
Increased health problems caused by stress/anxiety/depression	9
More people out of work/unemployed	14
More people looking to improve their skills and experience	4
Increased cost of travel/transport	7

2.10 New areas of work generated as a result of the recession are shown in Table 4 below. The main areas of work are dealing with increased demand/referrals, the need for increased risk management/contingency planning and experiencing higher expectations from Funders. Another area of increased work stated was a greater level of signposting and information provision.

Table 4 Work generated as a result of the recession

Type of work	Number of respondents
Increased number of referrals/demand	17
Increased signposting to other services	11
Need for more communication/marketing activity	11
Increased partnership working with other VCS groups/organisations	8
Increased partnership working with the public sector	9
Increased partnership working with the private sector	1
Higher expectations from Funders	12
Increased need for risk management/contingency planning	14
Increased competition from other organisations	7

2.11 Twelve of the 29 survey respondents feel that the recession has affected the length of contracts being offered to them. 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

<p>Service user experiences/ demand</p> <ul style="list-style-type: none"> • Those with disabilities were already finding work hard to obtain, the recession has made that much harder and sometimes impossible. • Increase in people asking for services and support. • Mainly just an increase in referrals with uncertainly about funding. • Huge increase in unmet demand (over 30%) and complaints about not being able to access advice. Increase in complex enquiries which take longer to resolve - so take more resources. Many people do not realise that CAB is a charity staffed mostly by volunteers so there is an expectation that we have more resources that we actually do. • More demand on housing stock for Associations and Private rentable. • Many of our members are struggling to become employed. • We are getting more clients needing counselling and CBT. • It is believed that due to low interest rates recently there will be an impact on the levels of funding available from foundations and trusts to support our work. We provide supported employment in an open environment, there has been an increase in the number of people applying for available jobs and a decrease in the number of vacancies.
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Staffing and volunteering

- Wage freeze this year has affected staff morale.
- We are an entirely voluntary run organisation and have for some time been in desperate need of salaried administrators. Organisations such as Lloyds TSB Foundation which might normally fund salaried posts are just not making grants to smaller charities during the recession and are concentrating on larger well known charities. Funding applications are linger and more complicated because of increased demand from potential recipients.
- Difficulty in recruiting skilled staff to new but short term posts.
- Due to our financial pressures we have had to cut staff at a key point when demand has increased - so a major pressure. We are concerned about resources used for new volunteers who may not stay once they secure paid employment (then again they might and on a positive side this has encouraged younger volunteers). Future seems to be in tendering. As a voluntary organisation we keep some reserves but in recent years have had to run these down to fund services. In addition Funders look at reserves may be considered a weakness - catch 22.

Other impacts

- We anticipate a downturn in the numbers of people offering furniture and household items. This hasn't happened yet but we are in desperate need of white goods to give out to people on low incomes.
- It is not clear as yet what impact recession may have on membership numbers.
- Rising transport costs.
- Indications from Commissioners or cut backs in SLAs.

2.12 Survey respondents were also asked what the reasons were for the impacts experienced (described in Box 2) and Box 3 displays the responses.

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

Funding and Policy/planning

- No forward planning by local government or national government - they had at least one years warning of this happening.
- It is getting much harder to secure funding for organisations such as ours.
- Larger voluntary organisations with more secure assets have undertaken publicity campaigns in the media and the general public has less expendable income so if they do donate it is to charities they feel they have a personal connection with. Information/advice services are not seen as a priority.
- We believe that the statutory services are having to meet the initial impact of the recession from within existing budgets, once their capacity to do this is exceeded, the voluntary sector will have to try and cope with the overflow.

Unemployment and other social impacts (health, housing etc.)

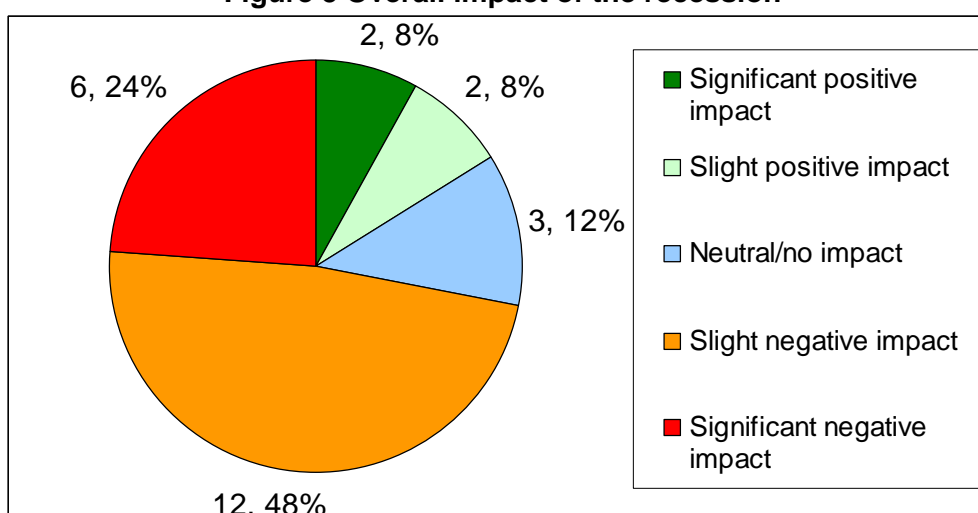
- More people unemployed who need transport provision to access work.
- The reasons are covered by your questions, more people out of work, homeless, suffering from mental health issues as a result.
- Major difficulties in housing market due to reducing values. Increased threat of homelessness. Reduced availability of mortgages.
- Many more older people are struggling to manage on fixed incomes. Increased costs of living and reduced income on savings all impacting plus anxiety about the situation. Many older people are now coming forward with debt problems - we refer to CAB but they are fully stretched. We need some additional help in the system now before the situation gets much worse.
- People are more depressed, anxious, feeling lonely and isolated, having to wait for 6 weeks for help from services.
- Clients re traumatised - reflections on past traumas. Bringing past psychological impacts to the fore.
- Knock on effect in daily life.
- Loss of people willing or able to get involved.

Concerns experienced by people with disabilities

- It will be more difficult for our disabled people to gain work when so many able people are applying for the few jobs that are available to our members - which leaves them more isolated than before.
- The expectations of people with disabilities, particularly those in limited incomes have been raised but the costs of accessible leisure time pursuits/breaks and transport to access them has become far more expensive. We are experiencing increased demand for accessibility info coupled with information on funding/grants.
- Disabled people, many on benefits, were already struggling. This increased pressure is tipping them over the edge. Our service supports people, aids their self confidence and self esteem, but now although they may feel more able to try for employment, there is none to be had as employers have more choice of quality/experienced applicants.

- 2.13 The 29 individuals who completed a survey were asked what overall impact the recession has had on their organisation/group. Figure 5 shows that a slight negative impact was the majority response.

Figure 5 Overall impact of the recession



- 2.14 Although most of the groups and organisations are only experiencing a slight negative impact due to the recession 6 are experiencing a significant negative impact (24%) and of those 4 described the organisation/group at risk of failing.

- 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

Service changes

- Introducing triage systems.
- Opening extra hours.
- Taking on short term funded projects to 'back up' core services on the assumption that unless we retain core service we would be unable to deliver on new developments. These projects are more time consuming to manage and if a 1 year pilot is not renewed an expectation has been set up that can then not be met when funding is withdrawn.
- Looking at diversifying.
- We are taking steps to reduce the work load on journeys where clients are in a position to make alternative arrangements so that we can better target dwindling resources on those people for whom our help is essential rather than desirable.
- With reluctance we have reduced or suspended a lot of our existing services and dramatically altered vital plans for the proposed growth of the Charity. Thus trying to match

reduced income to our expenditure but this can only be an interim measure. Long term this would destroy our reputation for up to date, accurate and reliable information.

- Reduction in services. Reduction in service outputs/outcomes.

Financial management

- We are looking at ways to develop income from other sources than grants, and ensuring services provided cover their running costs.
- Seeking additional funding sources.
- Careful monitoring of project budgets.
- Improved treasury management.
- Considering our investments. Seeking funding to support pressure areas e.g. benefits.
- We will be looking for grants.
- Need for broader, creative looking for funds.
- Trying to be as economical as possible and not waste resources. Trying to recruit more members.
- Trying to seek alternative methods of raising unrestricted funds.
- All staff seeking ways to reduce expenditure various measures in place e.g. change in banking procedures to reduce costs, comparing costs of supplier etc. Use of reserves in short term but not sustainable.
- Cutting back re advertising, no more over performance on SLAs. Management considering more imaginative ways of managing budgets.
- We are looking at ways to increase funding and get a paid counsellor on board.

Staffing and volunteer management

- Recruiting and training more volunteers.
- Using legacy money to provide extra staff to answer the phone.
- No pay increases considered in the near future.
- Wage freeze. No recruitment.
- Redundancies.
- Redundancy consultations for a couple of staff and ongoing dialogue with other staff around working hours. All staff have been asked to keep alert to opportunities for funding/income generation/sales etc.

Planning and risk management

- Higher level of risk management.
- Management group formulating a business plan for short/medium term.
- Lobbying regional government to make them aware that Wheels 2 Work is actively assisting in overcoming the impact of the recession.

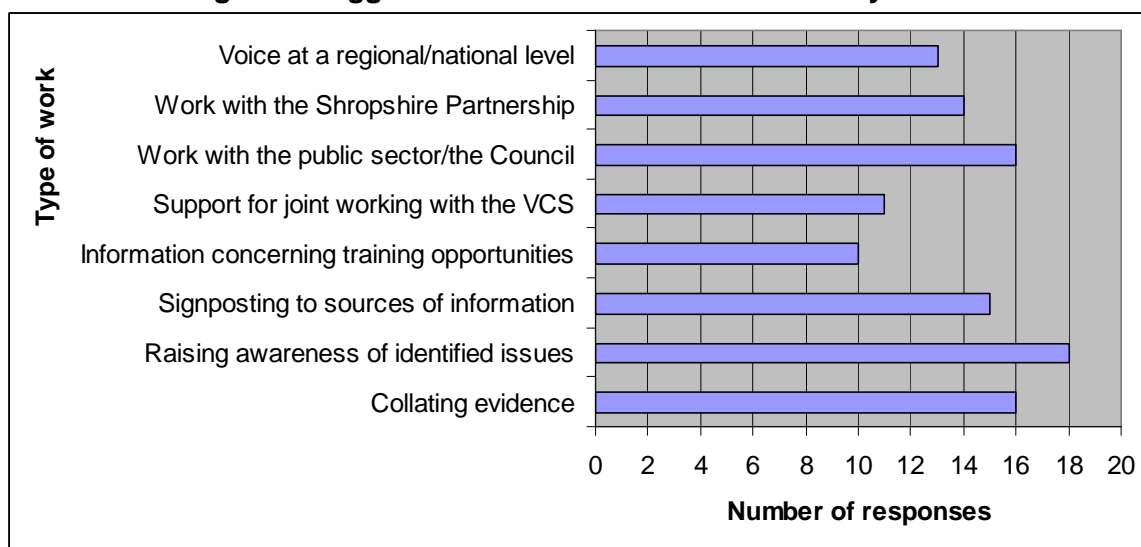
Other comments

- Finances are not the main problem. Our work plan seems to be increasing above our normal level and if food prices continue to rise then, and only then, may we have problems. We would hope that the 60 plus churches that support us will respond to our needs.
- We are currently undergoing changes in the relationship between Branch and national office. We first have to complete the exercise and then we will be able to look more closely at future action for survival.
- I wouldn't say that the impact is negative because our organisation is set up to deal with the issues which have increased as a result of the recession. Our problem is that we still have the same numbers of staff trying to cope with the increased demand for our services, the same numbers of vehicles but increased journeys and fuel costs. Even the increased number of volunteers, which is positive, results in staff resources being stretched to cope with training, induction, supervision etc.
- The recession is benefiting us and other Furniture Schemes nationally.

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, collating evidence and working with the Council/public sector.

Figure 6 Suggested actions for the VCS Assembly Board



Box 5 Additional Comments

- Please emphasise that 1) short term funding and quick fixes are rarely the answer and that many services cannot be just switched on and off as there are significant recruitment and training issues to address. 2) We cannot keep adding extra projects/services without also looking at the management structures necessary to support them.
- Any funds made available to the VCS should not have strings attached to them.
- In a period of recession it is important that regional and central government are aware of the positive effect that supporting W2W schemes can have on people's ability to access work in rural counties. There are about 50 W2W schemes nationally: the 6 in the West Midlands currently rely on AWM support.
- Our best way of surviving the recession and finding a way forward is to concentrate on work around local authority strategies that will generate an income and increase our database of accessibility information. We have been successful in securing some work in Cheshire but not Shropshire. This work still goes to more financially secure out of county agencies or larger organisations and many vital small services within the county may cease if they are not included.
- Although IMPACT has not been significantly affected as yet by the recession, an increase in number of referrals and people expressing anxiety and concern about their future has led to more depression and health related problems. Also people are drinking more to cope with losing a job or the threat of this and the financial effects that this is having on them and their families. I am concerned that grant funding may be reduced in the future and if core services continue to not receive full cost recovers, it is only a matter of time before established services will have to close their doors. This would have a devastating effect on local authority and health services as without the support of the voluntary sector they would be unable to cope with the demand.
- The assembly needs to raise the key issues with the Council and other Funders to ensure they understand pressures voluntary organisations are under. Also to seek their assistance to help on key pressure points such as benefits and debt advice and support this is urgent!
- As a membership environmental group (involved with planting, protection and promoting of trees) I think we are on the fringes of the main thrust of VCS but we are pleased to continue to be involved.
- I would like to see more events organised where we voluntary organisations can have a presence. I would like them to be small, so as not to overwhelm and be all around the county. This would hopefully get more volunteers in but as important, it would let more people know about our services.

- Good - more people are getting a service. Bad - lower income to support people.
- Just received a new volunteer application from a lady who has been made redundant.
- Older people and carers are less likely to take up the services they need due to concern over their personal finances (from changes in interest rates and investments). General climate also encourages wariness. We are concerned that the situation could get much worse.
- This is a useful survey but perhaps does not lend itself for counselling services.
- So far the recession hasn't had much financial impact although I think this will happen later this year when grants run out and they will not be replaced. The greatest impact has been the level of work which has increased greatly with staff dealing with volunteering enquiry numbers which have more than doubled on the same period last year. The difficulty will be that the level of work will continue to increase without the resources to support it as money becomes tight.
- I have been repairing our bus personally, in part due to the recession. We traditionally had relied on good will due to general lack of funding. The good will hasn't evaporated but it's certainly in short supply; people are having to concentrate on making money to survive and shortcuts, as well as financial cuts are being taken where they weren't before. We are having to do more with less and I have to say that unless circumstances alter we will go under. I presently have 2 of our 3 vehicles with vaults and no means to remedy the problems consequently we are turning jobs away. We need more financial aid for maintenance and as an essential service hereabouts that would impact seriously on our users.

3. Conclusion

- 1.1 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. Those responding to the survey are predominantly larger organisations but there are also a high proportion of transport related organisation/groups represented. It is likely that the survey respondents are those which have noticed some negative impacts due to the recession.
- 1.2 The next stage of work is to consider the results included in this report and to agree appropriate actions in the form of a Local Resilience Action Plan.