Report on the Sandwell Voluntary and Community Sector

Leaders Survey 2015

December 2015

CONTENTS

1. INTRODUCTION

Sandwell Council of Voluntary Organisations (SCVO) is a key local infrastructure organisation providing representation, development support and capacity-building for Sandwell's Voluntary and Community Sector (VCS). During September 2015, SCVO invited VCS leaders in Sandwell to share information and their views on the current and future state of the local Sector.

The survey received a total of 49 responses, following an e-mail out to 760 organisations: providing just over a 6% return rate. This report also draws on data held on SCVO's web-based database www.sandwellvcs.info which details 992 active community organisations in the borough in October 2015. The report has been compiled by Leona Bird, Strategic Engagement Officer, at SCVO. Further information on this survey, intelligence on Sandwell's VCS , and information on SCVO's support role can be obtained from Leona on 0121 525 1127 or e-mail: leona@scvo.info

For the purposes of this report, definitions of 'small', 'medium' and 'large' are based on annual income; this is provided as a guide, whilst recognising the arbitrary nature and natural exceptions and limitations of this.

- 'Small' organisations have an income not exceeding £15k;
- 'Medium' organisations have an income not exceeding £250k;
- 'Large' organisations have an income in excess of £250k per annum.

This year's survey has provided a broad cross sector response with 22% of respondents being small organisations, 35% being medium and 42% being from large organisations.

2. EXECUTIVE SUMMARY

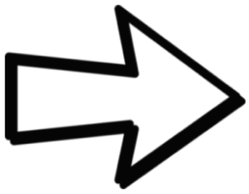
- Overall, the VCS workforce remains steady and stable. In addition to this, organisations report on balance an increase in the number of volunteers, distributed fairly equally across all sizes of organisations.
- Sandwell's VCS continues to experience growing demand for its services, with half the Sector reporting a large increase in local need. There remains a challenge to ensure that new resources are secured by organisations where local needs are increasing the most.
- On balance, capacity within the Sector is fairly stable, but significant numbers of VCS organisations are reporting reductions in capacity.
- The majority of VCS organisations are broadening or varying their service offer to some extent, with one quarter reporting significant changes in how they

deliver services. Meeting local needs is the main driver for these changes, but opportunities to extend the geographical reach of services, merger/ collaboration with other VCS providers and new funding opportunities also feature in reasons why organisations are broadening their services.

- On balance, Sector finances are on an even keel, although one third of local organisations operated at a deficit in the last year. Reserve levels are generally adequate and in line with charity commission guidance, although lack of reserves for smaller organisations remains a concern.
- There are a variety of issues concerning the Sector, with public sector funding cuts and increasing local demands ranking highest. The majority of threats across the Sector are funding or commissioning-related, with a minority of local organisations considering national/ regional changes such as the development of the WM Combined Authority and the National Living Wage as severe threats for them.
- Across the Sector there are mixed views on future sustainability, with over half of respondents expecting a reduction in funding in the coming 12 months. Nevertheless, around half of VCS leaders remain optimistic for the future of the Sector.
- Relationships with local statutory partners remain steady, with the greatest improvements being seen in relationships with Sandwell Council. However, there was a significant and widespread dissatisfaction across the Sector with its ability to influence local decisions that affect VCS organisations and service users.
- The current position and outlook for small organisations appears to be the cause for greatest concern. Compared to other parts of the Sector, small organisations – mostly volunteer led and run – reported bearing the greatest impact of funding cuts, holding the lowest levels of reserves (proportionate to their size), being the least optimistic about their future sustainability, and being most likely to be dissatisfied with their ability to influence local decision-making.
- Medium sized organisations reported the greatest levels of satisfaction in engaging and influencing local decision-makers, although recognised the changes in personnel and shifting local statutory structures as the greatest threat to them. Large organisations were most likely to report a squeeze in resources due to increasing demand and decreasing capacity; however, they tend to benefit most from the broadening of their services and have the largest reserve levels (proportionate to their size).
- Relationships between VCS organisations in the borough appear to be improving, with greater collaboration evidently helping services to develop (particularly amongst medium sized organisations), organisations considering competition from other VCS organisations less of a threat than previously, and a marked improvement in how they see their relationships with other VCS organisations developing.

SECTION 3 – TRENDS

Comparing the survey data to that captured in SCVO's autumn 2013 VCS Leaders Survey, the following trends can be observed.

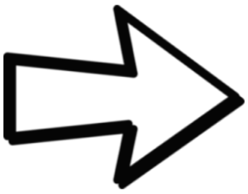


Number of organisations reporting an increase in demand for services
(68%, 2013; 65%, 2015)

Number of organisations reporting an increase in their capacity to deliver local services
(38%, 2013; 26%, 2015)

Number of organisations reporting an increase in employees
(18%, 2013; 37%, 2015)

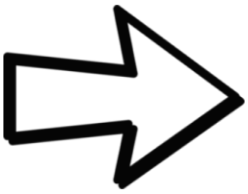
Funding position and sustainability in coming 12 months, according to VCS respondents
(18% expect it to worsen, 2013; 25% expect it to worsen, 2015)



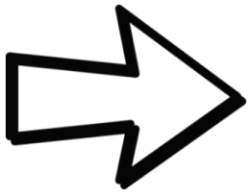
Number of organisations reporting a loss in the last financial year
(28%, 2013; 28%, 2015)

Number of organisations reporting a surplus in the last financial year
(19%, 2013; 39%, 2015)

Number of organisations reporting satisfaction with their ability to influence local decision-making
(32% dissatisfied, 2013; 44% dissatisfied, 2015)



Number of organisations reporting improvement in local statutory relationships, aggregated across all partners
(22%, 2013; 22%, 2015)

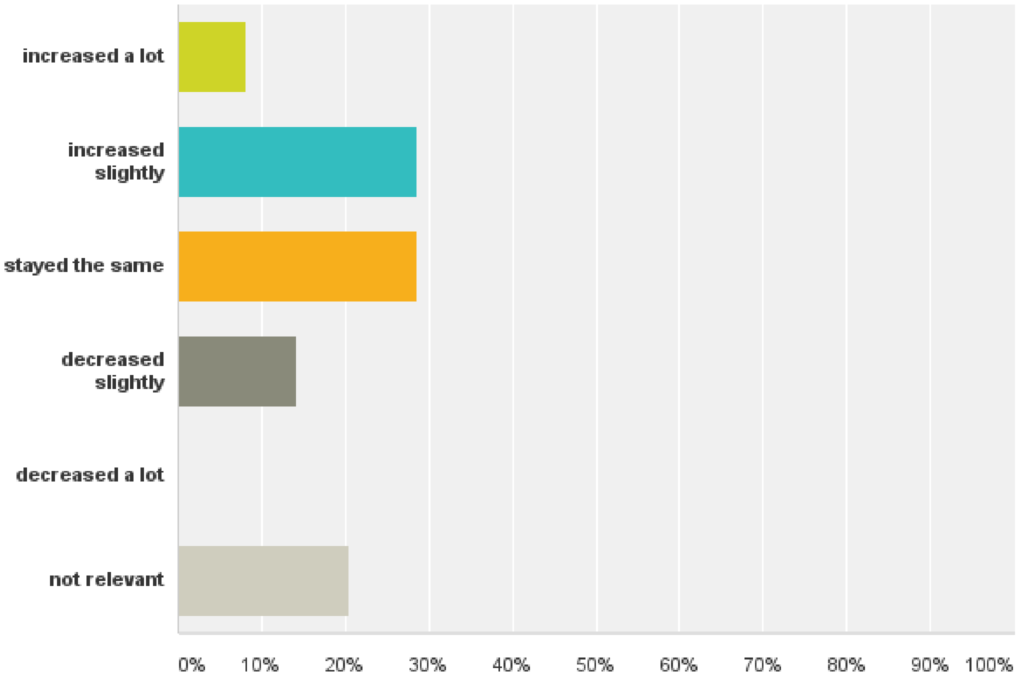


Number of organisations optimistic about the future of the Sector
(55%, 2013; 54%, 2015)

4. SANDWELL VCS WORKFORCE

Overall, the Voluntary and Community Sector's workforce remains steady and stable.

"Over the last 12 months, has your number of employees..."

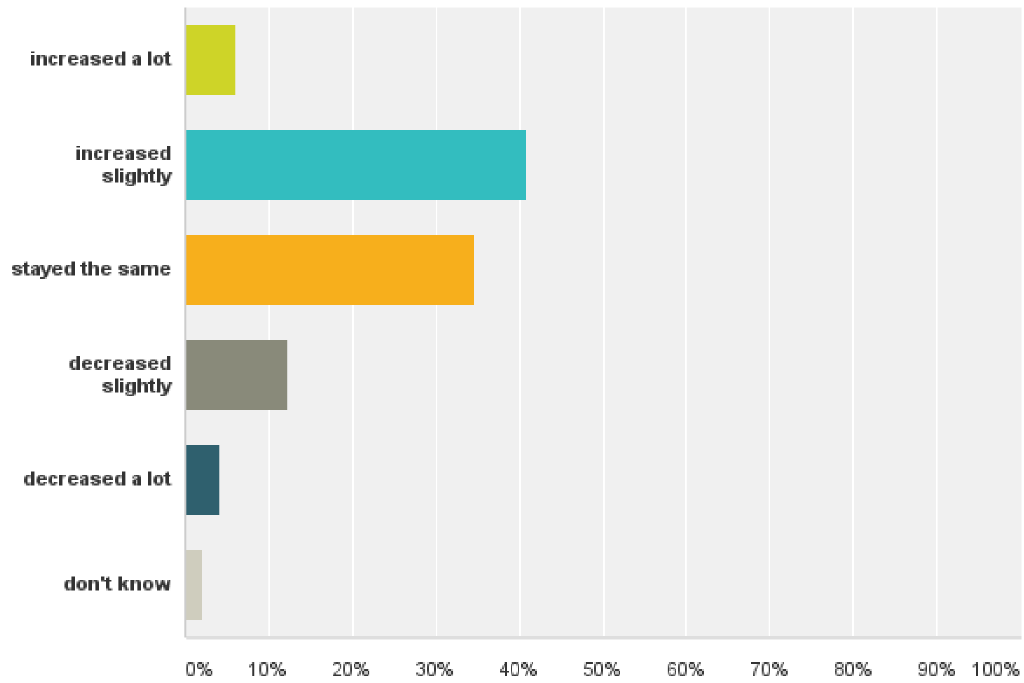


Overall, the voluntary sector's workforce has remained steady. Almost three quarters of all respondents reported that the number of paid staff had either remained the same or increased. The question was less relevant to the smaller organisations. In terms of the increases seen, there was nothing to separate the medium and large organisations.

The Sector's volunteer base is stable, and in places, on the increase.

Looking at levels of volunteering, most respondents (88%) reported seeing the number of volunteers either staying the same or seeing an increase. Surprisingly there was again little to compare between small, medium and large organisations – this offers evidence that volunteers remain a vital and distinct part of the whole of the Sector and that local residents are finding opportunities to support a wide variety of charitable organisations.

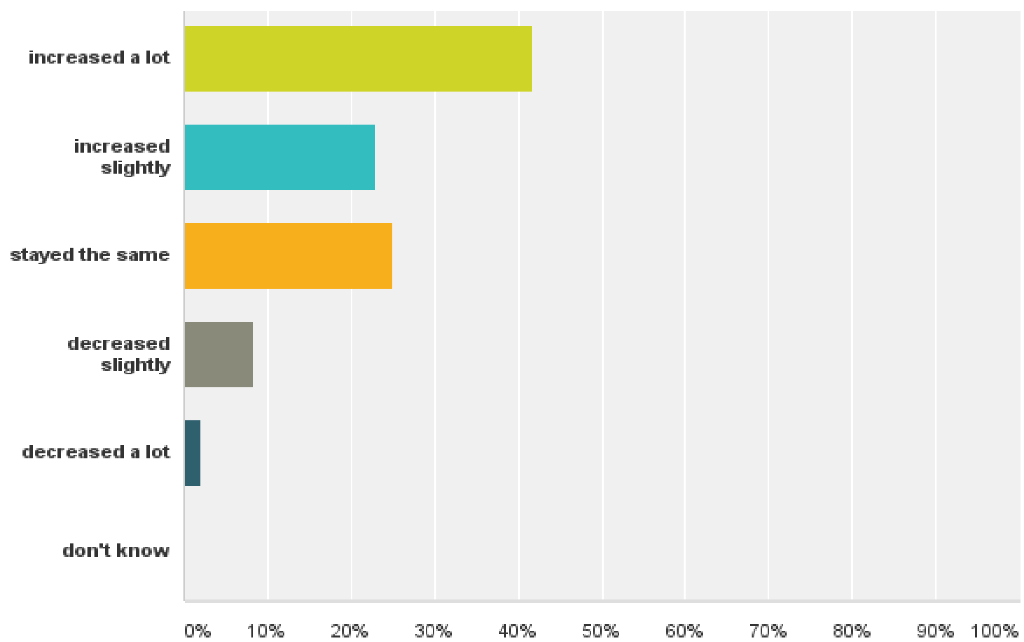
"Over the last 12 months, has the number of volunteers...."



5. VCS SERVICE PROVISION AND CAPACITY

Almost all Respondents saw an increase in demand for their services

"Over the last 12 months, has demand for your services ..."



The overall picture in relation to local demand reveals that almost all respondents (95%) had seen an increase in the demand for their services.

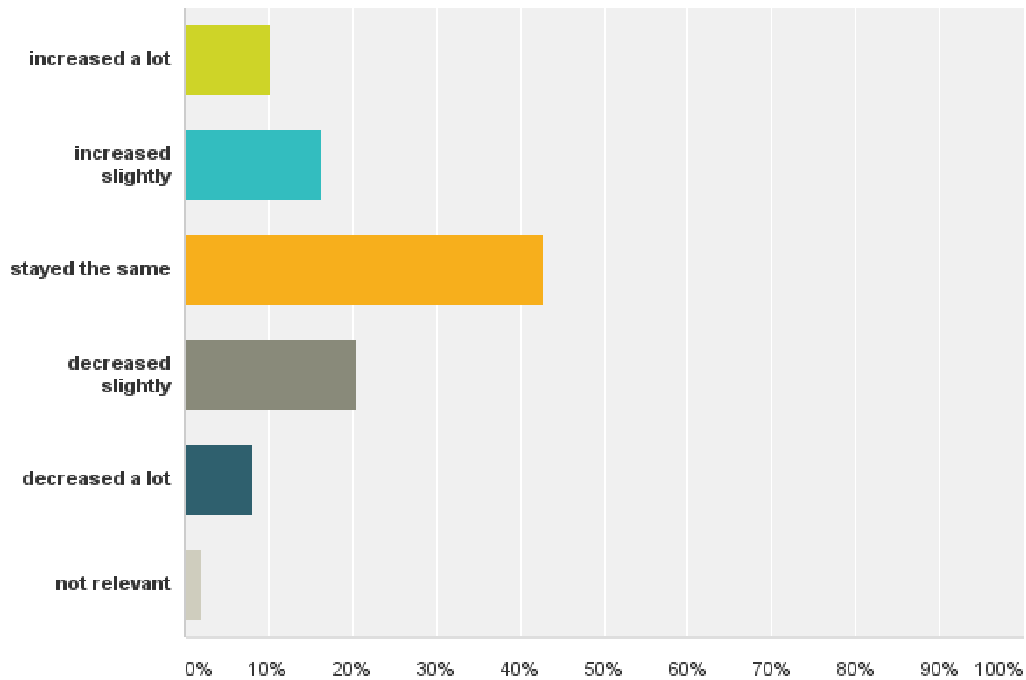
Large organisations reported no decreases at all in demand - only demand staying the same or increasing. There was nothing to set apart the small from the medium organisations and very few of these organisations had seen any decrease in demand.

In comparing this with capacity to deliver – over three quarters of all respondents (77%) reported that their capacity to meet demand had either stayed the same or was on the decrease.

Drilling down further, 4 out of 10 of small organisations said that although demand had increased, their capacity to meet demand had fallen, 50% of medium organisations reported increased demand and increased capacity and almost two thirds (63%) of large organisations reported a decrease in capacity. There are clearly growing needs within our communities and further work needs to be done on enabling the capacity to increase where those needs are present.

Capacity within the Sector to meet demand is variable, but on balance remains steady as a whole

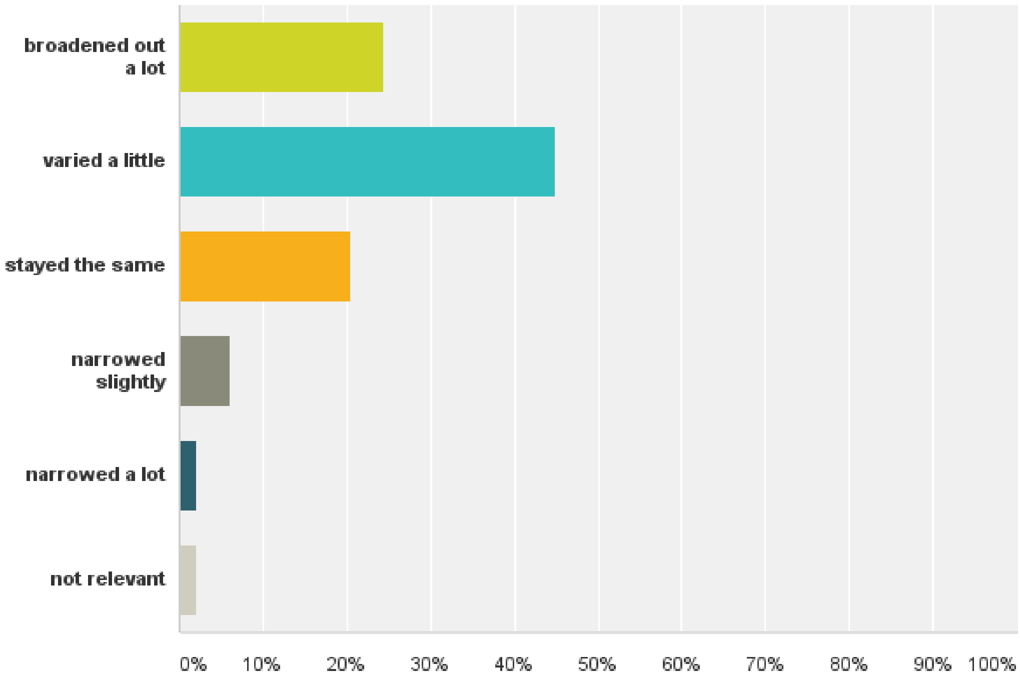
"Over the last 12 months, has your capacity/ ability to provide your services and support to beneficiaries/ the community…"



Organisations have diversified and broadened out their service offer

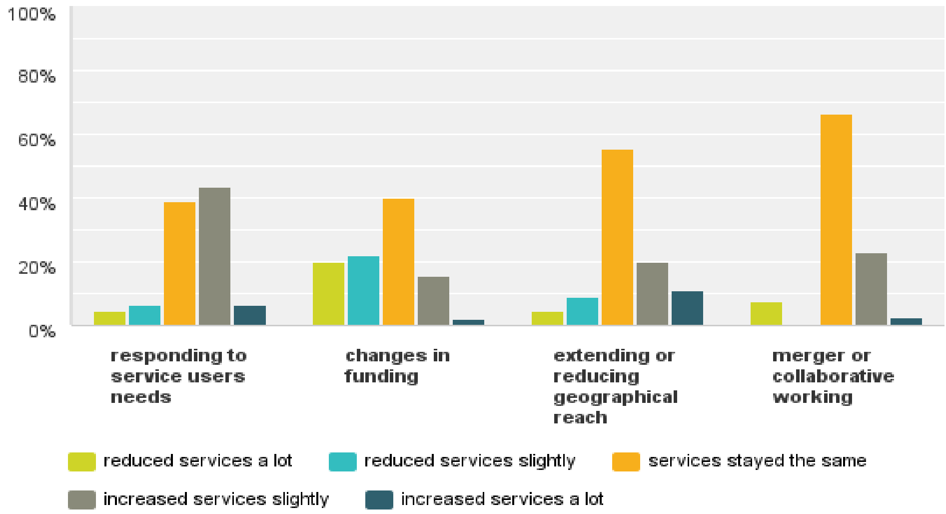
Around 70% of the all respondents reported that the range and type of services they offer had become broader to some extent. Only a small number reported a narrowing of service.   There was little to separate the differing sizes of organisations in their responses. However, one point to note was that medium sizes organisations did not report any narrowing of services.

"Over the last 12 months, has the range and type of services you offer..."



Changes to local needs is the main driver for organisations increasing their services

"Have any of the following given rise to a change in your services and if so, what change has been made?"



Responding to service users needs was the main reason organisations had needed to increase their services in some way (33%), with changes in geographical reach being the next (31%), then merger (22%) and changes in funding coming last (18%). Not surprising, changes in funding was the highest reported reason for services staying the same or seeing some form of reduction (67%).

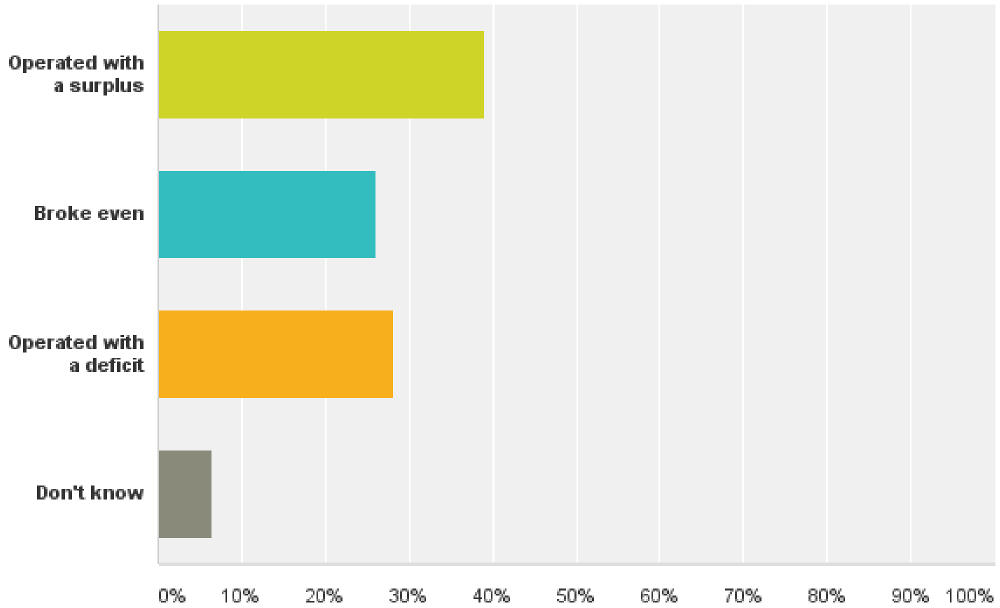
Large organisations had been affected the least by these issues and had reported overall only a small reduction in service. Worryingly small organisations had been affected the most by these issues with changes in funding having the most impact on them (60%)

It could be inferred from this, that despite the increase in need for a service and a decreasing capacity, the Sector is still going the extra mile in terms of trying to meet these needs and finding ways to alter their services – this again highlights the flexibility and innovation that is present in the Sector.

6. SECTOR FINANCES

Sector finances currently on an even keel

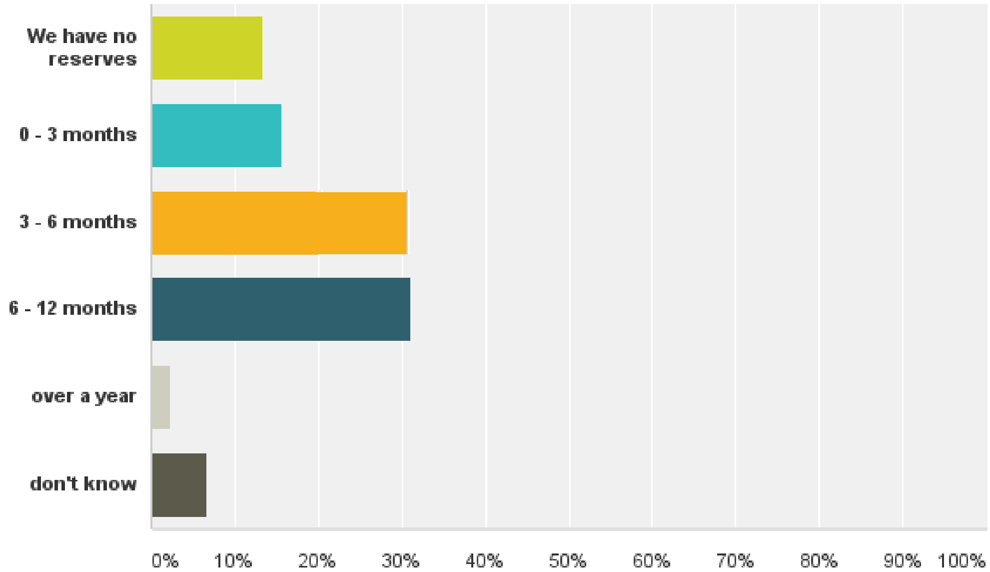
"Over the last 12 months has your organisation financially..."



The general picture in terms of the financial health of the Sector was positive with around two thirds (67%) of respondents breaking even or operating with a surplus.

Looking at organisations levels of reserves, the overall picture shows that two thirds (67%) of respondents have running costs of over 3 months should their income stop suddenly. 30% of small organisations reported having no reserves with 50% of large organisations having running costs which would last them 6 months and over.

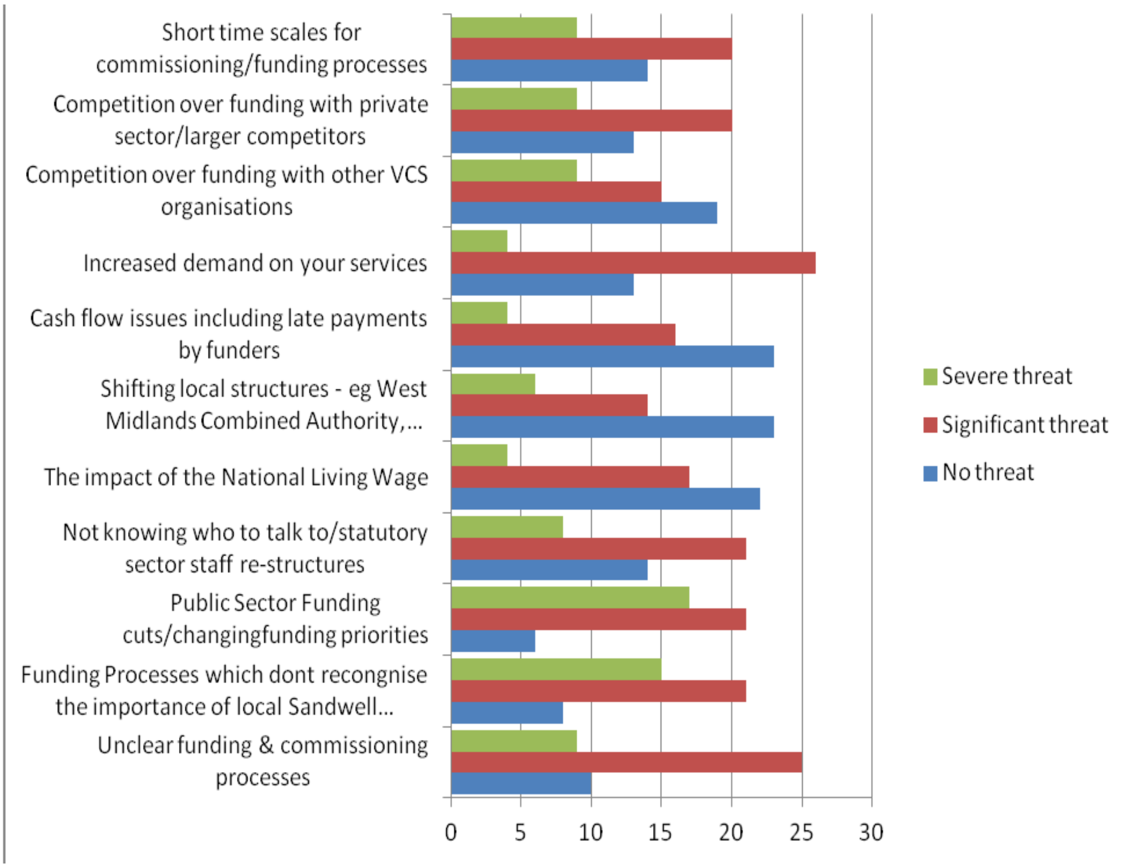
"If you had no funding or income from tomorrow, how long could your organisation keep running on its reserves?"



7. CURRENT CHALLENGES FOR THE SECTOR

There are a number of different risks or threats facing the Sector at the moment: Public Sector funding cuts and demands on services being amongst the highest

"Please rate how much of a threat or risk the following issues are to your organisation at present?"



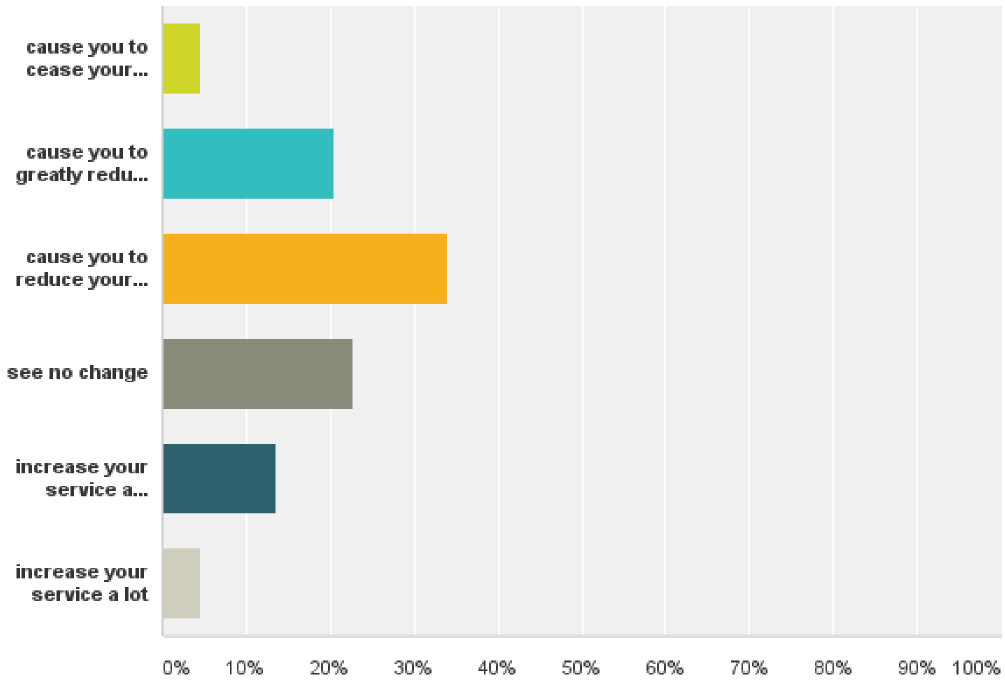
Although Public Sector funding cuts came out as the highest severe/ significant risk or threat – it is worth noting that increased demand on services came out topwith over half (55%) of all respondents highlighting this. The most significant threat to small organisations was unclear commissioning process (70%). The most severe threat to medium organisations was shifting local structures with severe threats for larger organisations being short time scales for commissioning processes.

It was encouraging to note that competition over funding with other VCS organisations was considered a low risk and this would chime with the responses to the question in the Section 8 on the improving relationships of voluntary organisations.

8. THE FUTURE VIEW

A mixed view on future sustainability, with smaller organisations feeling least optimistic

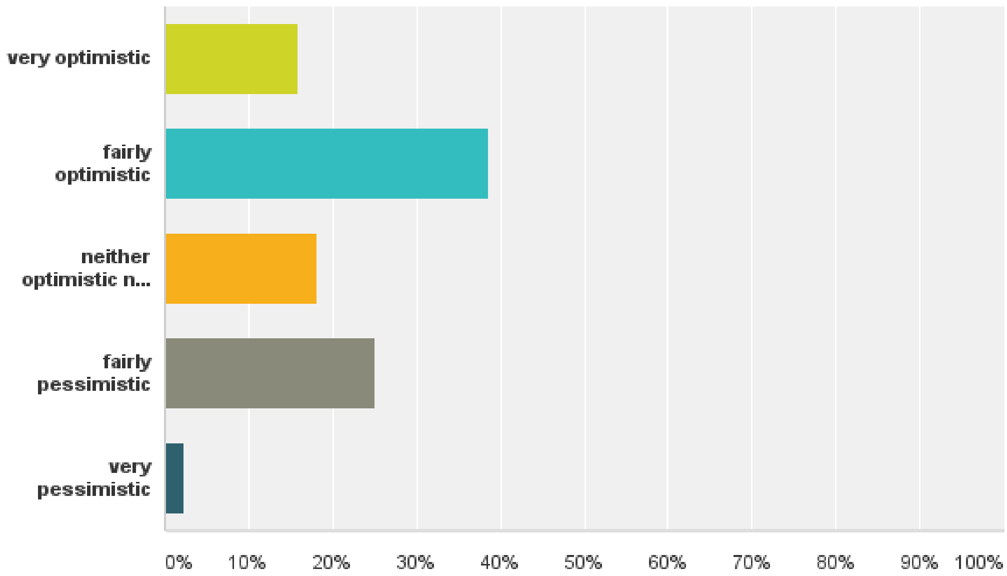
"Overall, do you feel that your funding position and sustainability over the next 12 months is likely to ..."



Over half of overall respondents saw some reduction in the future with one in five seeing no change.

The organisations affected most significantly were the smaller ones with 90% seeing little optimism about funding and sustainability and likely to see a reduction in their service or no increase at all.

"How confident are you that Sandwell's voluntary and community sector will "survive and thrive" in the next 12 months?"

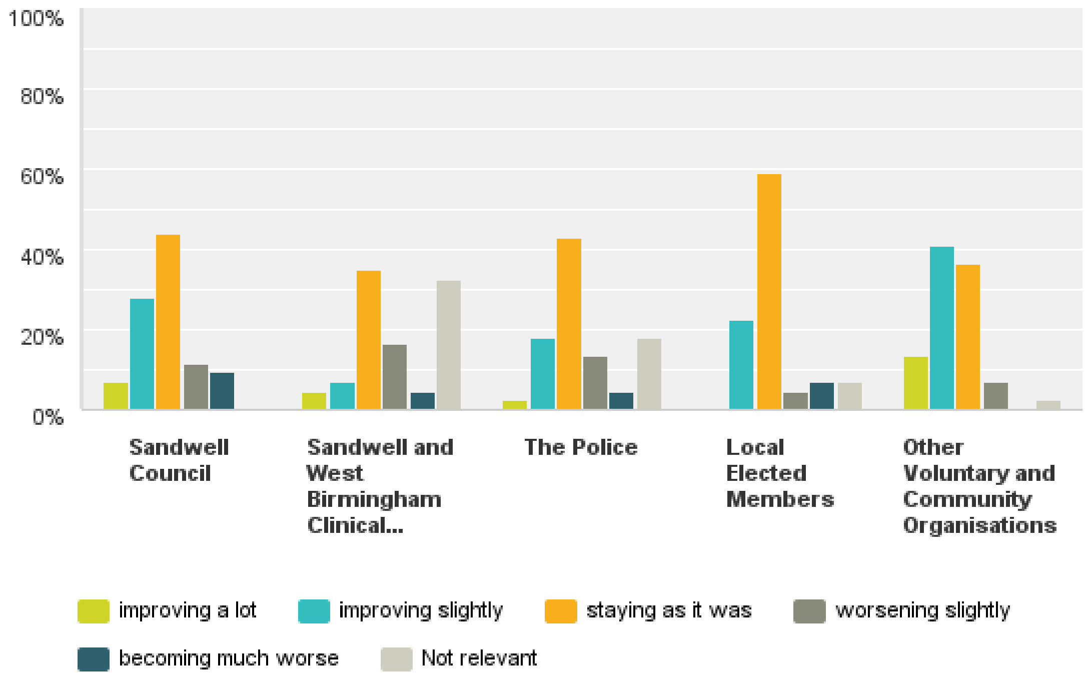


Around half of respondents were optimistic about the Sector's ability to survive and thrive in the future, although again it was the small organisations who felt the least optimistic (60%)

9. RELATIONSHIPS AND INFLUENCE

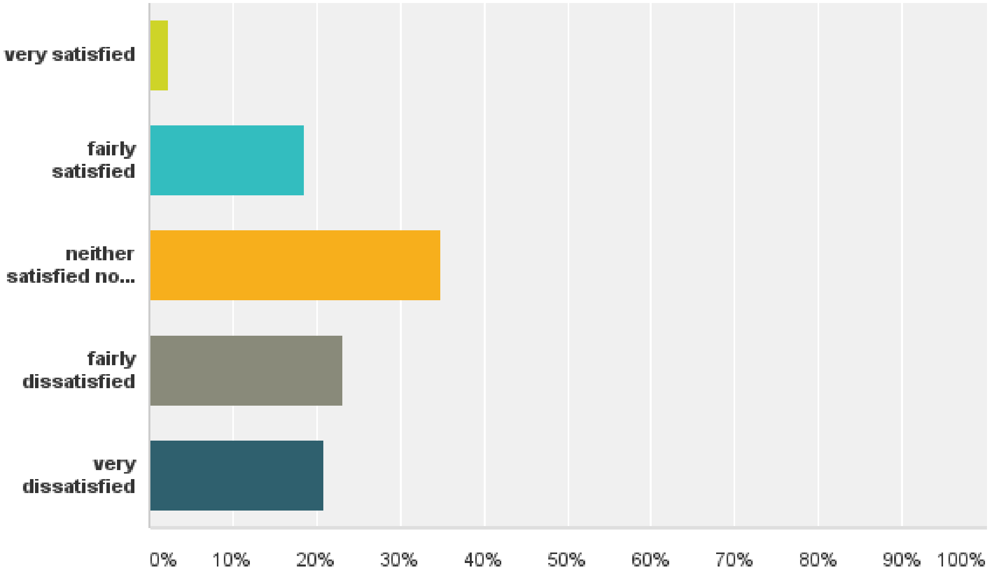
Sector relationships with local statutory partners are steady, with the greatest improvements being seen in relationships between VCS organisations themselves

"Do you feel that your relationship with local partner organisations listed below is…"



Looking at Sector relationships with local statutory partners, the overall picture is 'staying as it was' with the greatest improvements being seen in engagement with Sandwell Council, local elected members and other VCS organisations. Almost half of small organisations reported that relationships with the Police were worsening with the majority of medium organisations reporting that voluntary and community sector relationships were improving the most. Larger organisations felt generally across the board that relationships were staying as they were.

"Overall, how satisfied or dissatisfied are you with your ability to influence local decisions that affect your organisation or its beneficiaries?"



With regard to influencing – overall three-quarters of all respondents were either very, fairly or 'neither satisfied nor dissatisfied' with their ability to influence. Many small organisations (60%) reported dissatisfaction in this area, with just under half of larger organisations feeling the same. Medium sized organisations reported the most satisfaction.

10. NEXT STEPS

SCVO will take forward the learning and insights from this survey to support its work promoting the value of Sandwell's Voluntary and Community Sector and the difference it makes in meeting the current and future needs of Sandwell's communities. In particular these findings will be shared with local public bodies to support and add to focus the efforts to create an environment for a thriving Voluntary and Community Sector.

SCVO would like to thank all Voluntary and Community Sector leaders who participated in this survey.

APPENDIX

Method

The 'VCS Leaders Survey 2015' was designed and undertaken using the web-based 'Survey Monkey' tool. 760 VCS organisations received an email inviting them to participate. The details of the survey were further promoted in SCVO's website, Twitter and weekly e-bulletin. Organisations could complete the survey on-line. Organisations were given from the start of September 2015 until the end of September 2015 to complete the survey.

The survey received a total of 45 responses: just over 6% of the total number of VCS organisations known to SCVO.

Survey Script

SCVO is an independent charity supporting charities, community groups and not-for-profit organisations in Sandwell. We invite you as a leader within the local Voluntary and Community Sector to share your perceptions and feelings on various issues relating to working in our Sector. The information you provide will help to support SCVO's strategic engagement role when we facilitate conversations and dialogue with local partners.

The information you give to us will be treated in the STRICTEST OF CONFIDENCE. Figures drawn from this survey will only be shared as a collection of data: no individual information/names of participants will be disclosed to any third party. Outcomes from this will be shared on our website www.scvo.info

Please complete as much as you can on this survey. If you have any questions relating to this survey, or if you feel SCVO can help you in any way, please contact Leona Bird on 0121 525 1127, email leona@scvo.info. Please complete by Wednesday 30th September 2015.

SECTION 1: ABOUT YOU

Your Name:

Name of your organisations/group:

Your position (eg, Chair, Manager)

E-mail or telephone number:

SECTION 2: YOUR STAFF AND YOUR SEVICES

Approximately how many paid employees in Sandwell do you currently have?

Over the last 12 months, has your number of employees...

- Increased a lot
- Increased slightly
- Stayed the same
- Decreased slightly
- Decreased a lot
- Not relevant

Approximately how many paid volunteers (including committee members) do you currently have?

Over the last 12 months, has your number of volunteers...

- Increased a lot

- Increased slightly
- Stayed the same
- Decreased slightly
- Decreased a lot
- Not relevant

.

Over the last 12 months, has demand for your services...

- Increase a lot
- Increased slightly
- Stayed the same
- Decreased slightly
- Decreased a lot
- Not relevant

Over the last 12 months, has your capacity/ability to provide your services and support to beneficiaries/the community...

- Increase a lot
- Increased slightly
- Stayed the same
- Decreased slightly
- Decreased a lot
- Not relevant

Over the last 12 months, has the range and type of services you offer....

- Broadened out a lot

- Varied a little
- Stayed the same
- Narrowed slightly
- Narrowed a lot
- Not relevant

Have any of the following given rise to a change in your services and if so, what change has been made?

Responding to Service users needs

Changes in Funding

Extending or reducing geographical reach

Merger or collaboration

Option for change: reduced services a lot
reduced services slightly
services stayed the same
increased services slightly
increased services a lot

SECTION 3: YOUR SUSTAINABILITY/LOCAL PUBLIC BODIES

Approximately what was your income over the last 12 months?

- £0-£15,000
- £15,000 - £250,000
- Over 250,000
- Don't know

Over the last 12 months has your organisation financially

- Operated with a surplus
- Broke even

- Operated with a deficit
- Don't know

If you had no funding or income from tomorrow, how long could your organisation keep running on its reserves?

- We have no reserves
- 0 – 3 months
- 3 – 6 months
- 6 – 12 months
- Over a year
- Don't know

Please rate how much of a threat or risk the following issues are to your organisation at present?

Unclear funding and commissioning process

Funding processes which don't recognise the importance of local Sandwell provision

Public Sector funding cuts/changing funding priorities

Not knowing who to talk to/statutory sector staff re-structures

The impact of the National Living Wage

Shifting local structures – eg West Midlands Combined Authority, CCG/Health changes

Cash flow issues, including late payments by funders

Increased demand on your services

Competition over funding with other VCS organisations

Competition over funding with private/larger competitors

Short timescales for commissioning/funding processes

Options for risk

No or little threat/risk
Significant threat/risk
Severe threat/risk

Please provide details below of any other threat your organisation is experiencing which is not listed above.

Overall, do you feel that your funding position and sustainability over the next 12 months is likely to.....

- Cause you to cease your service
- Cause you to greatly reduce your service
- Cause you to reduce your service a little
- See no change
- Increase your service a little
- Increase your service a lot

How confident are you that Sandwell's voluntary and community sector will "survive and thrive" in the next 12 months?

- Very optimistic
- Fairly optimistic
- Neither optimistic or pessimistic
- Fairly pessimistic
- Very pessimistic

Overall how satisfied or dissatisfied are you with your ability to influence local decisions that affect your organisation and beneficiaries?

- Very satisfied
- Fairly satisfied
- Neither satisfied nor dissatisfied

- Fairly dissatisfied
- Very dissatisfied

Do you feel that your relationship with local partner organisations listed below is....

Sandwell Council

Sandwell & West Birmingham CCG

The Police

Local Elected Member

Other Voluntary and Community Organisation

Options
improving a lot
improving slightly
staying as it was
worsening slightly
becoming much worse
not relevant

Many thanks for your time and support in completing this survey. All information given is in the STRICTECT CONFIDENCE if you have any queries completing this survey, please contact Leona Bird on 0121 525 1127.