VCSA Shropshire

Recession Survey 2013

Key Findings
&
Report

VCSA Shropshire – Recession Survey 2013

Key Findings

40 organisations responded to the VCSA Recession Survey 2013.

51.4% of organisations had a turnover of more than £100K.

97.4% of respondents use volunteers

40.6% of participants claimed the recession had a slight reduction on income.

The Survey results show that funding has been reduced from both a local and national Government level.

30.6% of participants claimed the recession has had no impact on volunteering.

30.6% saw a slight increase in volunteer numbers.

Less income/donations from service users

48.1% have noticed a decrease in charitable donations.

78% of participants would like the VCSA Board to lead on support for joint working in the VCS in order to strengthen the sectors response to recession in Shropshire.

26.7% of respondents have noticed a slight increase in their expenditure.

Organisations found that the recession has changed the way they work with others.

63% found they worked in more informal partnerships.

50% of respondents claimed that their organisation was being affected by Welfare Reform.

81.1% of organisations employ staff; 32.3% have had to make redundancies in the past 12 months.

72.4% of respondents found there has been an increase in the number if people using their services.

78.6% of participants stated that they saw an increase in the complexity of service users.

VCSA Shropshire Recession Report 2013

1. Report Background

1.1 In 2009 the VCS Assembly undertook a study of voluntary and community organisations in
Shropshire to try to find the impact of the 2008 recession. Since then three other recession impact surveys have been conducted; in May 2010, June 2011 and June 2012.
This survey is the continuation of this series.

1.2 In 2009 the response rate in was 29, in 2010 it was 22, in 2011 the response rate returned to 29 participants and 2012's survey involved 34 organisations. This year we have received 40 responses, the largest feedback we have had yet, however this is still only 12.2% of all VCS Assembly members.

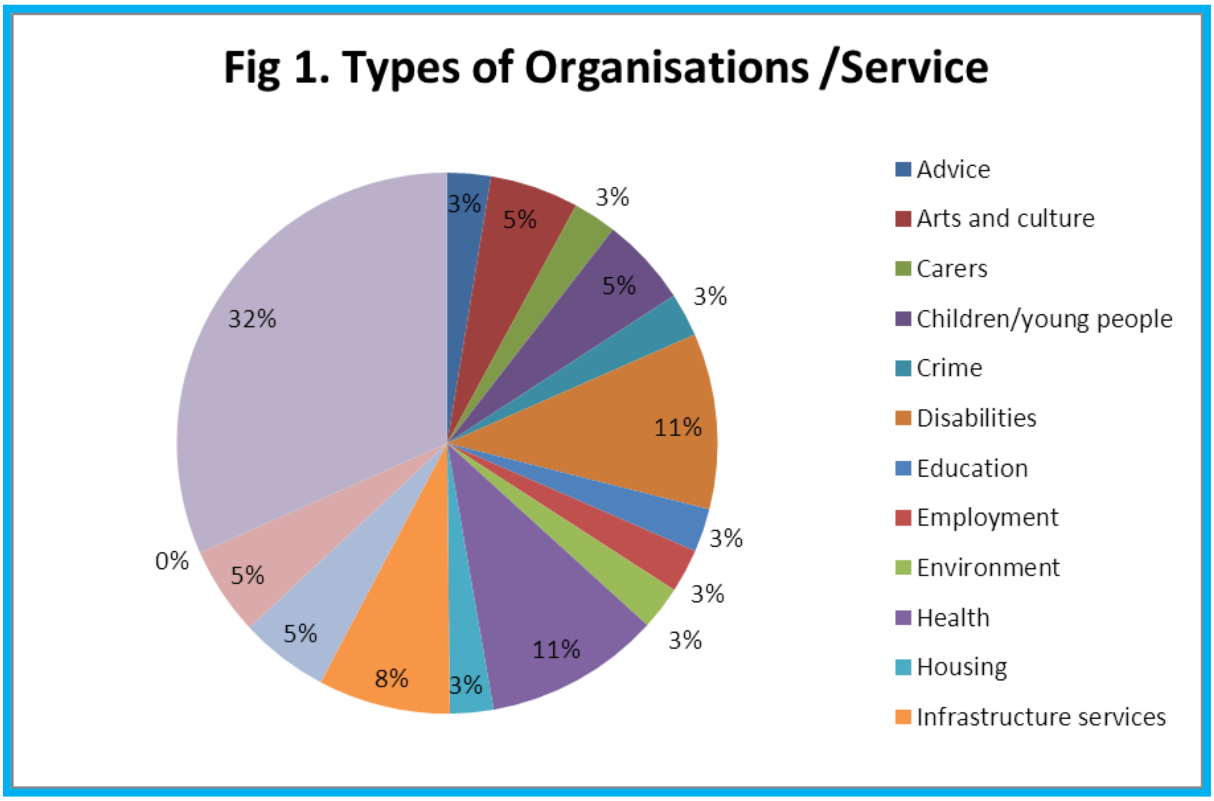
1.3 This report will first be given to the VCS Assembly Board on 15 January 2014 where they will meet to discuss its outcomes. The report will then be given to Shropshire Council Scrutiny where it will be presented and discussed and where a potential action plan can be created if warranted.

2. Report Findings

Type of organisation that responded

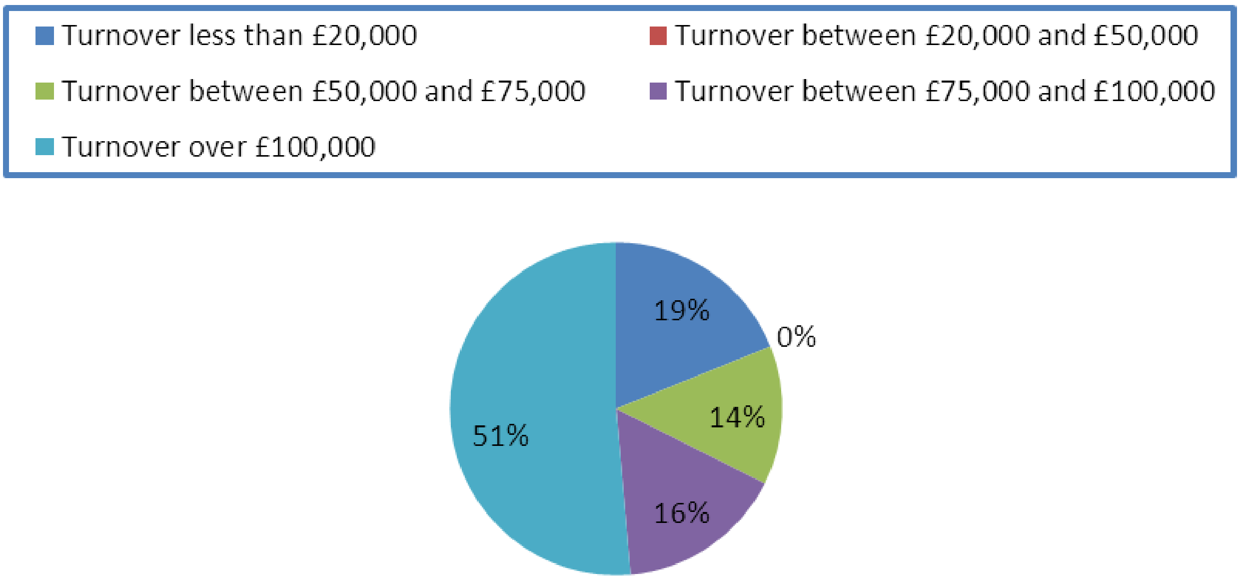
2.1 The low response rate to this survey may suggest one of two things. Firstly it could mean that that there are a large number of Shropshire's VCS groups and organisations that are not experiencing any significant impact from the recession, However it is more likely to suggest that Shropshire VCS organisations are having capacity issues and have limited time available to complete the survey.

2.2 Figure 1 (below) highlights which type of service is being delivered by the participants of this survey. As you can see, the most common service provided by participants was Children & Young people services and service providers for those with Disabilities. It should be noted that many of the groups/organisations provide a range of support across multiple categories and define themselves outside the given service categories, hence why the 'other' option so significantly higher than the others.



2.3 51.4% of the respondents to the Recession Survey stated that their organisation had an annual turnover of £100k or more. 19% claimed to turnover less than £20,000 a year. This cross proportional mix of voluntary and community organisations will give a sound basis for any recommendations.

Fig 2. Total number of responses per annual turnover



Use of Volunteers

3.0 97% of all respondents use volunteers. Table 1 clearly shows that the recession has had little to no increase on volunteering in Shropshire, and where there has been a difference 30.6% of respondents has actually seen an increase in the number of volunteers (in 2012, this figure stood at 37.5%). When asked why these groups had seen an increase (Table 2) the main reasons were that young people were looking to gain experience, people made redundant were keeping active and people volunteered to support an application for paid work.

Table 1:

What impact has the recession had on volunteering in your organisation?		
Answer Options	**Response Percent**	**Response Count**
Significantly increased numbers of volunteers	13.9%	5
Slightly increased numbers of volunteers	30.6%	11
No impact on volunteering	30.6%	11
Slightly decreased number of volunteers	19.4%	7
Significantly decreased numbers of volunteers	5.6%	2

Table 2:

If you have had an increase, why do you think more people are volunteering? (Please tick all that apply)		
Answer Options	**Response Percent**	**Response Count**
Retired people wishing to contribute	43.8%	7
People made redundant keeping active	56.3%	9
Young people wishing to gain experience	68.8%	11
To support applications for paid work	68.8%	11
People wishing to solve current problems	18.8%	3
Other (please specify)	18.8%	3

Staff and Redundancies

3.1 Alongside the question regarding volunteers, the survey sought to identify how many voluntary organisations employed staff and to evaluate the threat of redundancies. 81.1% of participants claimed that their organisation employed paid staff.

3.2 When asked if their organisation had made any redundancies in the past 12 months, only 23.3% responded yes; participants who answered yes were prompted to provide further details via an additional question as to how many redundancies had been made. The most redundancies made by an organisation during 2013 had been 5; another organisation stated that contracts had not been renewed due to lack of funding.

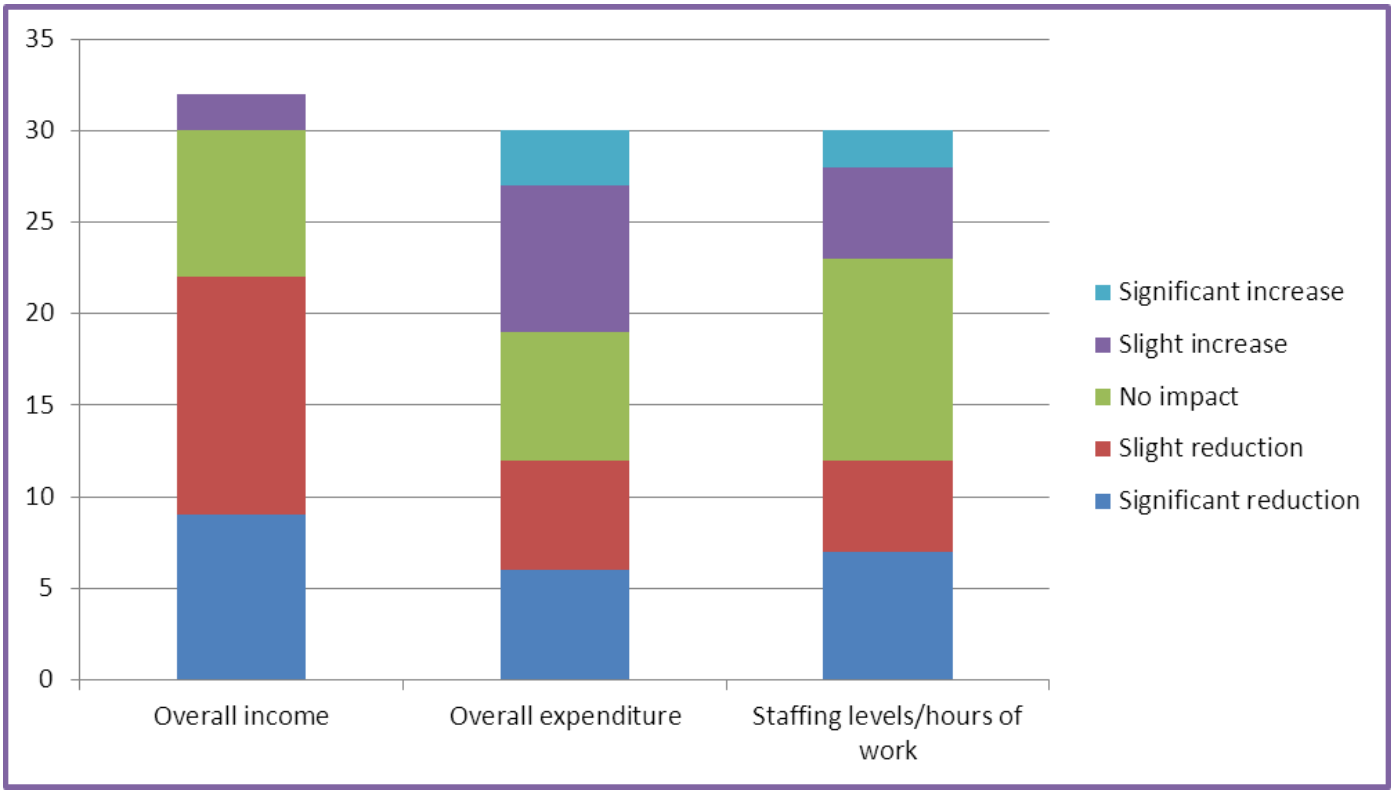
3.3 Respondents were asked to state if there were any posts under the threat of redundancy in the near future; 36.7% answered yes and again were prompted to give further details. The main issue for redundancy is a knock on effect of the lack of funding from both a national and local government level.

Income & Expenditure

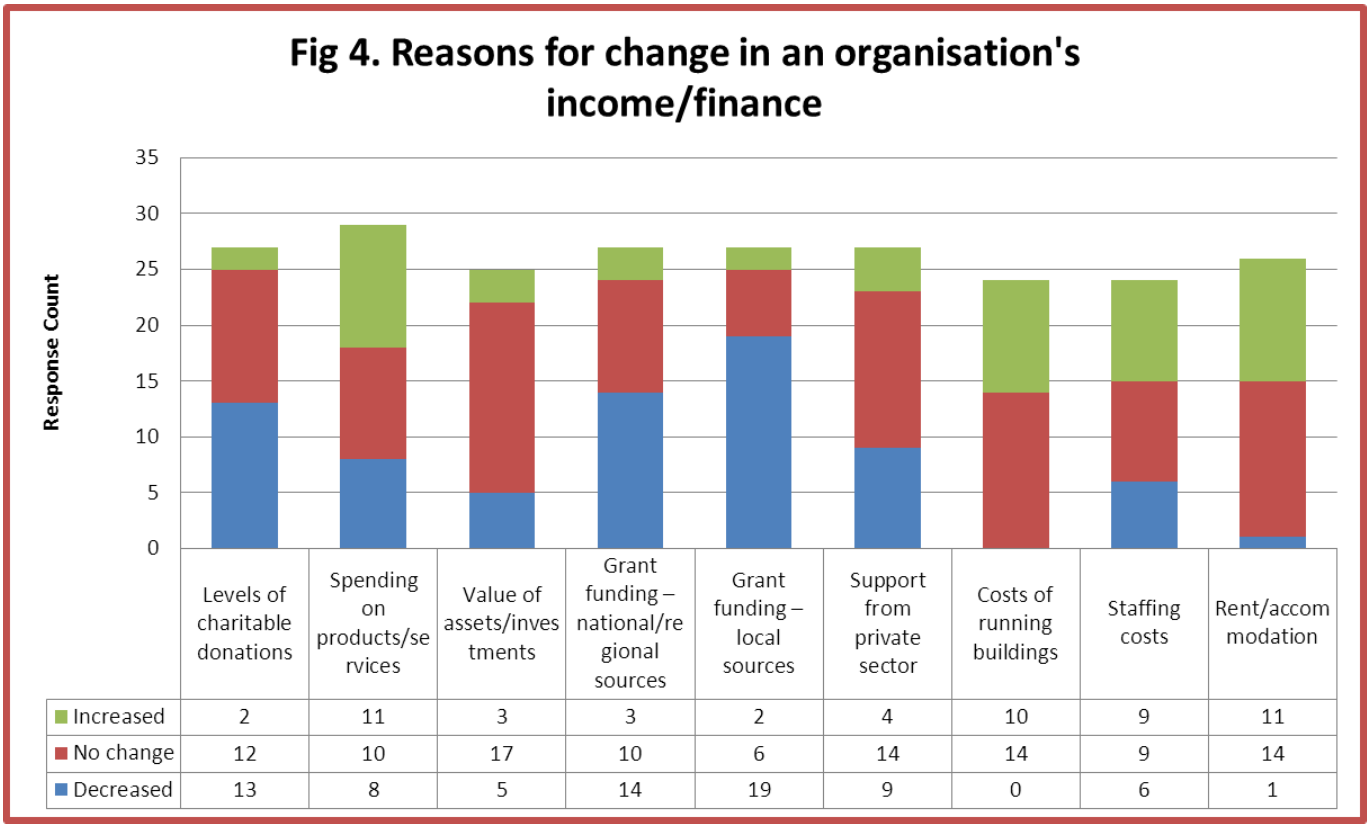
4.1 The survey also sought to identify whether the finances of Shropshire's VCS organisations and groups had been affected by the recession during 2013.

4.2 The results displayed in Figure 3 show a range of different experiences. Overall income has slightly reduced, expenditure has increased a little and this has seen a rise in the reduction of staffing hours although there has mostly been no impact on staff levels.

Fig 3 Changes in finance over the past 12 months



3.4 The results of a question asking what the reasons are for changes in finances are shown in Figure 4 below. A few questionnaire respondents gave additional details (See Appendix) but the majority just provided information via the multiple choice answers.
Key themes include:
• Less funding from local authorities and other public sector partners
• Less income from users, the general public/other organisations
• Higher costs of operation, including building usage, utilities and travel costs
• Grant funding is less abundant/available from both national and local sources.



Service User Impact

4.1 Participants were asked to state if they felt that some groups in the community were experiencing increase vulnerability as a result of the recession; 88.2% stated yes to this question. This is a 10% increase from last year's survey.

4.2 Figure 5. (below) shows the participant's responses when highlighting particular groups which were vulnerable.

Table 3. Which groups in the community are experiencing increased vulnerability?(Please tick all that apply)		
Answer Options	Response Percent	Response Count
Unemployed	70.0%	21
People on low incomes	80.0%	24
Older people	63.3%	19
Children and young people	40.0%	12
Carers	66.7%	20
Working age women	26.7%	8
Working age men	26.7%	8
Families with young children	60.0%	18
People with mental/physical health problems	73.3%	22
People new to Shropshire	6.7%	2
Offenders / ex-offenders	33.3%	10
Armed Forces / Ex Armed Forces	16.7%	5
Other (please specify)	26.7%	8

The results show that respondents thought that people on low income were the most vulnerable group alongside people that are unemployed; these results are similar to previous years although there has been a higher response to people with mental/physical health problems.

Impact on Services

5.1 Survey respondents were asked to state if they provide a service; 87.9% of respondents claimed that they did.

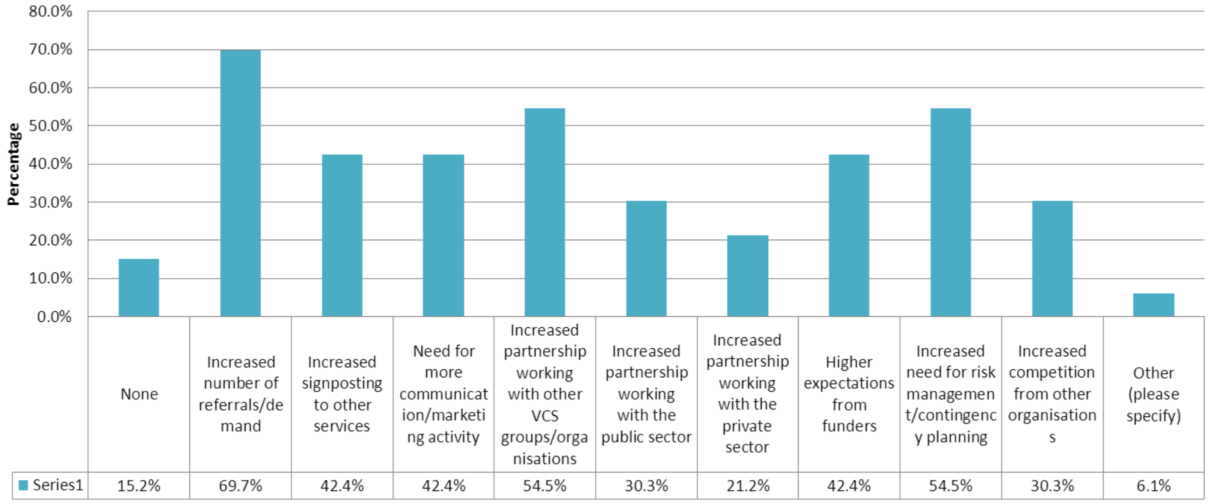
5.2 Participants were then asked if there had been an increase or decrease in the number of people using their services. 72% of respondents claimed that their services had seen an increase in users over the past 12 months despite higher expenditure and lower levels of income; this was the same result as the survey conducted in 2012.

5.3 However, in why the respondents think there has been a change in the people using their services, Table 4 highlights some of the factors behind this. The most popular response was for increased health problems caused by stress, anxiety and depression (54%); these results have changed from the previous year as the highest percentage in 2012 was for people worried about their finances. These percentages reflect the responses given in the previous section regarding service user vulnerability. The data is suggesting that people with mental/physical health problems are not only at risk but that they are using voluntary/community services more over the past twelve months.

Table 4. Why do you think there has been a change in the number of people using your services?(Please tick all that apply)		
Answer Options	Response Percent	Response Count
Not applicable	18.2%	4
More people in debt	36.4%	8
More people worried about their finances	40.9%	9
Increased incidence of depression	45.5%	10
Increased health problems caused by stress/anxiety/depression	54.5%	12
More people out of work/unemployed	36.4%	8
More people looking to improve their skills	31.8%	7
Increased cost of travel/transport	13.6%	3
Other (please specify)		8

5.4 Respondents were also asked to state what new areas of work have been generated as a result of the recession, see Figure 5 for results.

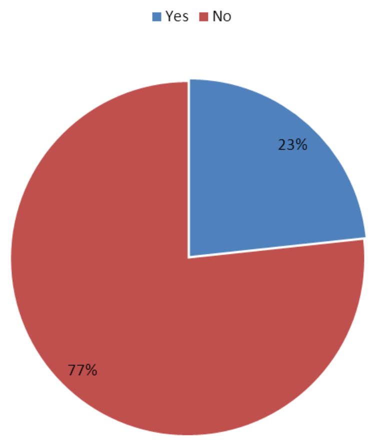
Fig 5. New Areas of Work Generated As A Result of Recession



According to the results, organisations have seen an increased number of referrals as their services are more in demand. Both increased partnership working and need for risk management/contingency planning were at 54%. These results reflect both the increase in service user demand and higher expenditure/lower income.

5.5 Participants were also asked to answer a question regarding the length of contracts that were being offered to organisations and if the recession had affected this; respondents answered equally yes or no. Another question asked for further detail as to whether organisations had lost contracts to larger out of county providers, the results are displayed below in Figure 6.

Fig.6 Number of organisations that have lost contracts to larger out-of-county providers.

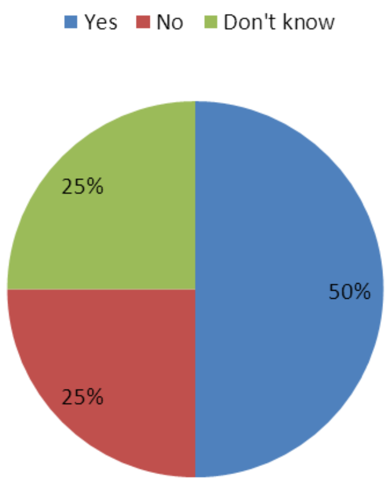


The results show that 77% hadn't lost contracts to larger providers outside of Shropshire, this is a positive result and is proof that many contracts are still being delivered locally although when analysing the additional comments to this question, many organisations are worried about this threat in the future and many are certain that their answer could change to this question in the near future.

<u>Welfare Reform</u>

6.1 50% of participants in the survey were asked to state whether their organisation had been affected by Welfare Reform (Figure 7).

Fig 7. Is your organisation / group being affected by the impact of welfare reform?



Key Themes:
Participants gave additional information in regard to Welfare Reform, key themes from responses are as follows:

- More people needing housing advice due to housing benefit reductions/bedroom tax
- More people with disabilities/mental health needs struggling financially due to funding/benefit cuts
- More demand for advice/support in understanding new "systems"
- Increase in short term staff to cope with demand

Assets

7.1 This year the Recession Survey asked a question regarding assets and whether VCS organisations and services felt that cost and ownership of accommodation/buildings were being affected. 59.4% of respondents felt that the recession hadn't affected assets however additional comments raised the following key themes:

- More need to find cheap/free meeting rooms
- Move to cheaper premises
- Unused extra space which could be rented out – some organisations already share accommodation

3. Summary

8.1 The results displayed below in Table 5 show participants responses to a summary question regarding the overall impact that the recession has had in 2013.

Table 5. To summarise, what overall impact has the current financial climate had on your organisation?		
Answer Options	**Response Percent**	**Response Count**
Significant positive impact	0.0%	0
Slight positive impact	9.4%	3
No impact	6.3%	2
Slight negative impact	50.0%	16
Significant negative impact	34.4%	11

50% of participants stated that the recession has had a slight negative on their organisations.

8.2 A comparison of results regarding overall impact of the recession from previous surveys can be found in Table 6 (below). It is clear from the table that there has been a consistency in results from 2011 to 2013; slight negative impact has been the highest percentage with just a slight dip in 2012.

Table 6. Comparison of results from question "What overall impact has the current financial climate had on your organisation?"

	2011	2012	2013
Significant positive impact	3.6%	0%	0.0%
Slight positive impact	7.1%	13%	9.4%
No impact	3.6%	20%	6.3%
Slight negative impact	53.6%	48%	50.0%
Significant negative impact	32.1%	19%	34.4%

8.3 In addition to the question above, participants were asked to state whether they thought that their organisation was at risk of failure; only 20 respondents answered this question and 40% answered yes.

<u>Actions being taken to minimize the effect of or survive the recession</u>

9.1 Respondents to the survey were asked to state what actions they were taking in response to the effects of recession. Here are just a handful of the comments:

"Consolidating our core activities while encouraging more volunteer members to share the work load"

**"Trying to find out as much as possible
Tightening our belts
Considering a merger
Not replacing staff that leave
Reducing travel costs"**

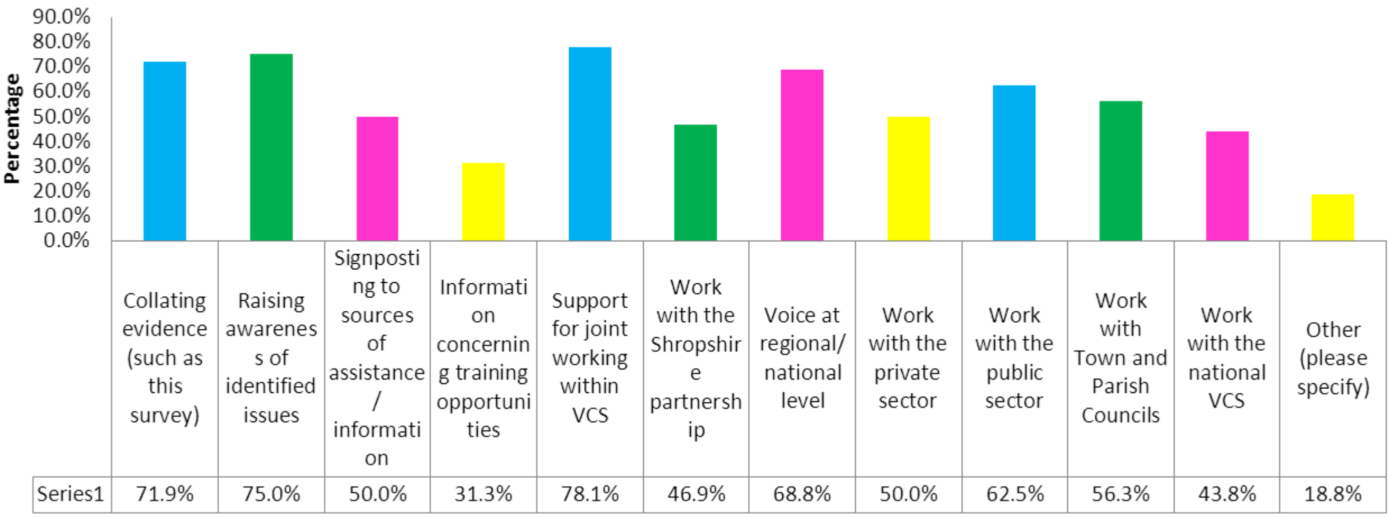
"We will endeavour to keep providing services to our clients as long as we can"

"Considering service improvements / redesign in order to be both more efficient and effective"

Where can the VCSA Board help?

10.1 In the final question of the survey, respondents were asked to highlight the areas of work which they would like the VCS Assembly Board to lead on in order to strengthen the voluntary and community sector response to the recession in Shropshire. Results are displayed in Figure 8 (below) which also suggests a range of measures which would be helpful. The highest percentage, with 78%, was for the VCSA to support joint working across the sector along with raising awareness of identified issues and collating evidence both received a large proportion of the responses.

Fig 8. What areas of work would you like the VCS Assembly Board to lead on that may help strengthen the sector's response to the recession in Shropshire?(Please tick all that apply)



10.2 In the responses to the 2011 and 2012 survey, the respondents prioritised the need for the Assembly to raise awareness of identified issues and collate evidence. The Assembly has, since 2011, continued to try and raise awareness of these identified issues and is continually working at both a national, regional and local level to raise awareness of the sectors issues and to speak with key agencies about how other areas are dealing with the recession.

10.3 As part of the VCS Assembly's awareness raising measures a copy of this report is to be sent to Shropshire Council scrutiny who will discuss the positives and negatives to be drawn from the report.

Conclusion

11.1 Unlike previous surveys these responses received for 2011/12 suggests that a growing number of Shropshire's Voluntary and Community Sector groups and organisations are now starting to experience a slight impact due to the recession.

11.2 More organisations than before have completed this survey; however it is still only a small proportion of the entire voluntary sector Assembly's membership and so must be taken within context.

11.3 Respondents claims of increased expenditure and less income were to be expected, and it is unsurprising to see that the effects of the recession are now only taking place several years after the initial recession.

11.4 The positive in this survey report is that the VCS Sector here in Shropshire has plans in place to minimise the impact the recession has on them. With greater partnership working and greater links to private business the sector is beginning to be well placed to cope with the economic downturn.

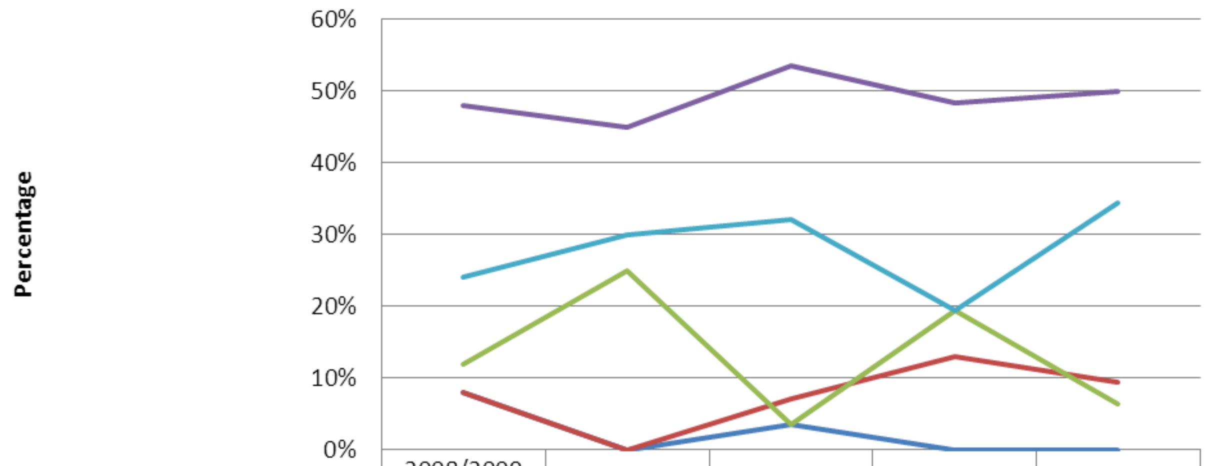
11.5 Whilst expenditure is increasing and income is decreasing it is also worth noting that these organisations are actually seeing a rise in the number of people that use their services. In the long term, this could become unsustainable if income does not start to rise again.

11.6 The next stage of work is to consider the results included in this report and to agree appropriate actions with the VCS Assembly Board and Shropshire councils Scrutiny committee.

Overall Impact

10.1 Figure 9 below shows the overall impact of the recession stretching back from 2008-12. All surveys, including the 2013 survey have been incorporated in to the chart to show the overall impact the recession has had on Shropshire voluntary and community organisations.

Fig. 9 Overall Impact of the Recession 2008-2013



	2008/2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)
Significant positive impact	8%	0%	3.60%	0.00%	0.00%
Slight positive impact	8%	0%	7.10%	12.90%	9.40%
Neutral/no impact	12%	25%	3.60%	19.40%	6.30%
Slight negative impact	48%	45%	53.60%	48.40%	50.00%
Significant negative impact	24%	30%	32.10%	19.40%	34.40%