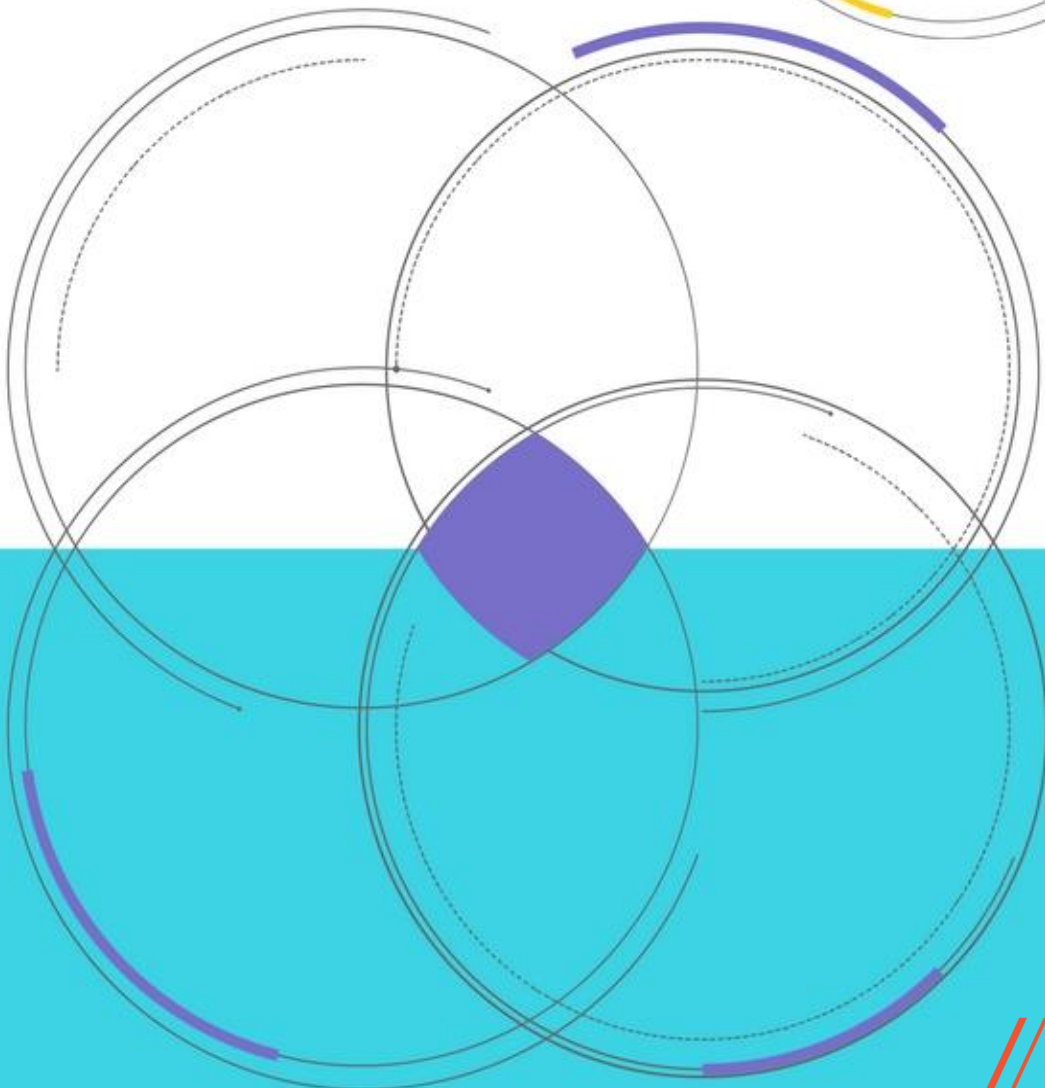


FINDINGS FROM HAMPSHIRE'S "STATE OF THE VOLUNTARY SECTOR" SURVEY

2017 - 2018



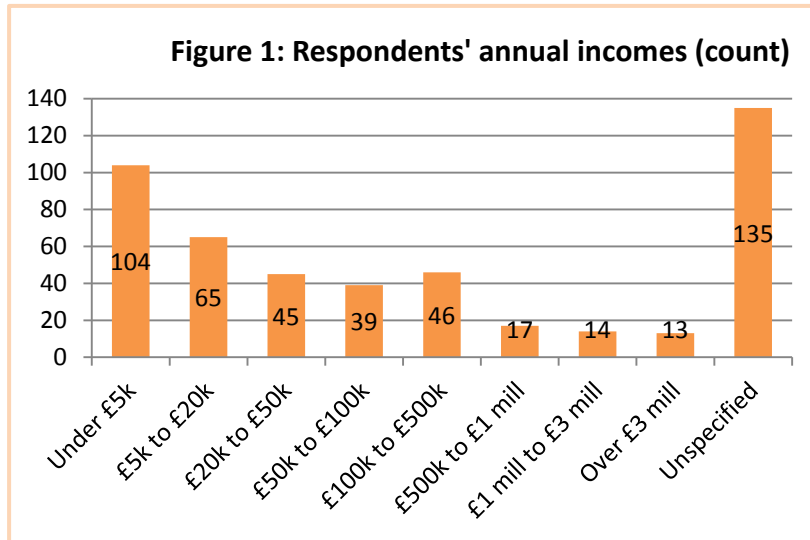
Contents

1. Introduction	3
2. Methodology	3
3. Demand for services	5
4. Capacity	8
5. Income	10
6. Financial security	13
7. Reserves.....	15
8. Volunteering	17
9. Paid Staff.....	20
10. What does your organisation struggle with?	23
11. Planning for the future	24
12. Where will you be in a year?	25
13. Infrastructure services.....	26
14. Where do you work?	27
15. Beneficiary types	28
16. Conclusions.....	29

1. Introduction

A total of 478 responses were received from not-for-profit organisations in Hampshire.

Almost 50% of responses were from organisations with an income of under £20,000 (Figure 1).



2. Methodology

An online survey was created and publicised to charities, community groups and social enterprises via e-mails, news bulletins and social media by the district CVSs and Action Hampshire. The closing date was 22nd December 2017.

There were 25 questions asked covering such topics as:

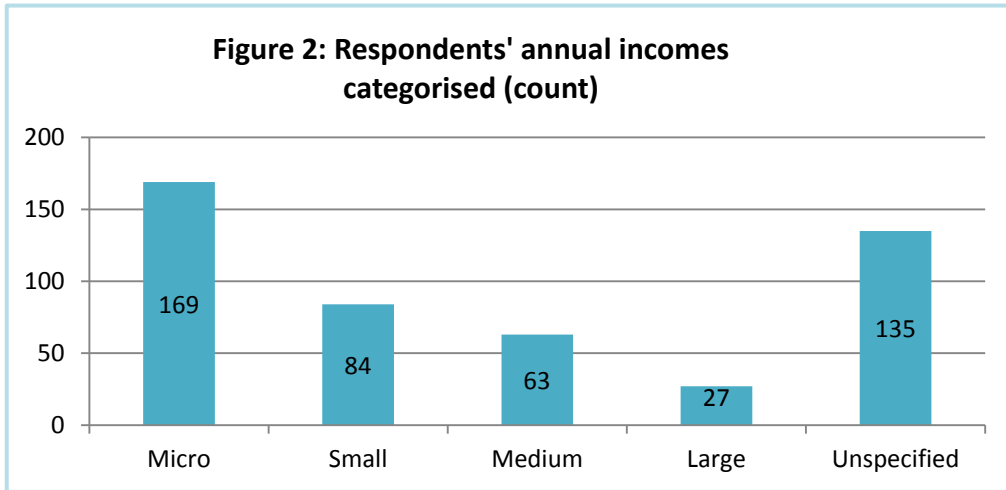
- Demand for your services
- Your organisation's capacity
- Your income
- Financial security and reserves
- Recruitment, retention and morale of volunteers
- Recruitment, retention and morale of paid staff
- What do you struggle with?
- The future
- Support services

Most questions were phrased in relation to the situation three years ago. Eg. Has demand for your services¹ changed over the past 3 years? For most questions, respondents were given a range of answer choices, with a free text box for additional information.

¹ 'Services' were defined as "the things that your organisation does".

Organisations were classified depending on their reported income in 2017/18 (Figure 2).

- Micro – up to £20,000
- Small - £20,000 to £100,000
- Medium - £100,000 to £1 million
- Large – Over £1 million

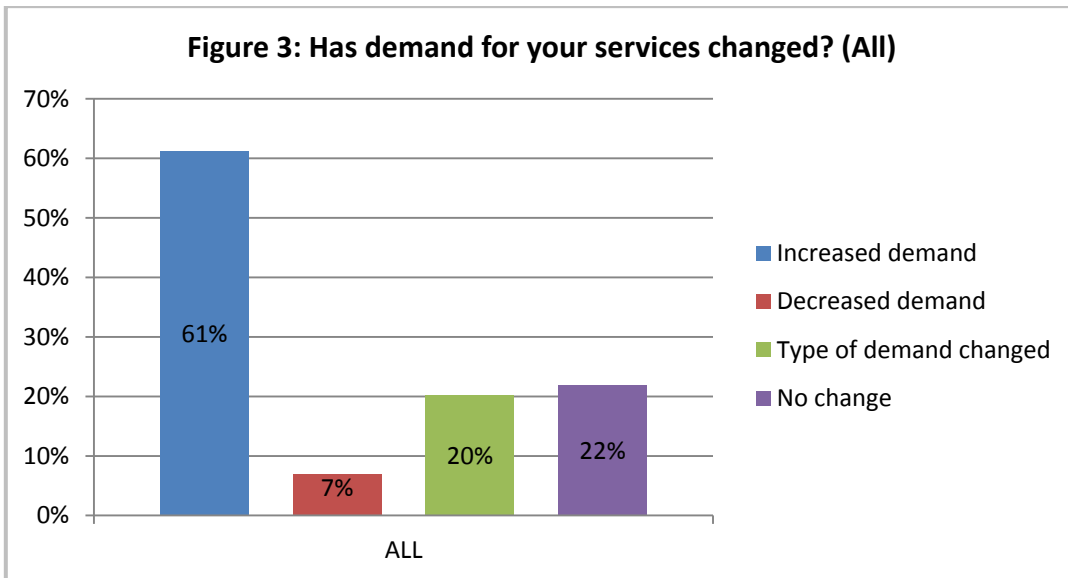


As can be seen in Figure 2 above, the size of respondent group for each income category varied significantly, with a large group of respondents who did not declare their income. The number of *large* respondent organisations was particularly low, and findings should therefore be viewed with caution.

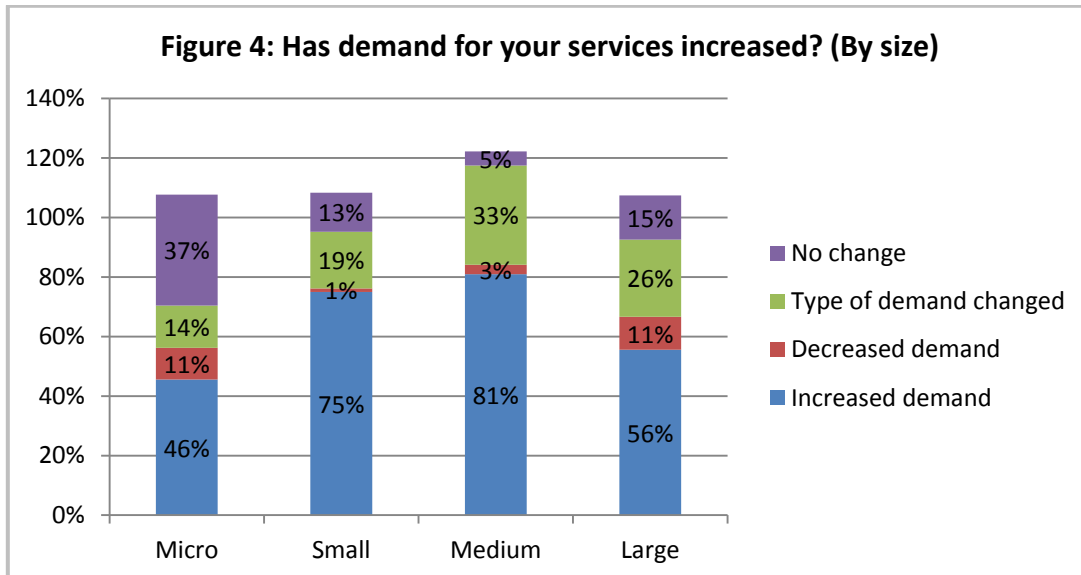
This is not a statistically representative sample of Hampshire’s voluntary and community sector, but a self-selecting group of voluntary/community organisations who saw the survey advertised and chose to respond to it. Results should therefore be treated as an *insight* into ‘the State of the Sector’ rather than a statistically robust sample survey.

3. Demand for services

Over 60% of respondents report that demand for their services has increased over the past 3 years, but many of them (20%) also report that the **type** of demand has also changed (Figure 3)².



When responses are broken down by size, it can be seen that charities of all sizes are most likely to report an increase in demand (Figure 4).



Small and medium sized charities are most frequently reporting an increase in demand (46% and 75% respectively). Medium sized and large charities are also most likely to report an increase in demand (81% and 56% respectively), but significant numbers are also reporting a change in the *type* of demand (33% and 26%). 37% of micro charities report *no change* in demand.

² Totals in Figures 3 and 4 add up to more than 100% because respondents were given the opportunity to choose more than one response category. Many chose to tick “Demand has increased” *and* “Type of demand has changed”.

Surprisingly perhaps, 11% of both micro and large charities report a *decrease* in demand (Figure 4). In the case of micro organisations, respondents attribute this to: changing tastes, increased availability of internet information, and fewer organisations being able to afford their services. In the case of larger organisations, this is attributed to a change in business model and a more chaotic client base.

The main narratives relating to an increase or change in type of demand are shown below. The key recurring themes were that:

- clients are presenting with more complex problems;
- referrals from statutory agencies have increased;
- there are fewer specialist organisations (or less capacity within them) so it is harder to signpost clients elsewhere;
- changes in welfare benefits have increased demand;
- mental health problems are threatening to overwhelm many services.

These narratives closely echo the findings of research carried out by the author for the Bill Sargent Trust in 2013: "[Counting the Cost: Advice Services and the Public Spending Reductions](#)".

Clients presenting with complex or multiple issues

“Much more chaotic client base.”

“People are presenting with more complex needs.”

As other services close, there is nowhere to refer clients on to

“Clients are more likely to have multiple issues, and as other support services have decreased we often cannot refer them for other support and therefore work holistically.”

Increased number and complexity of referrals from statutory services

“Referrals are become more complex, particularly with more referrals from people with pre-existing mental health conditions who seem to be unable to access appropriate support elsewhere.”

Changes in government policy, particularly relating to welfare benefits

“The pressure on our service as a direct result of welfare reform is the key change, with more clients in crisis, and more help needed with challenging benefit decisions and appeals. Foodbank use/ emergency payments etc are all much higher with consequent impact on service.”

Clients struggling to access statutory support

“More people are coming with problems from social care and health - not getting sufficient support, not being offered statutory support, being 'fobbed' off with no onward referrals.”

Increase in street homelessness and change in demographic

“We are seeing more street homeless people who are younger, more female with more complex needs.”

Mental health

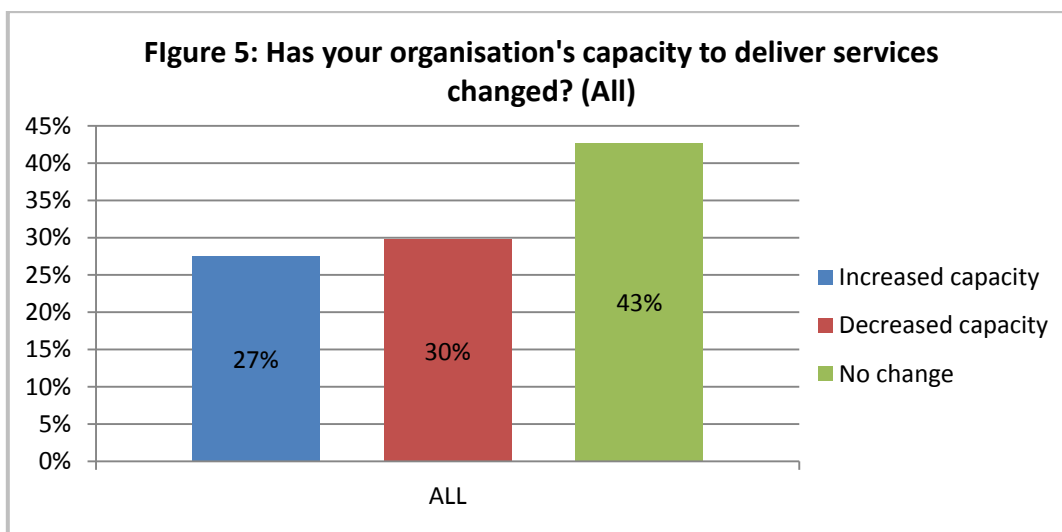
“Mental Health issues in young people have increased dramatically. Call to work with parents has increased too.”

“Demand has definitely increased due to cuts in other services particularly mental health support.”

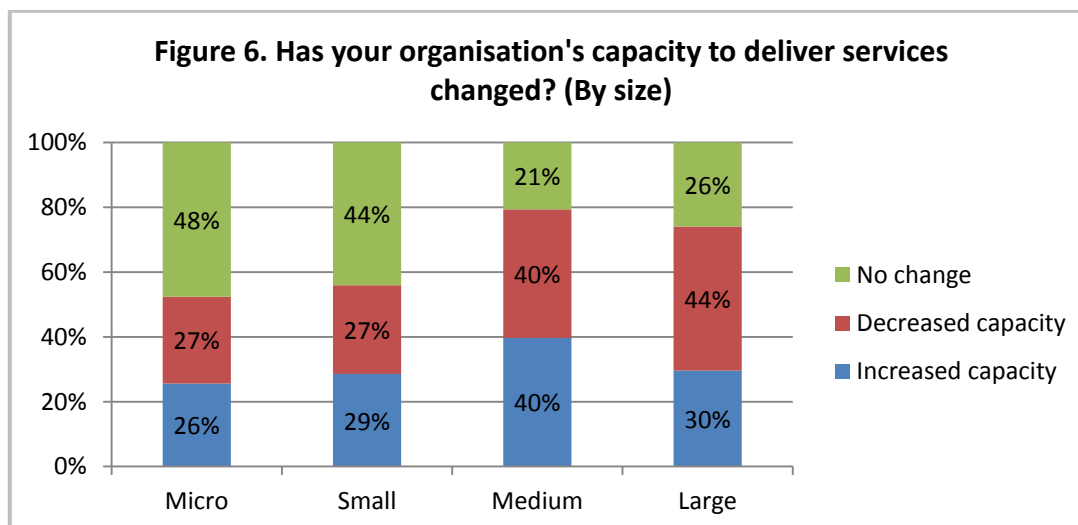
“...seeing a lot more individuals with severe mental health issues coming to us without dedicated support workers.”

4. Capacity

Almost half (43%) of respondents reported *no change* in capacity, with the remainder split fairly evenly between *increased* and *decreased* capacity (see Figure 5).



Micro and small organisations are more likely to have experienced *no change* in capacity. Medium sized organisations are more likely to have experienced either increased or decreased capacity; while large organisations are most likely to report decreased capacity (Figure 6).



However, narrative comments suggest that many of the respondents who *haven't* experienced decreased capacity are feeling "the cracks forming".

Many of the organisations refer to financial constraints causing capacity problems, but the most significant recurring theme was volunteers (see Section 5 - Volunteers). Many organisations are struggling to recruit and retain sufficient volunteers, and feel they are in danger of overloading existing volunteers. Concerns were also expressed about the ageing demographic of volunteers. Long serving volunteers are becoming older and more frail, and are not being replaced by younger volunteers.

Reductions in available funding across the board

“Reductions in funding. Local government funding cuts, grants available and accessible to existing work have reduced.”

Short term funding brings additional challenges

“We have been able to secure additional funding, however most of it is only 1 year grants, making recruitment, retention and planning difficult.”

Challenge of recruiting volunteers

“We rely entirely on volunteers and there seem to be fewer of these as time goes by”.

Funding cuts leading to staff shortages

“Our capacity has increased, but this does not mean that our staff are not under pressure. We are exposed if one member of staff is ill as we have very little back-up. We are also increasingly involved with vulnerable clients, where safeguarding is a concern. This takes up time.”

Volunteer retention can be affected by pressure from clients

“Our capacity depends upon maintaining volunteer levels, which isn't always determined by funding. Increased pressure on volunteers by clients in crisis can influence whether they stay or leave.”

Concern about ageing demographic of volunteers

“It is difficult to find volunteers not in the older age bracket.”

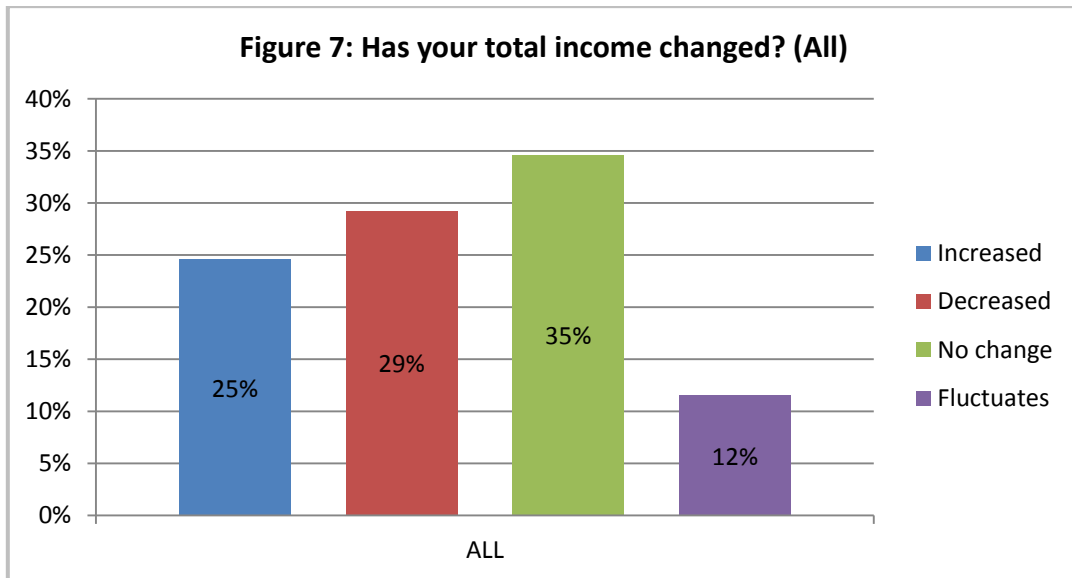
“Older volunteers are giving up because of age.”

Unable to provide necessary support to volunteers

“... public funding cuts have reduced the number of staff available to support volunteers. There is extra pressure to raise funding - but the overall capacity is limited and there is no extra funding to go round. So this is just 'survival of the fittest'.”

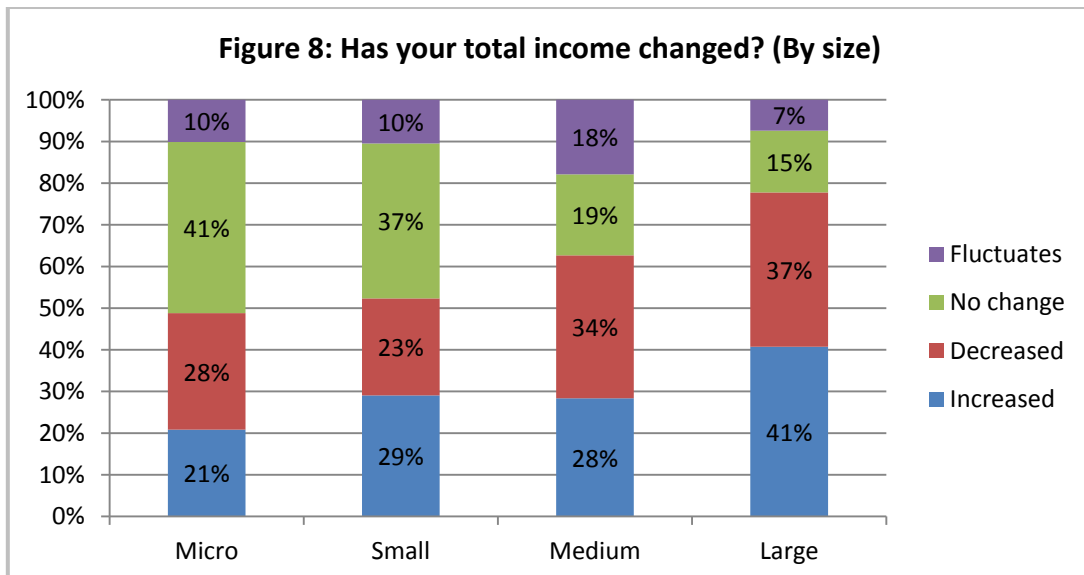
5. Income

35% of organisations reported *no change* in income in relation to three years ago, followed by 29% citing a *decrease* in income, and 25% reporting an *increase* in income (Figure 7).



However, when bisected by size of organisation (Figure 8) the picture becomes a little more revealing.

Micro and small organisations are more likely to follow the profile shown in Figure 8 whereas medium and large organisations are more likely to have experienced either a *decrease* or an *increase* in income over the last 3 years, with far fewer reporting 'no change'.



Finding any sort of funding has become much harder

“It has become much harder to generate revenue. Even our fund raising events are getting fewer people”.

“Times are getting really hard, funding is getting harder, motivation is hard to find but the will and passion to support our user group is still strong.”

Grant income is far harder to get

“Grant funding which we used to rely upon as our main source of income has all but disappeared. We have had to use more time fundraising.”

“Harder to obtain grants for small projects.”

“The organisation is quite good at attracting small (mainly non-statutory sector) grants but they are small so a disproportionate amount of time goes in getting them - also they are project based and while a small top-slice may help fund the core, this is greatly reduced. “

Less statutory funding

“Local Authorities, whether they fund or not, seem much worse at understanding how voluntary sector funding works while they want to tender or "contract out" activities when they don't actually need to; often creating competition instead of cooperation. The level of knowledge in local authorities about the sector generally has plummeted too so referrals increase to agencies which are starved of resources.”

Contracts

“Less grant income for key services ... Fee income from services reduced due to change from block local authority contract to spot purchase arrangements.”

“Our core funder would like us to diversify our income but we do not have the time in our current contracts to create the business offer required.”

“Voluntary sector is selling its soul for underfunded contracts from statutory bodies.”

“Reluctance of commissioner to even acknowledge request for inflationary increases so have to fall back on reserves (not a long term solution) or rely on increased support from others - again not a long term solution as many charities are competing for the 'charity pound'.”

“Some block contracts have changed into spot contracts.”

“Our major funding (80% of our core funding) came from a grant from the District but it now comes in the form of a commission, which gives us two years of certainty, though on a lower level of funding.”

Restricted or short term income

“More income is focused on specific projects, with funders requiring focused reporting and delineating of funds given.”

“More very short term funding streams, with little notice and no security past 6 months to 1 year.”

Donations

“People have less to give and the view of regularly giving a portion of your income to the church or charity is being lost.”

“Age profile of donors is a concern.”

Trying to generate more of our own funds

“Needing to look at selling services...without disrupting/changing the nature of the relationship with the people for whom we work.”

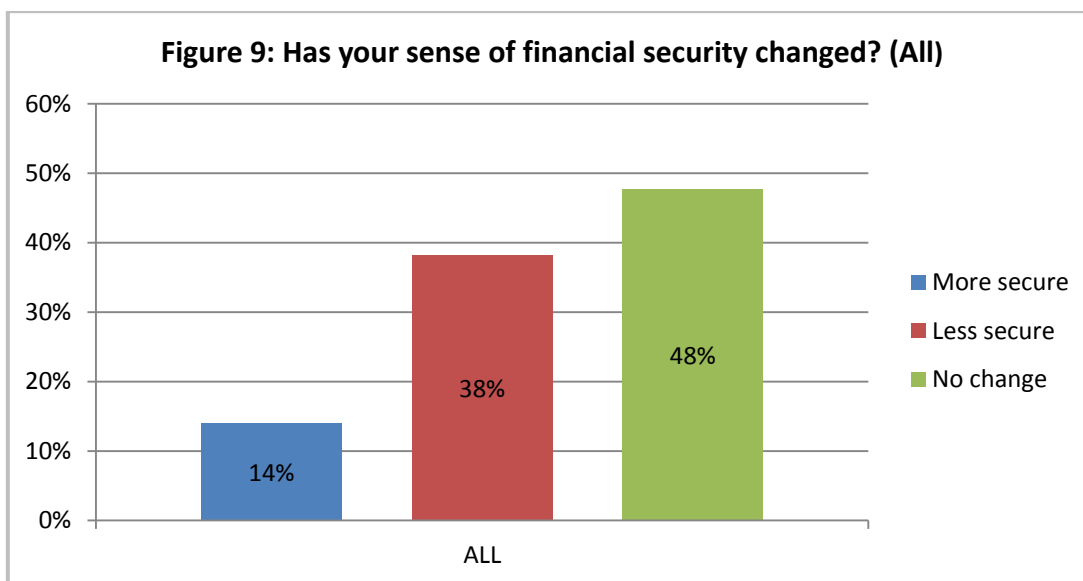
“We have less grant income and try to sell services but don't know how to do this effectively. Traded services are currently unlikely to fill the gap left by our loss of grant income.”

“We're focussing on increasing our traded income, but a hard slog in unfamiliar territory.”

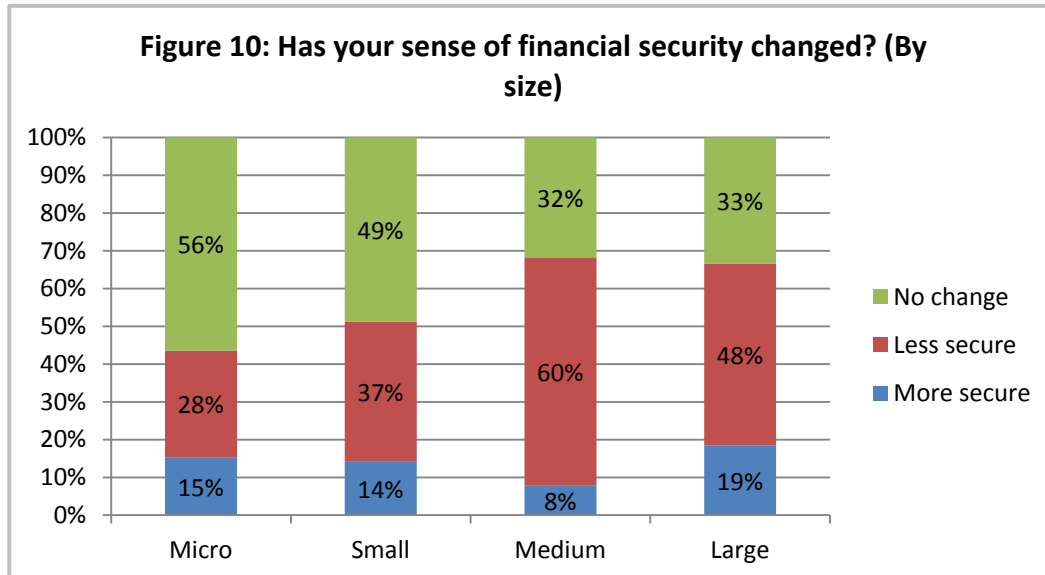
“Have had to increase charges to users.”

6. Financial security

Approximately half of respondent organisations felt that their sense of financial security had not changed in the past three years, while almost 40% felt that they were now less secure.



Again, when bisected by organisation size, the picture becomes more revealing (Figure 10). Micro and small organisations were most likely to say there had been no change, while 60% of medium sized organisations and almost 50% of large organisations felt that they were less financially secure.



"Over 70% of our income continues to be related to fees paid on assessed need from the Local Authority. We have had no increase in 10 year for our sessional rates but obviously costs of increased but Local Authorities are now unable to pay the true cost of delivering the services we deliver therefore we feel very insecure and are having to look for alternatives to ensure the continuance of our services."

"Our LA grant ends in March 2018. It represents around one third of our total income."

"We live on the edge constantly aware that a change in our finances could spell ruin. We nearly failed 3 years ago having shed 75% of staff and reduced premises by ¾."

"Feel we will be in real problem from 2019 when local authority income drops - while client demand reaches peak - perfect storm for advice services."

"A high level of financial sophistication is required to maintain stability and think long term. This places expectations on trustees who are not always so sophisticated. There needs to be more awareness by and training of trustees of how finances (and the whole funding picture) works – this is often daunting as hitherto, despite best efforts, it may have been left to paid staff who are now much reduced."

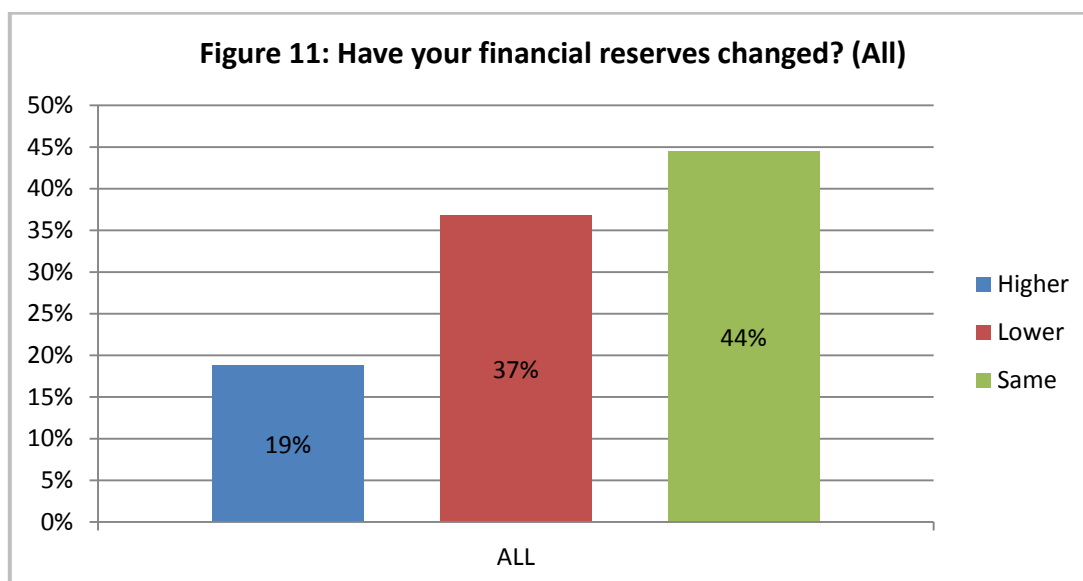
"A hand to mouth existence prevails."

"We have never been financially secure. This is project funding."

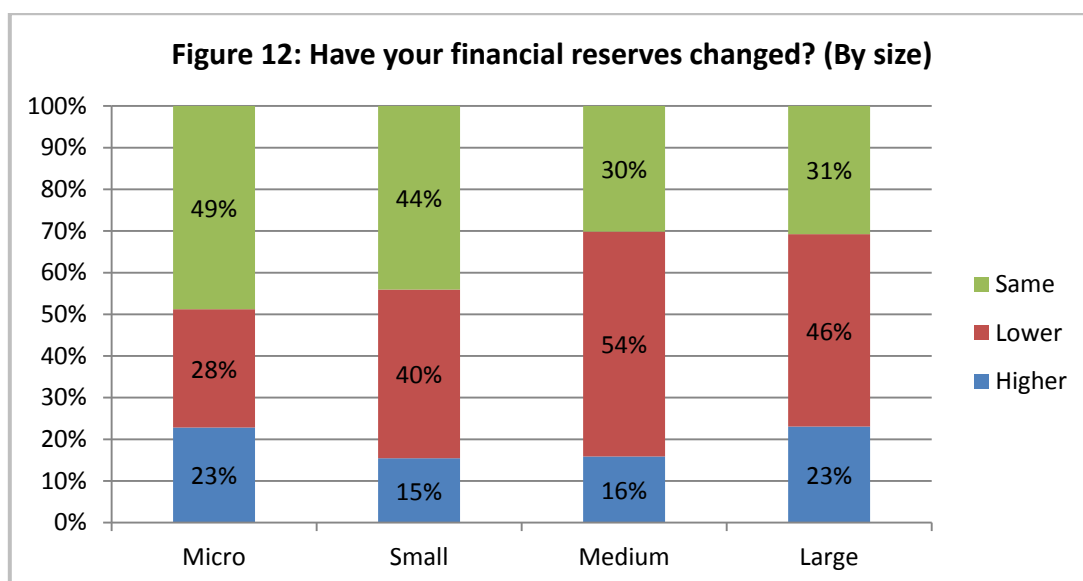
"Very financially insecure. It is hard to commit to new projects or even continuing regular services as we do not know if we will have the funds to employ our staff."

7. Reserves

Over 40% of orgs reported that their level of financial reserves had not changed, while 37% of orgs reported that they now had lower reserves.



When bisected by organisation size (Figure 12), around 50% of medium sized and large organisations reported a decrease in their reserves over the period.



For some organisations, a strategic decision to ‘run down’ reserves had been taken in order to make the organisation more attractive to funders. For some, reserves had dwindled in order to make up income shortfalls. And for others, their reserves had changed due to a change in turnover.

Policy decision to reduce reserves

“Reserves are historically low - this has been a policy decision for many years so that funders would find us attractive. County Council however was uninterested in reserves policy and gave grants randomly to organisations with huge reserves as well as to those of meagre means.”

Reserves used for day-to-day operations

“Reserves have had to offset reduced income.”

Reserves used to invest in future sustainability

“Some reserves have been used to invest in possible activities which may generate income, but, as with many agencies, it jeopardises security and may fall below charity commission guidelines. Business plans are constantly revised which is time-consuming.”

Unable to maintain reserves

“We are not currently able to maintain 3 months operational reserves, which is our policy.”

Increased reserves ‘just in case’

“I feel that we need to maintain them in case we lose further funding...we effectively sit on this money and are reluctant to use it as unsure if we can replenish the funds in the future.”

We don't have any reserves

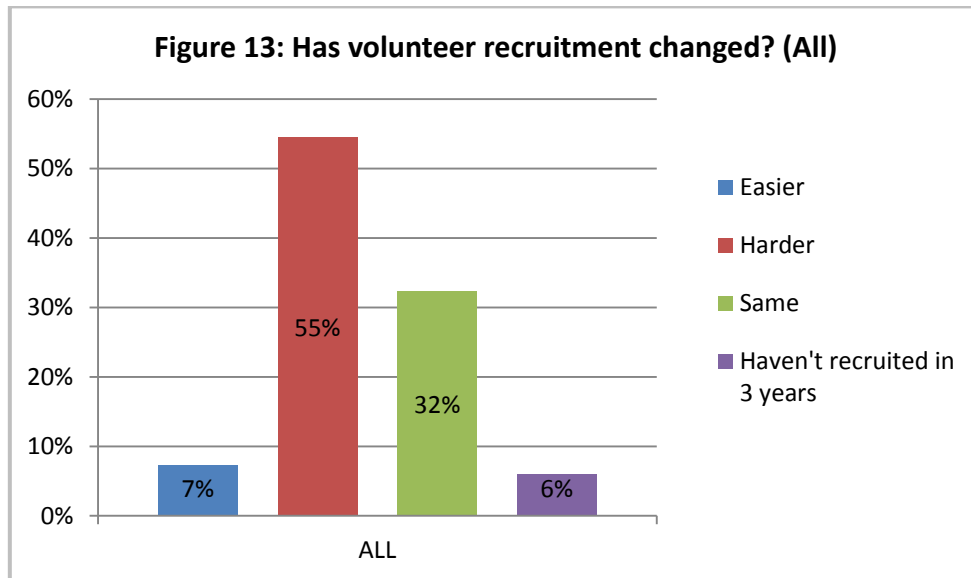
“We do not have any reserves, so are increasingly having to supplement expenses ourselves, which we can ill afford to do.”

8. Volunteering

Respondents were asked about recruitment, retention and morale of volunteers.

Volunteer recruitment

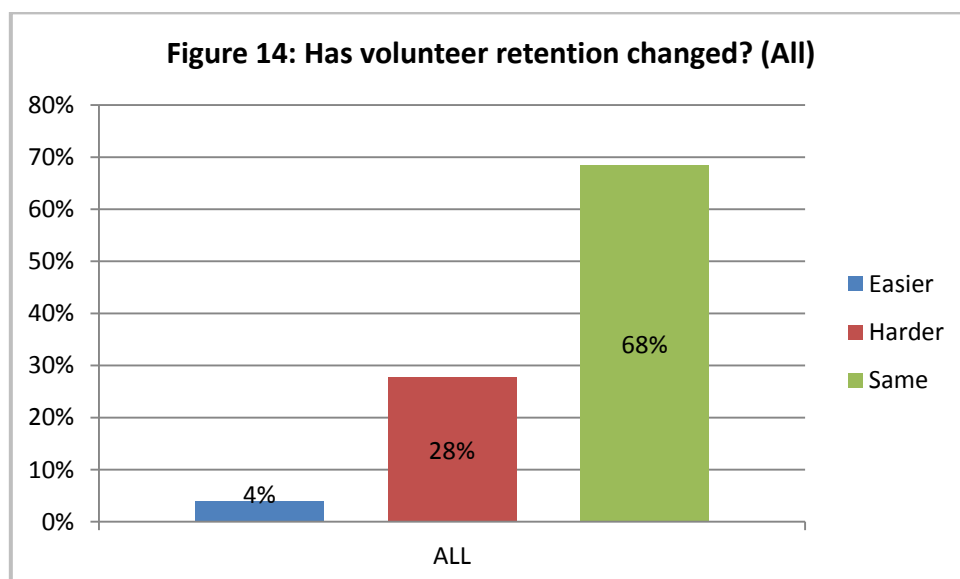
Over 50% of organisations reported that recruitment of volunteers had become more difficult over the past 3 years (Figure 13).



There was very little variance in this picture between different sized organisations. All reported roughly the same picture of volunteer recruitment having got harder (55%), or stayed the same (32%).

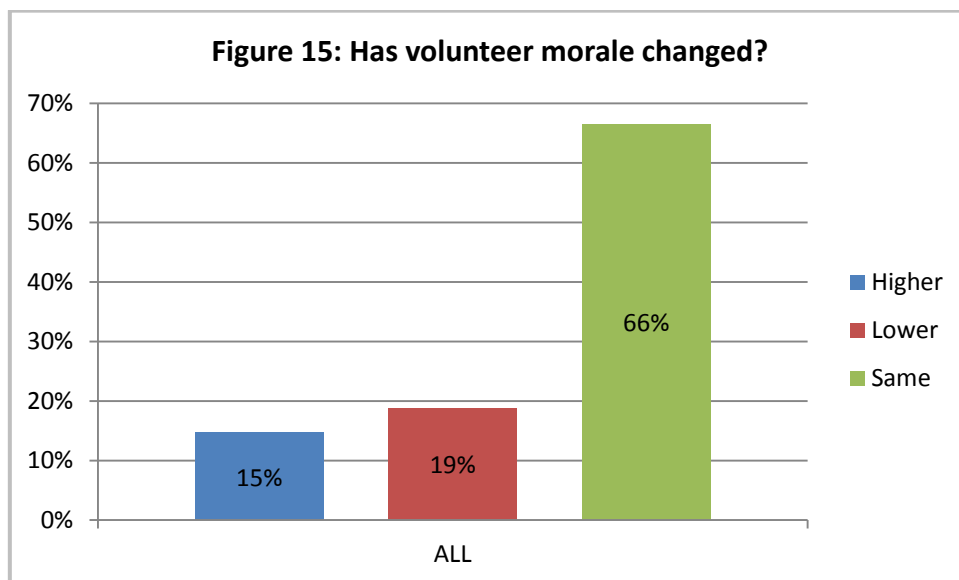
Volunteer retention

The majority of respondents felt that volunteer retention had stayed the same, although almost 30% reported that it had become harder. Again, there was little variation between organisations of different sizes.



Volunteer morale

The picture for volunteer morale was broadly similar, with the majority reporting no change, almost 30% reporting that it had become lower, and very little variation between different sizes of organisation.



Overwhelmingly, narrative responses painted a picture of volunteer recruitment and retention having become harder.

People are less able to commit to regular volunteering

“... retired people are nowadays all the more committed to days of child care per week. People are generally less able to commit to regular rotas. Younger adults are a little more consumer-like, more oriented to what they can receive than what they can give.”

“One-off days given by companies are helpful but the volunteer who will give a few hours on a regular basis is getting scarcer. The need to work longer, and later retirement means that when people do retire from paid employment they are less able / inclined to want to volunteer.”

Difficult to recruit a diversity of volunteers

“Finding people to be Trustees who are under retirement age is challenging. We would like to have more under 35's, more women and a greater ethnic diversity.”

One-off events are far easier to recruit for

“Easier to recruit volunteers for large one-off events. Attempts to recruit volunteers to for general longer term support has attracted individuals but after initial enthusiasm they either disappear or quit more formally - so all very frustrating and unhelpful because of the time we spend inducting them.”

Specialised roles

“We need specialised people to support our vulnerable youth and the roles are often just too in depth for the needs of the volunteer, We have yet to have a volunteer who successfully completes a 6 week trial.”

“Our work is getting more complex so volunteers are no longer appropriate to carry out many of our roles, a recent advert for new trustees had no responses.”

Computer literacy can be problematic

“Issues such as data protection and computerisation mean greater computer literacy is required of caseworkers who are often past pension age.”

‘Forced’ volunteering

“Most people who come forward are only because they are required by job seekers allowance and are not really interested.”

Meeting therapeutic needs of volunteers

“Volunteers are now more likely to have their own support needs.”

Volunteer management is hard work

“A lot of effort goes into working with volunteers. Statutory bodies often have no idea how critical volunteer management, support and training is.”

Ages of volunteers

“We get a handful of volunteers each year through colleges and schools but to find older more experienced volunteers we do

Volunteer turnover

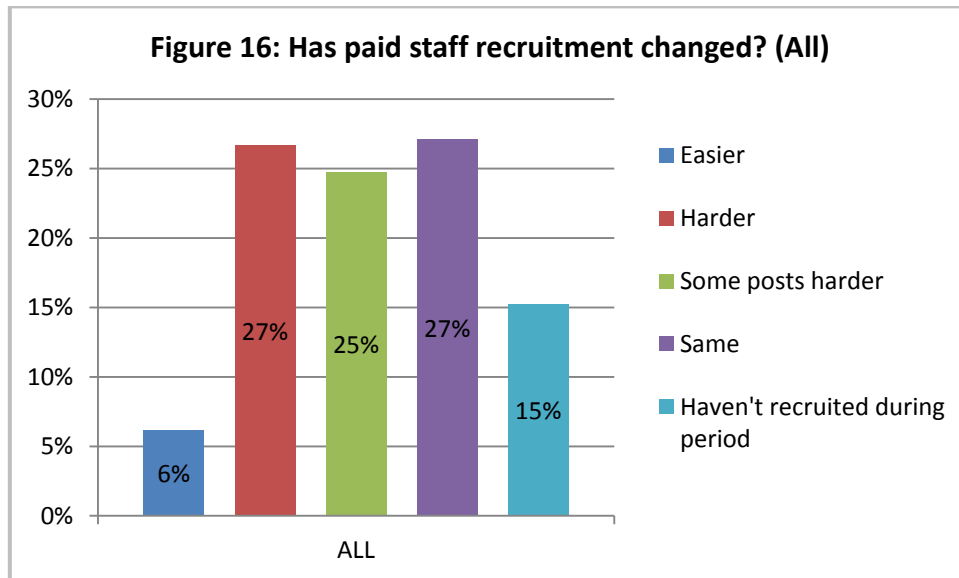
“Many people seem to be volunteering between jobs and moving on when they have secured a new one.”

9. Paid Staff

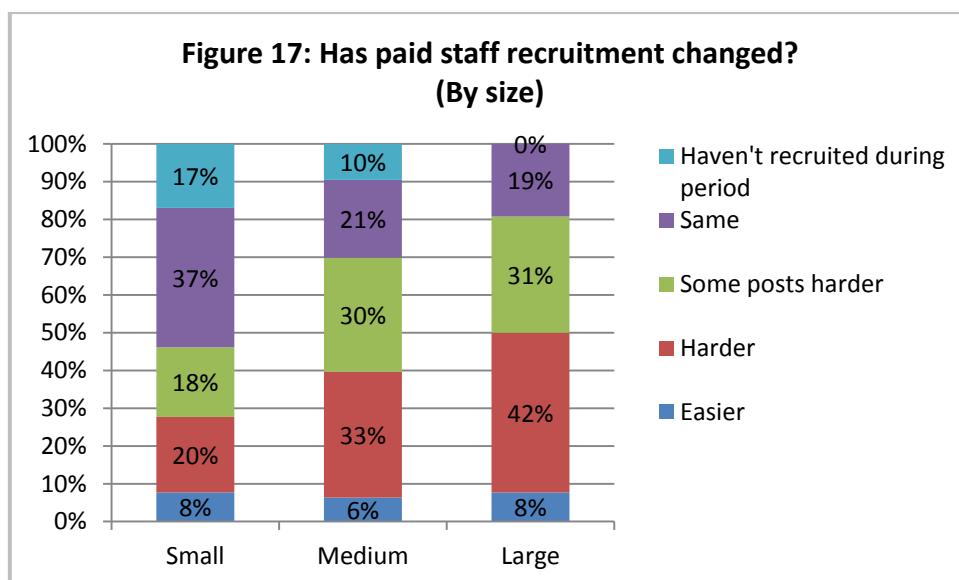
Respondents were asked about recruitment, retention and morale of paid staff.

Staff recruitment

Responses were fairly even split between 'harder', 'some posts harder', and 'stayed the same'. Very few said that recruitment had become easier.

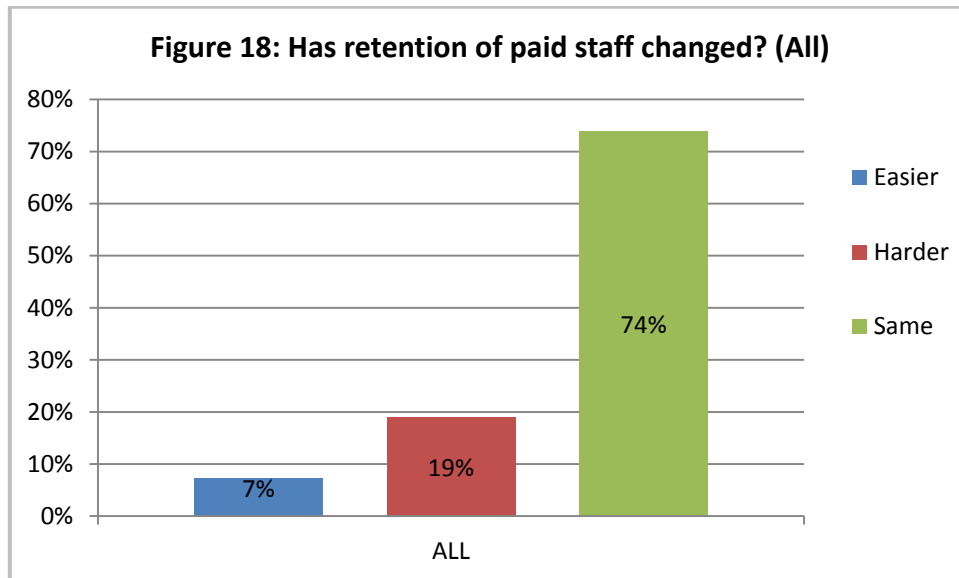


There was significant variation between different sized organisations, with large and medium sized organisations most likely to say that recruitment had become harder; and small organisations (who are likely to recruit very infrequently) most likely to say that it was the same as previously (See Figure 17 below).



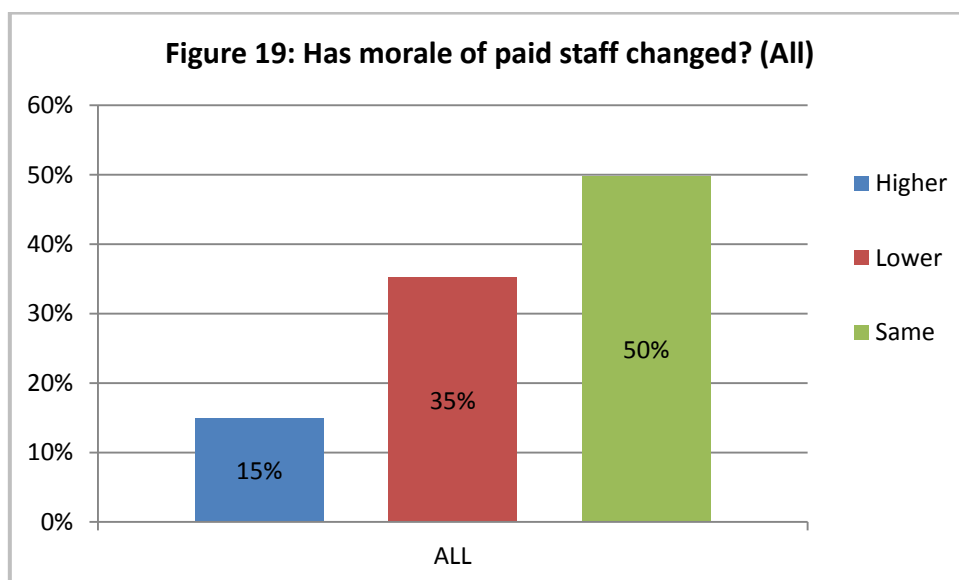
Retention of paid staff

The majority of respondents reported that staff retention had remained the same over the period, while almost 20% reported that it was now harder. The picture was broadly similar across the different organisation sizes, however large organisations (31%) were somewhat more likely to report retention having become harder.



Staff morale

50% of organisations said that morale had remained the same, while 35% reported that morale was now lower. There was little variation across the income categories, but 50% of large organisations reported that morale was now lower than 3 years ago.



Very few organisations felt that recruitment, retention and morale had improved over the last 3 years. For some, it had stayed the same, while for many others, the situation had become worse.

A feeling that the sector's work is not valued

"This can directly be linked to government policy and there is a great sense that their work is not valued, not recognised and certainly not respected as a valid profession."

Relatively low salaries can make it difficult to recruit and retain staff

"It is significantly harder to recruit appropriate qualified people especially within our Disability Services. People can earn more being a Barista than we are able to pay for support worker roles."

"Workloads have increased whilst salaries in real terms have plummeted. Most staff face job uncertainties as funding levels decrease. Staff feel under valued by funders."

"Good staff move on to better jobs, we can't give them the salary, security or progression we would like."

However

"Jobs are few and far between so people stay longer perhaps than they should..."

Short term funding and contracts were generally seen as unhelpful for staff

"Commissioned contracts suppress salaries."

"People seem reluctant to work in the voluntary sector due to uncertainty of future."

"Short term contracts / funding make it very hard to recruit and retain good staff. Although you can keep staff who like the flexibility of working for our organisation, ultimately the lack of security due to short-term funding undermines everything you are trying to achieve."

Potential employees can be put off by increasingly difficult and risky work

"...we are dealing with more and more difficult situations, with NPS (Spice and illegal drugs) so the workplace sounds more demanding and more risky than ever before, and obviously wages in our sector are not as high as they should be."

"Difficult to say as problems we encounter are more troubling, more stressful and also other agencies (doing their job) also are pressuring us into making decisions that we might not normally take in the interests of safety. I think things have become far more stressful for all staff."

Morale is lowered by a challenging external environment

"Morale is definitely much lower. Staff are feeling quite tired and demoralised - they feel under siege from the external environment. Whatever we try, it doesn't quite work."

"We have high morale when it comes to confidence and desire to deliver good quality advocacy and upholding people's rights; our morale is lower in the sense that it is really frustrating to support vulnerable adults and children in Austerity Hampshire - less of everything, harder to get services, social care and health staff under pressure and don't always know their legal responsibilities. We do find ourselves sometimes saying 'what is the point?'"

10. What does your organisation struggle with?

Respondents were asked whether they struggled with a range of subjects/issues. Figure 20 shows the respondents who said they found the subject issue a challenge – either a “significant challenge” or “quite challenging”.

Over 50% of respondents said that they found the following subjects a challenge:

- Earning our own income (69%)
- Recruiting maintaining and managing volunteers (64%)
- Marketing our services (59%)
- Bid writing (56%)
- Evidencing impact (56%)
- Communication with public sector bodies (53%)
- Using social media effectively (52%)
- Tendering and procurement (51%)



This picture varied very little across the different sized organisations.

The TOP issues for **micro** and **small** organisations were:

- ❖ recruiting, retaining and managing volunteers;
- ❖ earning our own income;
- ❖ marketing our services; and
- ❖ bid writing.

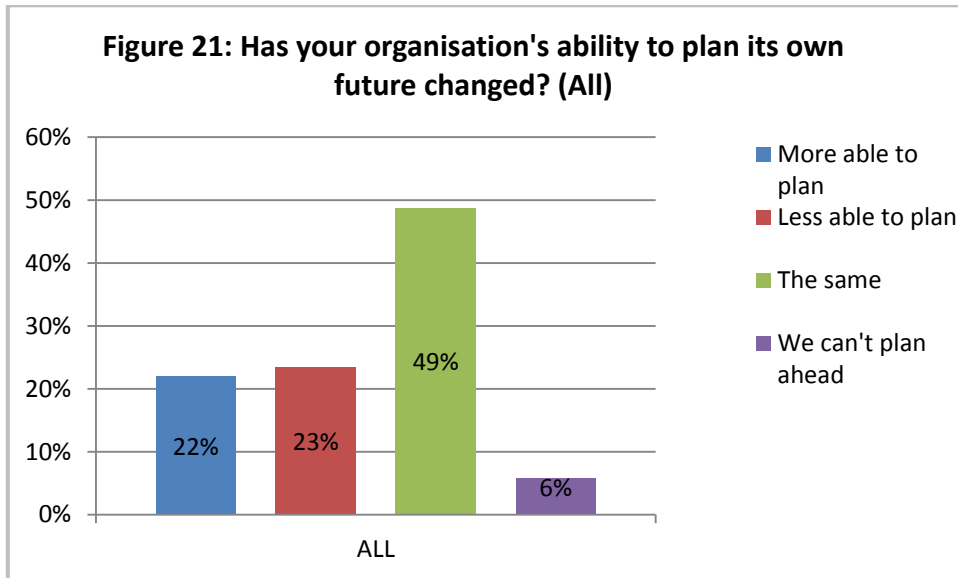
The TOP issues for **medium** and **large** organisations were:

- ❖ earning our own income;
- ❖ bid writing; and
- ❖ tendering and procurement.

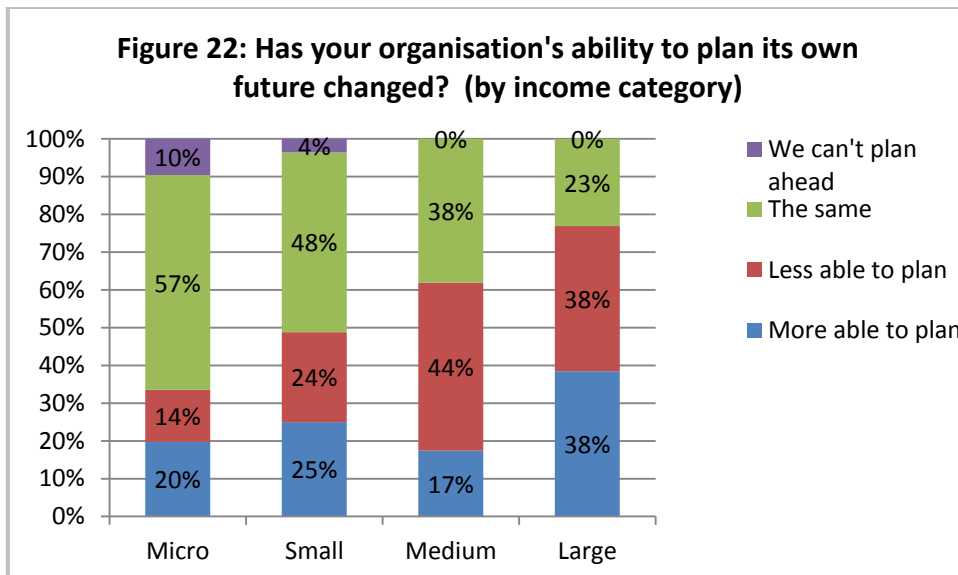
11. Planning for the future

We asked respondents their views about planning for the future:

Almost 50% said that they felt their ability to plan for the future had not changed, while 22% and 23% respectively said that they were now more able to plan, or less able to plan.



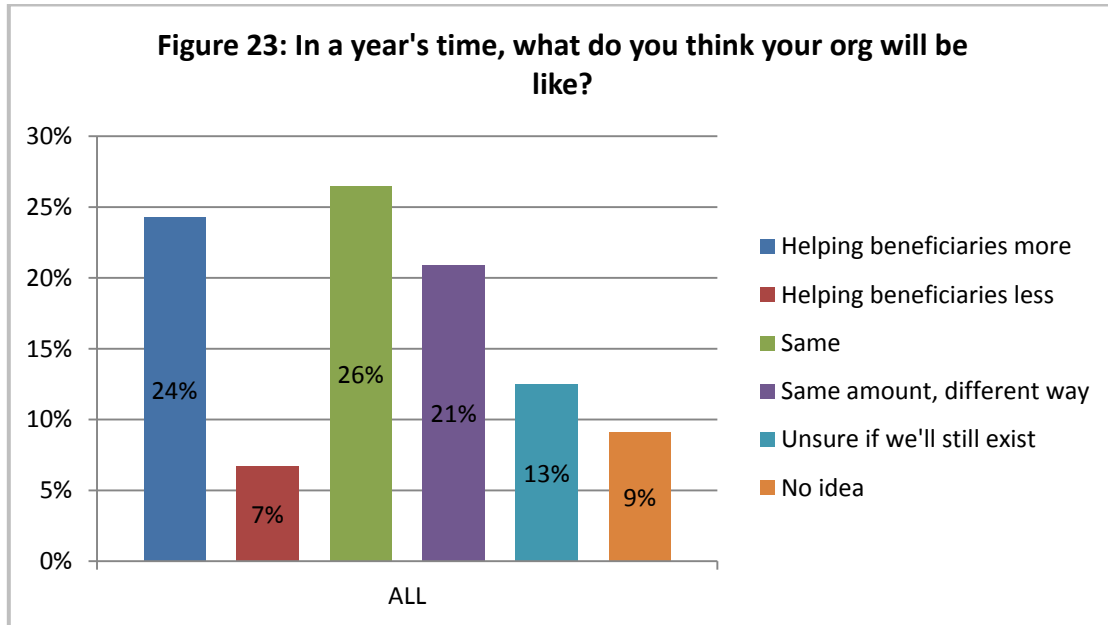
The picture varied across the different income bands, with micro and smaller organisations saying that their ability to plan was unchanged. However, medium sized organisations were most likely to say that they were now *less able* to plan for the future; while large organisations were split between being *more able* to plan and *less able* to plan.



12. Where will you be in a year?

Few respondents (7%) felt that they would be helping their beneficiaries less in a year's time. Most felt that they would be helping their beneficiaries more (perhaps in a different way) or the same amount.

However, a worrying 22% reported that they either had no idea, or were unsure if they would still exist (Figure 23).



Micro organisations were most likely to say (33%) that they would be helping their beneficiaries the same amount

Small organisations were most likely to say they would be helping more (27%) or same (29%)

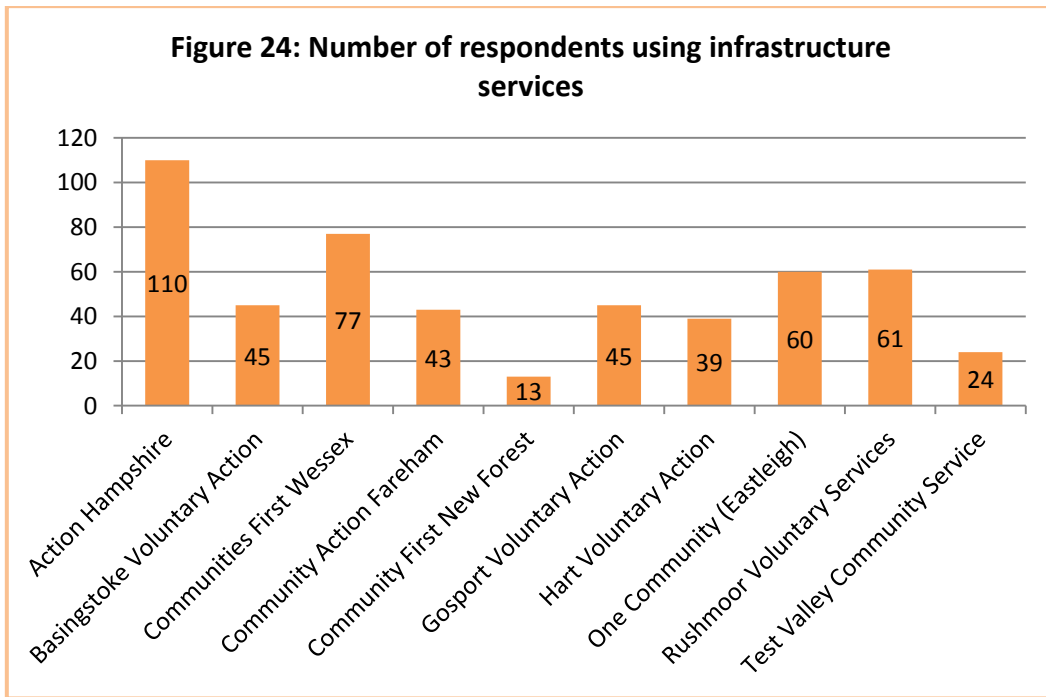
Medium sized organisations were most likely to say they would be helping their beneficiaries more, but in a different way (30%) or helping more (30%).

Large organisations were most likely to say they would be helping beneficiaries more (43%)

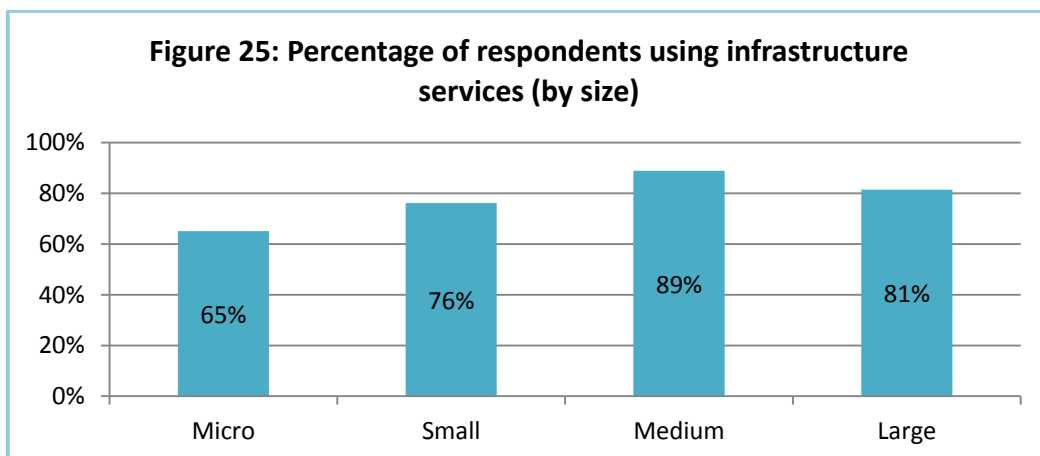
However, given the responses given in the previous sections of this report, it does perhaps beg the question of whether some respondents answered aspirationally, rather than in an evidence based way?

13. Infrastructure services

73% of respondents (n 368) reported using the services of one or more of the organisations in the CVS network over the past year.



When bisected by organisational size, it can be seen that medium and large organisations were somewhat more likely to use the services of infrastructure organisations than micro or small organisations (see Figure 25 below).

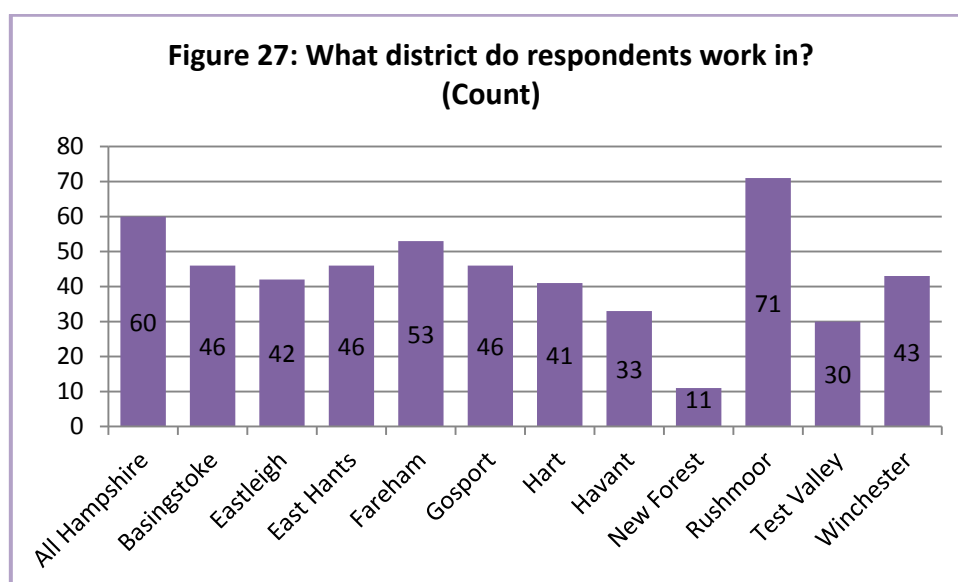


Respondents were asked how useful they found the services they had received. Between 87% and 100% of respondents found the services either 'Very useful' or 'Quite useful' (Figure 26).



14. Where do you work?

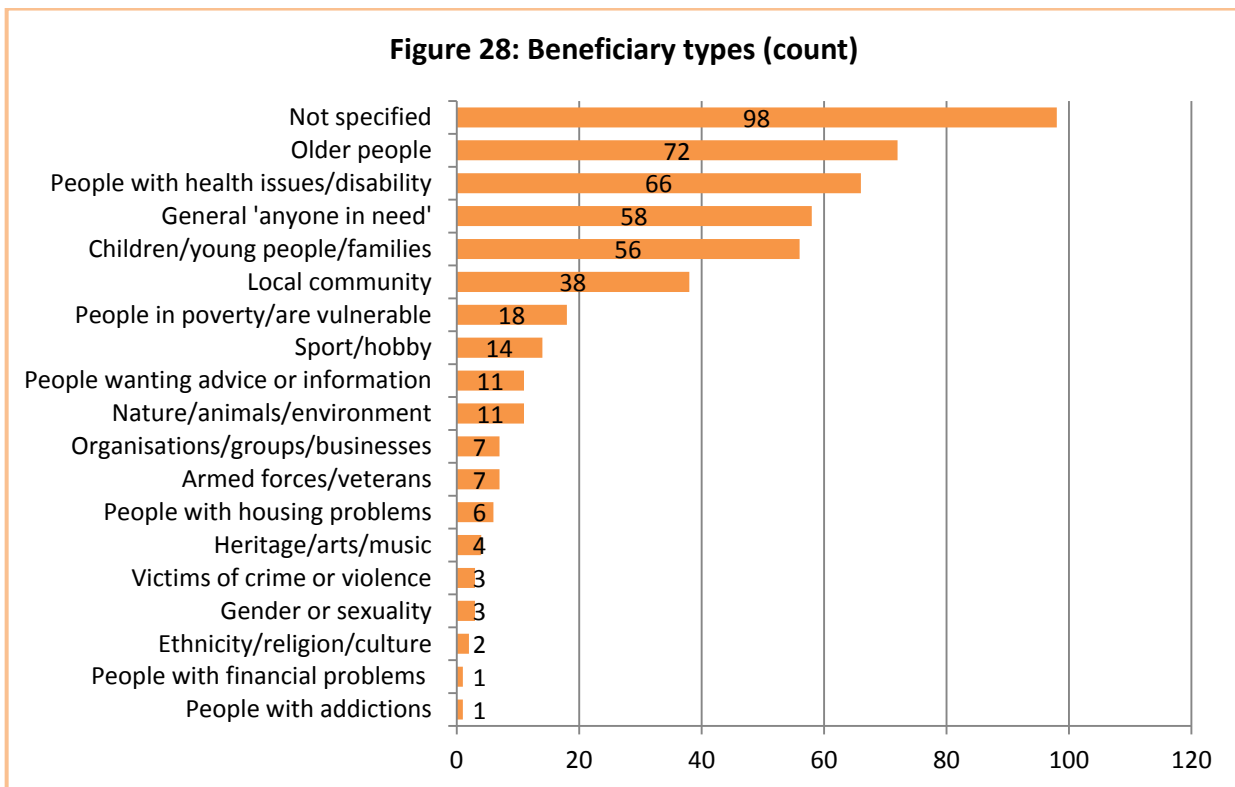
Respondents told us what district or borough they worked in. They were able to choose multiple districts. The most commonly cited district was 'Rushmoor', followed by 'All Hampshire.'



15. Beneficiary types

We asked respondents what types of beneficiaries they supported. This was a free text box that allowed them to describe their beneficiaries however they chose. These were then categorised into broad 'subject areas'.

As can be seen, the largest single beneficiary group was *Older people* (72 organisations), followed by *people with health issues/disabilities* (66), then a general '*anyone in need*' category (58).



16. Conclusions

Over the last 3 years, demand for voluntary sector services appears to be rising (and changing), while capacity remains the same or decreases. Medium sized organisations appear to be particularly hard hit.

Incomes appear to be fairly static, with a roughly similar proportion of organisations reporting an increased income (25%) to those reporting a decreased income (29%). However, many organisations, particularly those with an income of more than £100,000, feel less financially secure than they did a year ago, with many reporting a decrease in their reserves.

Volunteer recruitment and retention is presenting particular problems, with 55% of organisations reporting that it has become more difficult over the past 3 years. Respondents felt that it was particularly challenging to recruit and retain volunteers who would commit time on a regular basis, such as Trustees. There also appeared to be considerable concern about the volunteer 'pipeline', with existing volunteers becoming older, and few younger people willing or able to replace them.

Staff recruitment has not become easier over the last 3 years. Many respondents felt that they were unable to offer market rates of pay or job security, due to lower organisational incomes, short term funding, and contract structures. Others felt that their organisation's work had become more complex and risky, and voluntary sector pay and conditions were not sufficient compensation to attract staff.

Organisations continue to struggle with a range of subjects and issues: volunteers (recruiting, retaining and managing), marketing, and gaining funds (specifically earning fees, bid writing, and tendering & procurement).

Very few respondents said that they were likely to be helping their beneficiaries less in a year's time. However, given the context, this may well be aspirational thinking. A worrying 22% of respondents felt that they either had 'no idea' where they would be in a year's time, or were unsure if they would still exist in a year's time.

The Hampshire CVS network appeared to be well utilised by respondents, with most respondents saying that they found the services either 'Very useful' or 'Quite useful'.

In summary, the situation for voluntary sector organisations in Hampshire appears to have become even more challenging over the past three years. We would all do well to think carefully and realistically about how we support and nurture them into the future.

**Research conducted between November and December 2017
Report produced in February 2018**

For further information, please contact:

Kirsty Rowlinson, Head of Services

Action Hampshire
Westgate Chambers
Staple Gardens
Winchester, SO23 8SR

01962 857355

kirsty.rowlinson@actionhampshire.org

www.actionhampshire.org

Registered charity: 0153806

Company Ltd by Guarantee: 3162873