



VCSA State of the Sector Survey Feedback Report August 2023

1. Background and Methodology

Shropshire's Voluntary and Community Sector Assembly (VCSA) conducted its annual State of the Sector Survey for 2023, and this report provides an analysis of those survey results. The aim of the 2023 survey was to evaluate the current needs of VCSE organisations, as well as to evidence the value of the sector to the county.

In early 2022, the VCSA conducted its first State of the Sector survey since 2017. The 2023 State of the Sector Survey therefore allows for year-on-year- comparisons that were not available in last year's report.

The 2023 VCSA State of the Sector Survey was conducted in the context of an ongoing Cost of Living crisis in the UK, which has led to higher costs and increases in service demands¹. Despite these contextual constraints, 32 organisations responded to the survey questionnaire, and the VCSA especially thanks them for their valuable time in helping to complete this study.

The survey was open to all voluntary groups, charities, and social enterprise organisations between 15 March and 30 June, 2023. The survey was promoted through the VCSA weekly newsletter, social media accounts, partner networks, including the Shropshire Infrastructure Partnership Community Development Team, Shropshire food banks and Community Connectors meetings.

Analysis of quantitative results was conducted using Microsoft Excel. Non-responses were eliminated from the analysis or coded as "Not applicable/don't know" where appropriate. Open-ended question responses were thematically grouped for the purposes of organised presentation and this grouping is explained contextually below. Sometimes one comment is used to illustrate a larger thematic grouping.

In addition to the survey results, this report uses responses from VCSA members to a new digital membership system, which collects information on the sector that was once previously collected in the State of the Sector survey. The overall number of organisations that have signed up using this

¹ Jamal et al. "Breaching the Dam: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University's National VCSE Data and Insights Observatory." December 2022.

<https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=a7a2f20d-2ec0-4d6e-8d58-db005c6651fa>

new membership system was 65 as of 30th June 2023, which allows for comparisons on these questions between 2022 and 2023.

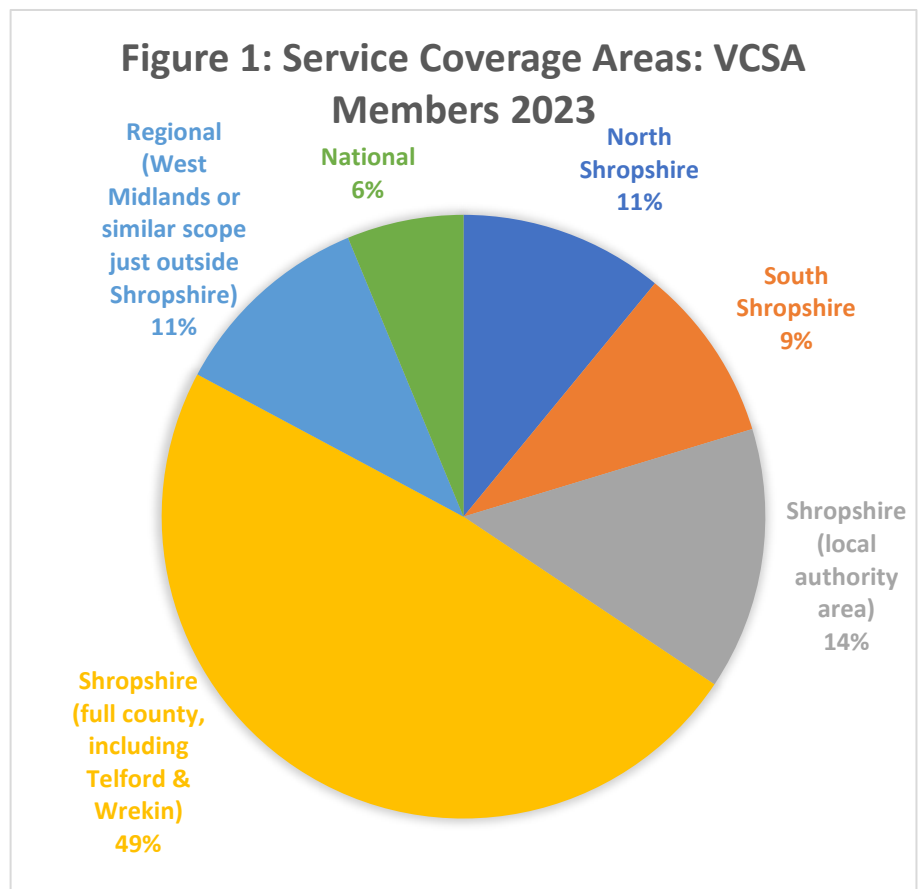
2. Picture of VCSE Organisations in Shropshire

Overall, 32 organisations responded to the 2023 State of the Sector Survey and 65 organisations are signed up to the digital membership platform. Both datasets are used here to make comparisons with 2022 data and to provide a snapshot of the VCSE organisations operating in Shropshire.

Geographic Coverage:

Almost half of VCSEA member organisations report working across the geographic county of Shropshire (Shropshire, Telford & Wrekin). This means that many organisations operating in Shropshire have a good geographical coverage and robust understanding of the needs of a range of different communities within the area.

However, another large percentage (34%) of member organisations also work very locally, in either the local authority area of Shropshire or just North or South Shropshire. These very local organisations are crucial to meeting very specific local needs, and are a key demographic that the VCSEA has sought to bring into its fold with the latest membership drive in order to enhance local voices and community representation.



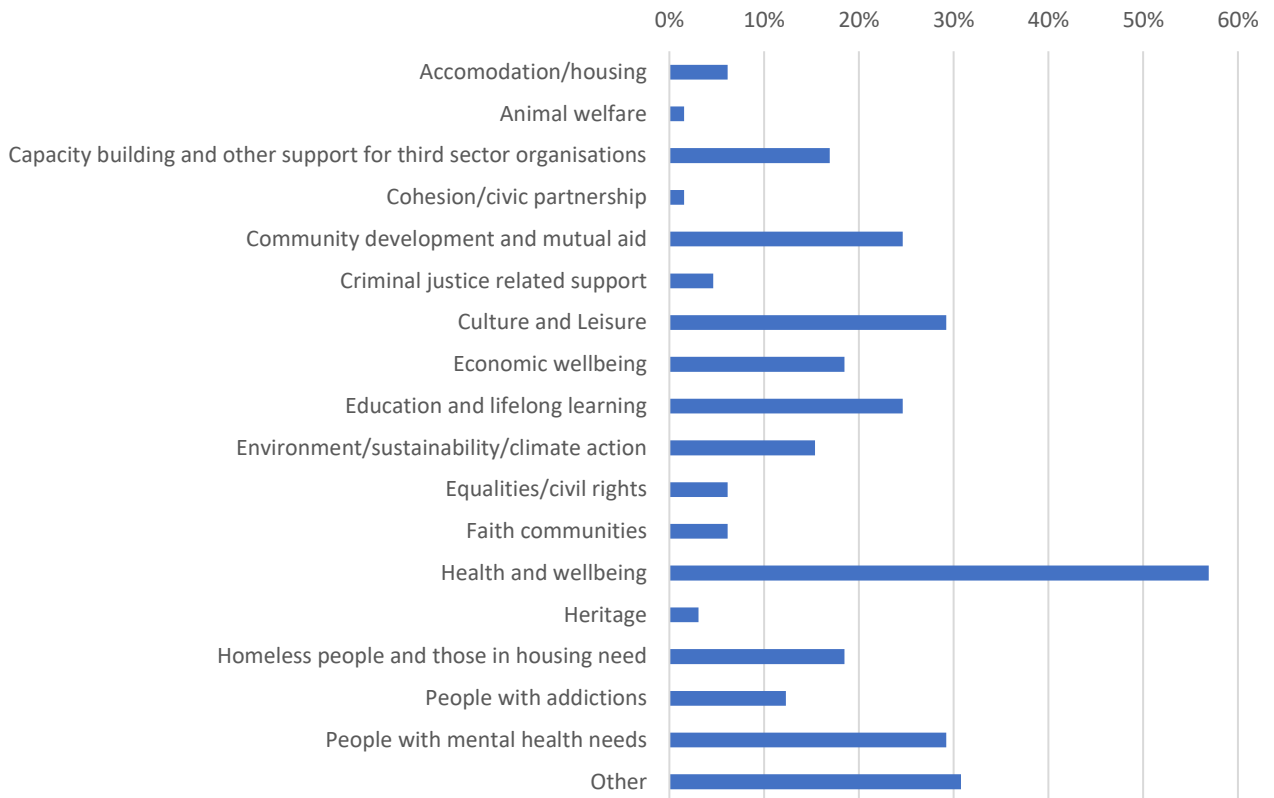
Services Provided

Mental and physical wellbeing are top areas of service coverage by VCSEA members, with 57% of member organisations providing health and wellbeing support and 29% offering support for people with mental health needs. The higher coverage for health and wellbeing services makes sense given Shropshire’s older demographic (25% of the population is over 65²).

Culture and leisure, as well as community development and mutual aid were also among service areas with greater coverage (29% and 25% respectively).

² According to latest census data: <https://www.shropshire.gov.uk/information-intelligence-and-insight/facts-and-figures/census-2021/shropshires-profile/>

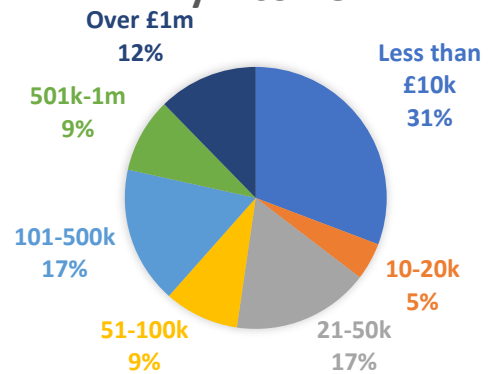
Figure 2: Services Provided By VCSA Members 2023



Organisation Size and Years in Operation

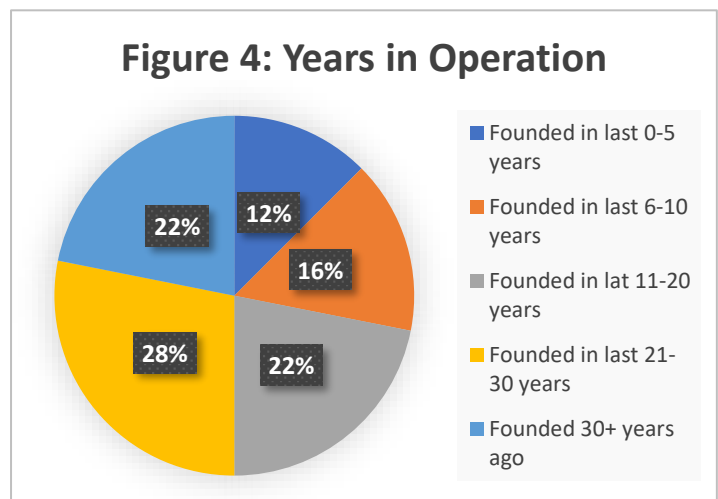
The spread of organisation size is similar to the findings from 2022 and in line with national trends³, with **62% of VCSA member organisations falling into the NCVO classification of a “micro” or “small” organisation**, making less than £100,000 of annual income (see **Figure 3**). Only 12% of VCSA members make over £1m in income per year. That Shropshire’s VCSE sector relies so heavily on small and micro organisations is particularly impressive when weighed alongside the social and economic impacts measures of the sector below.

Figure 3: VCSA Member Size By Income



³ [“Respond, Recover Reset: Two Years On.”](#) March 2022. Nottingham Trent University, Sheffield Hallam University and NCVO.

Data on how long VCSE organisations in Shropshire have been in operation are pulled from the 2023 State of the Sector Survey and show that about half of the respondents have been in service for less than 20 years and about half have been in service for more than 20 years (see Figure 4). This perhaps says something about the resilience of the organisations working in Shropshire that have been able to sustain their organisations and services for so many years in the face of multiple economic and social challenges.



3. Value of the Sector

Income and Expenditure

According to GrantNav⁴ Shropshire-based VCSE organisations brought in £17,128,543 in external grant funding in 2022, while VCSE organisations located in Telford & Wrekin brought in £9,535,829, working out to approximately **£27m in external grant funding from the sector last year**. This funding is all from sources external to Shropshire and includes national grant makers such as The National Lottery and Sport England, charitable trusts such as The Woodward Charitable Trust, and government departments such as the Department for Digital, Culture, Media & Sport (DCMS).

£27m
Total external grant income awarded to Shropshire, Telford & Wrekin VCSE organisations in 2022

Charity Commission data⁵ provides total income estimates for registered charitable organisations in 2022. In Shropshire, Telford & Wrekin, **total income for these organisations was £654,722, 970**. This income includes grants and contracts internal to Shropshire as well as income from donations, services and other sources both internal and external to the county. At the same time, VCSE organisations are also spending millions in the county. The Charity Commission data demonstrates that charities in Shropshire, Telford & Wrekin **spent £608,887,157 in 2022**, and much of that will have been spent locally, though no aggregate data is available on the exact amount.

Volunteers

VCSA members reported having a total of 5,208 volunteers, who contributed 130,746 volunteering hours per week. One member accounted for an extremely large number of these volunteering hours (124k+), however, so with this outlier adjusted,⁶ volunteers with VCSA member organisations contributed an average of 144 hours per week, per organisation. When extrapolated to the

£222m
Estimated annual Social Value of Volunteering in Shropshire, Telford & Wrekin in 2022

⁴ This is a tool from 360 Giving which compiles funding data from 259 grant makers across the UK and beyond and which can be separated by the location of the grant recipient organisation. <https://grantnav.threesixtygiving.org/>

⁵ This was compiled for Shropshire, Telford & Wrekin using the Charity Commission Register: <https://www.gov.uk/find-charity-information>

⁶ Using a simple statistical adjustment called Winsorizing, this outlier was adjusted to the next highest value and included in the average.

estimated 1,838⁷ registered charities and CICs in Shropshire, Telford & Wrekin, this means that volunteers in the county provide an estimated **14 million hours** of donated work per year. When considering that these volunteers donated the equivalent of an hourly wage, this equates to an estimated **£222 million** in social value.⁸

Employees

VCSA members employed 2,809 members of staff, who worked a total of 63,789 hours per week. One member accounted for an extremely large number of these staff hours (26k), however, so with this outlier adjusted there were approximately 1,487 FTE or an average of 23 full-time staff per organisation.⁹ When extrapolated to the 1,836 total number of registered charities and CICs in Shropshire, Telford & Wrekin, this equates to around 42,228 full-time employees, or **around £1.3 billion in social value as employers** in the county.¹⁰ Given the total employment levels of 123,500 employee jobs in Shropshire¹¹ and 78,300 in Telford¹² this approximates to **around one fifth of all employees across Shropshire, Telford and Wrekin.**

Who Benefits?

These numbers certainly overlap in capturing service beneficiaries of multiple organisations, as it is not possible to identify individual service users of each organisation with the data available. It should also be noted that beneficiaries of some VCSA member organisations cannot be tallied in this way, as they do not have “service users” or beneficiaries as such, since their work involves campaigning or other work where collecting such numbers is impossible or impractical.

That being said, VCSA member organisations reported **assisting an average of 2,284 people per organisation per year** across Shropshire, Telford & Wrekin, meaning that even if multiple organisations are helping one individual, it is still likely that the majority of residents in the county received some sort of support from a VCSE organisation over the course of the year.¹³

4. Working with Partners

Experiences working with partners was measured slightly differently in the 2023 State of the Sector Survey than it was in 2022. Where last year, health partners and local authorities were lumped together under “public sector”, this year organisations were asked specifically about their experiences working with “local authority” and “health partners” (see **Figure 5**).

⁷ This number is compiled from the Charity Commission data on registered charities in Shropshire, Telford & Wrekin (referenced in footnoted 5) as well as the Companies House data on registered CICs: <https://find-and-update.company-information.service.gov.uk/>

⁸ This is calculated using the Financial Value to Society per Unit for number of hours donated to VCSE organisations – set at £16.07 – from the Shropshire Social Value Framework, which is set to the National TOMs Framework. <https://www.shropshire.gov.uk/social-value/measuring-social-value/>

⁹ Assuming a 37 hour per week full time equivalent.

¹⁰ This is calculated using the Financial Value to Society per Unit for number of FTE employees – set at £30,353 – from the Shropshire Social Value Framework, which is set to the National TOMs Framework. <https://www.shropshire.gov.uk/social-value/measuring-social-value/>

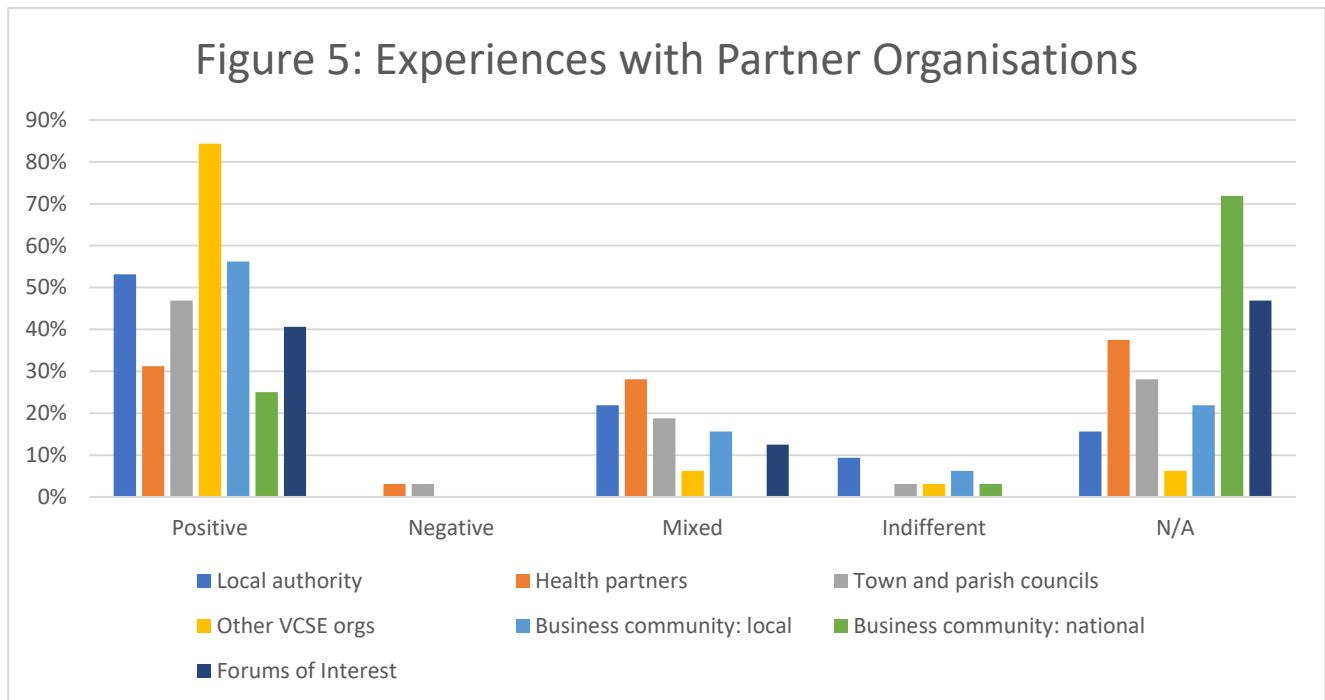
¹¹ According to ONS data compiled by Shropshire Council: <https://www.shropshire.gov.uk/media/23702/shropshire-economic-evidence-base.pdf>

¹² According to ONS data compiled by Nomis <https://www.nomisweb.co.uk/reports/lmp/la/1946157172/printable.aspx>

¹³ If the average number of beneficiaries is extrapolated out to all organisations across Shropshire, Telford & Wrekin, that would still mean that every resident of the county could have been supported approximately 13 times over.

Some negative experiences were reported working with health partners, the local authority and town and parish councils in the last 12 months. However, most reported positive experiences with the local authority and with other VCSE organisations. **The local authority and health partners received the most “mixed” responses of all partner experiences (22% and 28% respectively).**

By comparison, in 2022, when organisations were asked about their experiences with “public sector” partners, 24% had reported “mixed” experiences, and 11% reported “negative” experiences. So, while the percentage of mixed experiences across these partners may have risen or stayed approximately the same, it appears that negative experiences with these partners has decreased between 2022 and 2023.



Local Authority

A majority (53%) of survey respondents reported positive experiences working with the local authority, with comments including:

- “We have a range of partnerships across the local authority which has led to several collaborative projects across health, well-being and physical activity. This includes positive relationships with key partners including the Chief Executive and the Director for Public Health.”
- “Receptive to ideas and has provided financial and practical support.”
- “Shropshire Council has signed up to [our campaign] and is making some really positive progress.”

Several VCSE organisations (22%) also reported “mixed” experiences working with the local authority, with comments including:

- “I have struggled to keep up with staff changes in the Council.”
- “We are currently waiting on a tender bid being released for the future of our support work. This process has not always been the easiest to navigate but the commissioners listen to feedback and take on board the issues raised by the agencies involved in the bid. We deal with [a particular service area] for our clients and service users and at times this relationship

can be difficult but mainly due to overwhelming demand on statutory services and the voluntary sector.”

- “A number of times promises have been broken.”
- “Few contacts for community partnership working, however those we have are positive and helpful. Little money available for contractual work it seems, which is a wasted opportunity when what we do helps save health and social care workload through prevention of ill health and crisis.”

One organisation changed their survey response from positive to negative for the local authority.

- “Was positive but now negative - Shropshire Council need to 'respect' the charities that choose to work with them. There may be funding from them, but it is no way near [full amount needed] to deliver a service. Good service received from a charity seems to not count for very much and extremely one way street!”

Health Partners

VCSE organisations report particularly **varying experiences working with health partners**, with 31% reporting a positive experience, 3% a negative experience, and 28% a “mixed” experience, and 38% not having worked with them at all.

Positive comments on experiences working with health partners included:

- “We have been working with the NHS on a Social Prescribing course for young people across Shropshire, positive experience although fractured communication.”
- “Supportive and contributing contacts, ideas and leads.”
- “We have a very positive relationship with SaTH Community Engagement team.”

While slightly fewer organisations reported “mixed” experiences than “positive” experiences working with health partners, these experiences elicited more comments, including:

- “Relationships across our Health Partners are mixed. We have found it very difficult to navigate the various systems, boards and departments that exist and when successful, actions and timescales seem to drag. This would be area we would be keen to improve and develop.”
- “Good working relationships being built, but delays to contracts and payments.”
- “They just don't understand what the voluntary sector is and its benefits as a sector or as a service provider.”
- “We are in touch with ICS (no clear pathway at the moment for us to work together), MPFT (have identified a potential clear pathway and we have good contacts), SaTH (mixed), CHT (occasional), RJAH (good potential with some contacts and emerging plans).”
- “We met with various people in the communications team: from director to engagement officers. All seem capable and friendly people. However, there is a lack of ambition from NHS "the system" to work with us contractually. Investing in VCSE organisations will save them money - and they know it - so let's make it happen already!”

Only one organisation reported a negative experience working with health partners, commenting:

- “Length of ambulance wait times, Length of A&E wait times, Maternity Unit no longer available at Shrewsbury Hospital.”

Other VCSE Organisations

As in 2022¹⁴, working with other VCSE organisations yielded the most positive experiences among survey respondents, with **87% reporting positive experiences**. Several organisations that were positive to work with were listed by name by survey respondents. Other positive comments included:

- “Much of our core work and trading income comes from this sector. Partnerships are, on the whole, fruitful, service-enhancing and mutually beneficial, which is fantastic.”
- “On the whole overwhelmingly positive responses [to our campaign] from those we have been working with. It is clear that organisations are all really stretched though - we are pleased that, in the main, inclusion is not falling to the bottom of the pile.”
- “We collaborate with other sustainability groups and others supporting sustainability.”
- “This sector is the heartbeat for our work and throughout our existence we have worked alongside many community and voluntary groups to promote the benefits of sport and physical activity. Our mission ... is only possible through effective collaboration with these groups.”

Town and Parish Councils

Most organisations that reported working with town and parish councils noted positive experiences (47%) and 19% reported mixed experiences. 28% of VCSE organisations surveyed had no experience working with Town and Parish councils.

Once again, survey respondents named individual town and parish councils with whom they had enjoyed positive experiences. Other positive comments included:

- “Very supportive. Gifted a huge redundant greenhouse. Mayors have visited and communicated via social media.”
- “A number of town councils turn to us to help out with their youth provision and they are willing to put money forward for young people too.”

One organisation said they had had a negative experience working with town and parish councils, but did not elaborate on this with further comment.

Business Community

The majority of survey respondents (72%) had no dealings with the national business community and no substantive comments were left concerning VCSE organisations in Shropshire working with the national business community.

Overall, **most organisations had a positive experience working with local businesses (56%)**, and their comments reflected either good working relationships or a desire to improve on these relationships:

- “One-off small donations.”
- “Limited, but we have a positive relationship with the local Chamber of Commerce and historically have promoted the benefits of physical activity to a number of local businesses.”
- “[A local business] gave a day of volunteering at our shelter, mending fences, gardening etc. Very helpful.”
- “Excellent support with materials, volunteers and expertise provided by local firms.”

¹⁴ See 2022 VCSA State of the Sector Survey Report: <https://www.vcsvoice.org/media/apgc4a0i/2022-vcsa-state-of-the-sector-report.pdf>

- “We have had donations from local business for Christmas hampers each year for vulnerable clients and tenants.”
- “Donations from local businesses for Xmas event.”
- “Sponsorship of fundraising events excellent amongst local businesses.”
- “It has not led to direct working together yet, but positive relationships are gradually being formed.”

A few organisations (16%) reported “mixed” experiences with local businesses. Comments included:

- “We have received funding from local businesses in the past.”
- “We need to do more work.”

Another organisation marked their experience with local businesses as “indifferent” saying:

- “We have some distant connections (e.g. with solicitors) - but not a priority for us at the moment.”

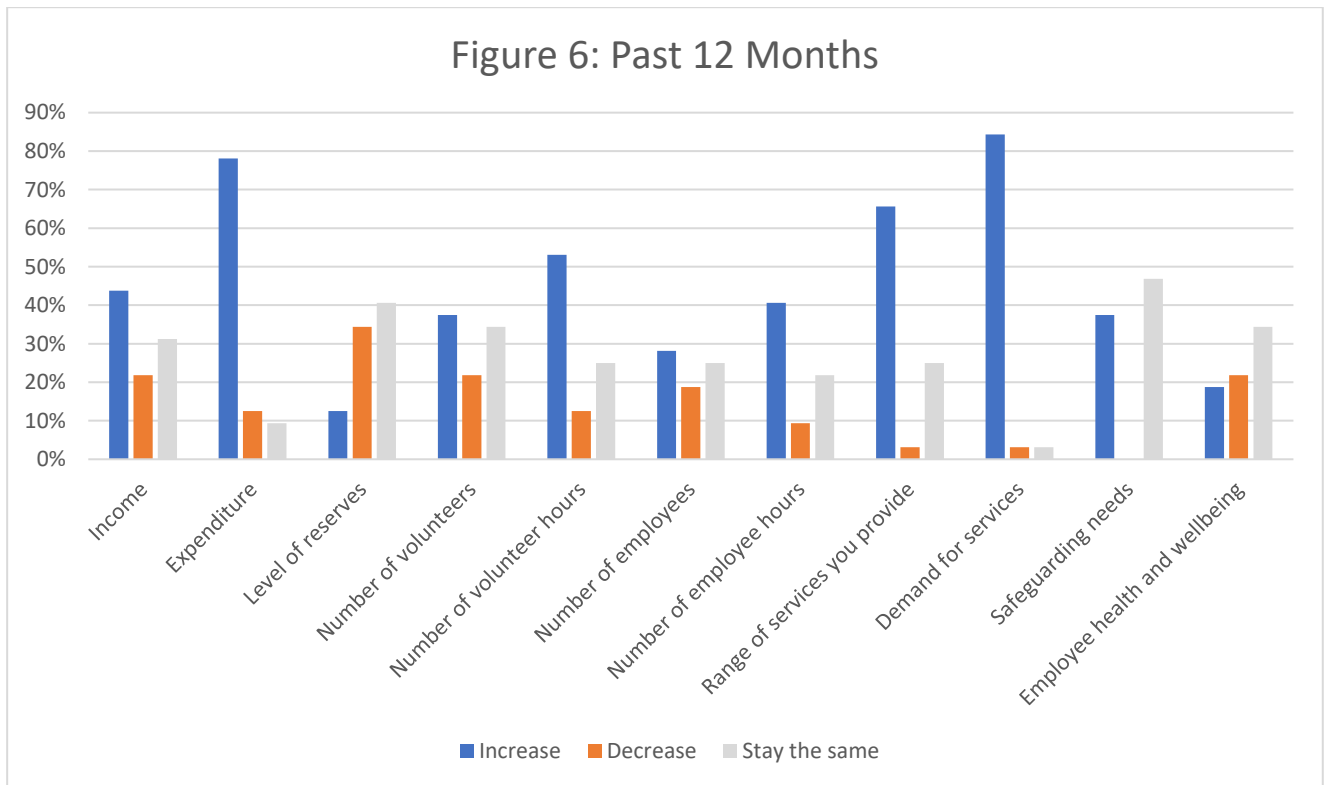
VCSA Forums of Interest

47% of survey respondents reported that they had not worked with VCSA Forums of Interest. **Most of the VCSE organisations who reported working with VCSA Forums of Interest rated their experiences as positive** (41% of respondents overall), though some respondents had mixed experiences as well (13%), with comments such as:

- “The Youth Summit is struggling to find direction and attract participants to make its work of any real value.”
- “The 0-25 summit doesn't seem to be going anywhere much. The relationship with SIP is positive.”
- “Mental Health Forum - fantastic, good energy and will to work together.”
- “Health and Care Forum - lacks energy and focus in my opinion”
- “Social Enterprise Forum - needs new members, terms of reference and to find its own voice and place in STW”
- “SIP - fantastic team, have been very helpful to us in terms of securing grant funding, improving governance and providing training for volunteers.”

5. The Past 12 Months

Survey respondents were asked questions about their experiences over the past 12 months. These questions included asking organisations to talk about their achievements, as well as indicating what had changed or stayed the same in several areas, such as income, expenditure, staff, volunteers, and other needs. Respondents were also asked about organisations’ use of reserves and reasons for doing so. **See Figure 6.** Key trends are discussed in further depth below, and relevant comments are highlighted that expand these results further.



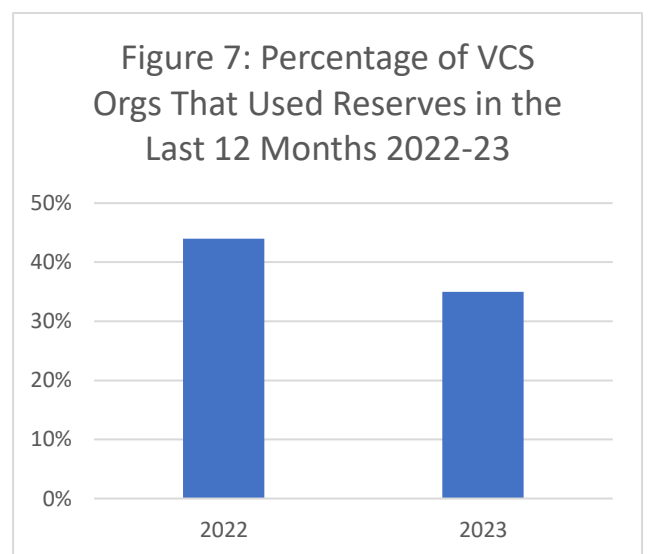
Income and expenditure

In the past 12 months, 44% of survey respondents saw their income increase, while 22% saw their income decrease during the same period. This is an improvement on last year's survey, where only 33% of respondents had an increase in their income, and 28% had seen a decrease.¹⁵ However, this picture is still one of **uneven gains and losses across the sector in the county**.

Expenditure, however, increased more evenly among survey respondents, with **78% of organisations reporting an increase in expenditure** in the last 12 months, whereas only 65% of organisations reported an increased expenditure in the 2022 survey.

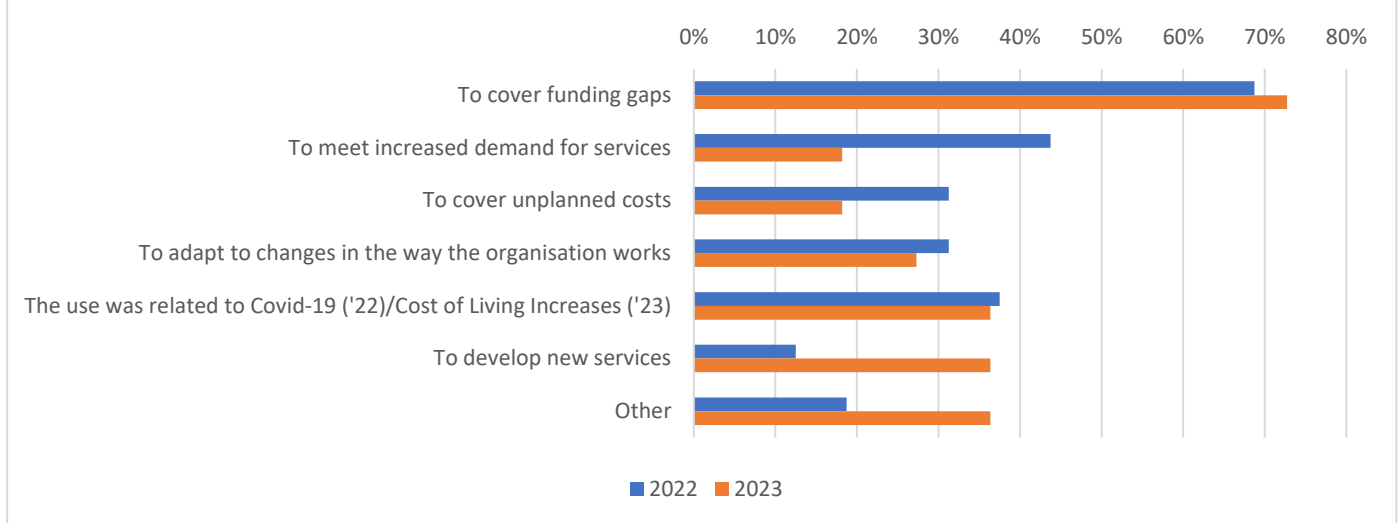
Use of Reserves

Use of reserves may be the best explanation for the discrepancy between income and expenditure in the last 12 months, as 34% of organisations saw their reserves decrease during this time. However, a comparison with the 2022 VCSA State of the Sector survey shows that a smaller percentage of survey respondents in 2023 had used reserves in the last 12 months than survey respondents in 2022 (**see Figure 7**). While this may seem a positive change over the course of the two years, **Figure 8** parses the reasons for reserve use over the two years, and indicates that **there is an increase in the percentage of organisations using their reserves to cover funding gaps** in 2023 (73%) over 2022 (69%).



¹⁵ Ibid.

Figure 8: Reasons Given for Using Reserves 2022-23



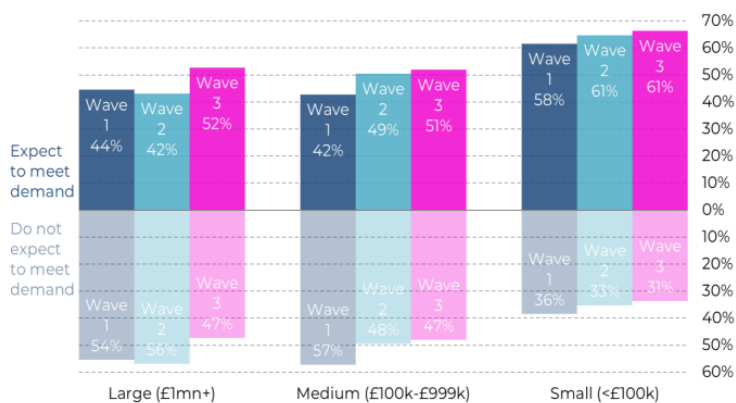
Services

A large majority of the organisations surveyed (84%) saw demand for their services increase in the last 12 months. This increase is in addition to an increase in both proportion and range of services provided in last year’s survey, meaning that there is a definite upward trend in terms of the provision of services by the sector over the past two years. This came through in the comments (below) as well, as organisations are seeking to meet increasing demands while simultaneously tackling increasing costs and not necessarily seeing increasing income.

The latest research from the Pro Bono Economics and Nottingham Trent University VCSE Sector Barometer survey in June 2023¹⁶ indicates that nationally organisations are starting to cope somewhat better in recent months than earlier this year with service demands, but as **Image 1** below demonstrates, significant increases in service demands are still causing large percentages of organisations nationally to not expect to be able to meet demand.

Image 1: PBE Barometer June 2023 - National VCSE Service Demands

Proportion of respondents who expect/do not expect to be able to meet demand over next three months, by organisation size (income)



¹⁶ Kenley, Anoushka and Jack Larkham. “Shifting Out of Reverse: An analysis of the VCSE Sector Barometer, in Partnership with NTU VCSE Observatory.” June 2023:

<https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=e02585be-c7d7-48c4-9d10-83f1902cf8cc>

Comments:

Several of the organisations surveyed took the opportunity to comment on the trends they experienced over the course of the last 12 months. Many organisations wrote about challenges around recruiting and retaining staff and volunteers, the mental health of staff and volunteers, increasing their services, and, most frequently, about funding and cost uncertainties.

- “Losing volunteers, due to their own infirmity. Difficulty recruiting. Telephone charges up from £60pa to £70 pcm. Running out of options for ongoing fund raising.”
- “Large reduction in funding.”
- “Our business is struggling to survive, we have no reserves and over the past three years we have been supported through Working Tax and during Covid UC support for our income. Changes in UC mean that we will no longer get the financial assistance to help us continue to run our business.... This effectively means that the government are stopping supporting businesses like ours who cannot take enough income due to the impact of the pandemic and the cost of living crisis.”
- “Due to COVID and the digitalisation of the office and our procedures, we have lost our volunteer[s]. We now work in a hybrid way between the office and home and this has meant we are unable to facilitate or use volunteers at this time. Most of our work remained the same until the end of March 2023, but with increased expenses due to the cost of living, wage rises and static funding amounts with no uplift. However, from April 2023 we have secured some more funding for the ... work we do, but again with no uplift...”
- “Work has become more complex, had to fill roles usually done by volunteers with paid staff, more concern about burnout due to demand and complexity.”
- “Resilience of some staff has been lower due to external pressures and the cost of living crisis.”
- “Staff at capacity - we need to grow to meet the demand, but we need funding to do it. Source of income is uncertain right now.”

Some organisations were also highly positive about the opportunities that the last 12 months had brought to their organisations, specifically around growth:

- “As we continue to grow we have added a Project Administrator to our team support both deliver staff and the senior leadership team.”
- “We are offering a slightly different service now we have a building so this has increased activity.”
- “We seem to be a successful organisation with passionate volunteers who have more exciting projects to unfold in 2023 and 2024.”

Sector Achievements

Finally, organisations were asked to highlight their greatest achievement in the past year. Several organisations mentioned funding awards or the start or completion of projects. Many, however, also simply noted the significance of continuing their work and impacting local people in positive ways as their biggest achievements. The comments below have been redacted where necessary to maintain organisations’ anonymity.

- “Continued attendance at [our] meetings by many participants and their supporters with excellent feedback from all.”

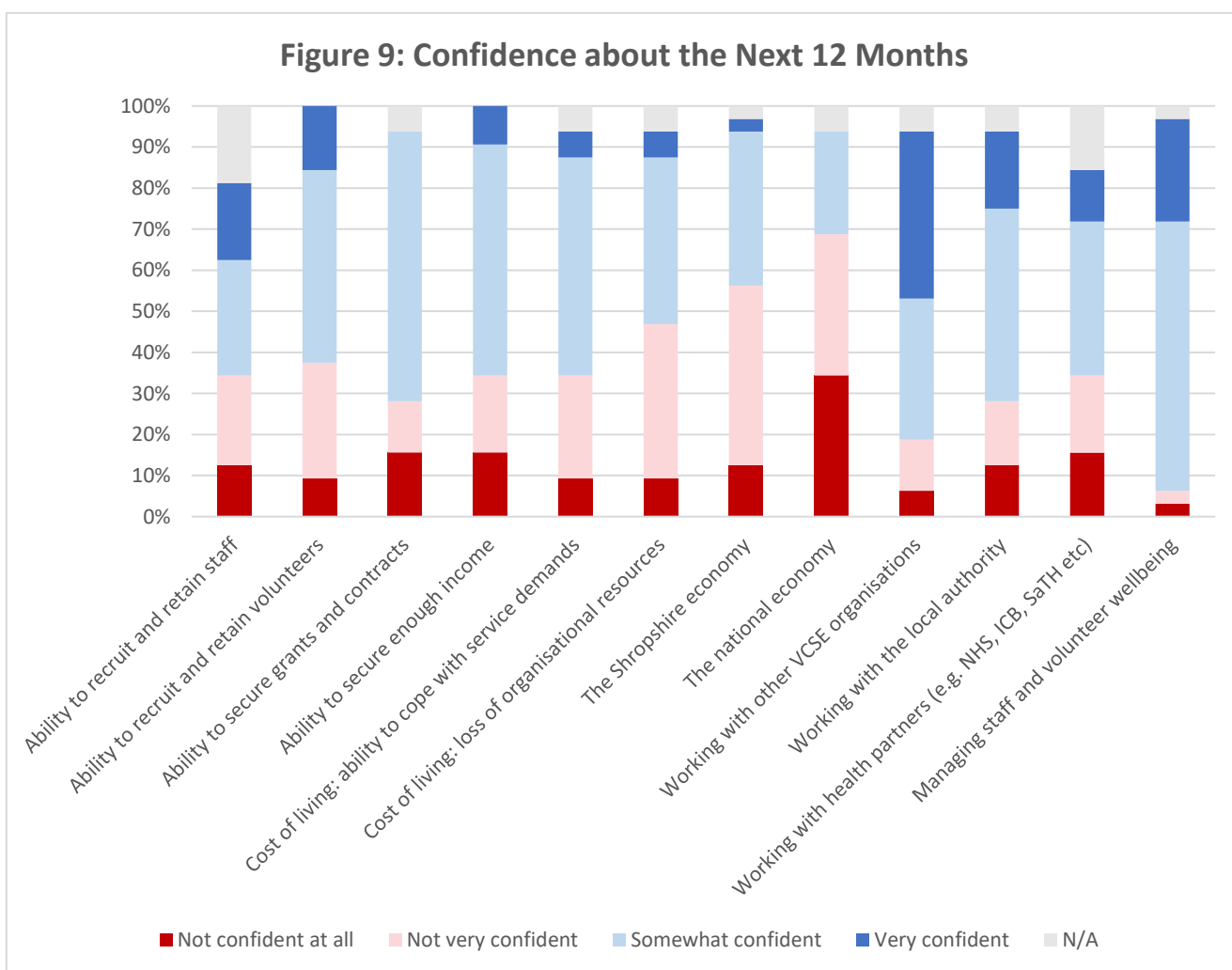
- “Fund raising JUST enough to prevent cessation of the service for one more year.”
- “Keeping [one of our primary services] open
- Delivery of our Strategy, Business Plan, Board Review and more recently the appointment of a new CEO. Across the sector our continued infrastructure support ... and our collaboration....”
- “Opening our new building and developing closer partnerships with other organisations. Delivering high quality interventions for the town.”
- “Expanding upon [one of our programmes] for all ages. Expanding our reach through viral TikTok video. Invitations to give talks at local groups, organisations.”
- “Maintaining full occupancy of our two buildings.... Running a successful ... project for the over 65's plus drop-in sessions helping more Shropshire residents.”
- “Successful completion of [a major project]. Developing good links with the ICB leading to a commitment of recurrent health funding.”
- “Starting a weekly children’s ... group for 5 to 8 year olds, plus a weekly Muslim ... group for 5 to 12yrs.”
- “Continued to operate and increase jobs completed.”
- “Surviving.”
- “Supporting / hosting [various climate action projects].”
- “Successful Completion of [two major projects] exceeding all targets. Commencement of new NHS Contracts. Continuing success of [another major] project.”
- “We funded a new [building] ... nearly a year ago.”
- “Expanding the operation organically.”
- “Despite not being officially open as yet we have 60 volunteers. A fabulous supportive and kind group who are benefiting enormously from the [work] and are very happy to say so!”
- “Supporting vulnerable people and helping those in housing need to access suitable accommodation where we have been able to. Our service has gone above and beyond to plug gaps in provision locally and we have been successful in being awarded a grant from The National Lottery to continue our important housing work.”
- “Our response to the Cost of Living Crisis, service to clients and partnership working.”
- “Upgrade to holiday accommodation for better access by wheelchair users.”
- “We have built strength within our reserves, increased our impact and worked to influence others nationally using our learning at a local level.”
- “Implementing signage at [local] events.”
- “We have helped secure funding for the youth provision [locally].”
- “Our 2023 Outreach Programme..., [training], and people signing up to our [campaign] - absolutely amazing. Changing lives.”
- “Fund raising.”
- “Reopening our [service] to the public with a greatly increased [capacity].”
- “Collaborative partnership working and providing much needed infrastructure support to community groups and organisations as well as offering support to the statutory/public and VCS sector.”
- “The amount of people we have supported and the outcomes we have achieved as a collective partnership.”
- “Sustainability and resilience of organisation and workforce.”

We are most proud of...
“Increasing our volunteer base and dealing with a doubling of users of our services.”

- “Having a significant impact in prevention of suicide, mental health crises and reducing loneliness through a well-connected community. Doing the evaluative work to demonstrate our impact and outcomes. Providing work experience and volunteering opportunities for people who would otherwise struggle in a typical workplace. Being community-led and accountable to our community. Putting things in place for growth and continual improvement of what we deliver like more effective governance structures, adding strength and depth to the team. Spreading more joy, giving people a place they feel they belong and can be inspired. Being sustainable, because we enjoy what we do, and we are doing what's needed in an enjoyable way.”

6. The Year Ahead

Figure 9: Confidence about the Next 12 Months



Organisations were asked to indicate their confidence levels concerning several issues that will, or may, impact them in the year ahead. These included issues such as handling the Cost of Living crisis, as well as feelings around staff and volunteer retention, finances and more. **Figure 9** summarises these results. Blue shades indicate more positive levels of confidence, while red shades indicate more concern or lack of confidence among organisations surveyed.

The most positive confidence levels were around organisations’ ability to manage staff and volunteer health and wellbeing (91% felt “very confident” or “somewhat confident”). The most negative levels of confidence pertained to organisations’ confidence in the national economy in the year ahead (68% were “not very confident” or “not confident at all”), as well as confidence about the local economy and (57% with negative confidence) and 47% of organisations surveyed said that they were “not very confident” or “not confident at all” in their ability to cope with the loss of organisational resources due to the Cost of Living crisis.

Some areas of interest stood out in comparison with confidence levels in the 2022 State of the Sector Survey results, and those are detailed more below.

Recruitment and Retention

As evidenced in the VCSA Impacts of the Cost of Living Crisis Report, **the ability to recruit and retain staff and volunteers is becoming an increasing area of concern** for VCSE organisations across Shropshire, Telford & Wrekin as well as across the UK.¹⁷

According to the latest report from the VCSE Sector Barometer Survey research from Pro Bono Economics and Nottingham Trent University, 63% of small charities cite volunteer recruitment as a major organisational concern, and 40% of all charities in their study say that a lack of volunteers over the past year has stopped them meeting their main objectives.¹⁸

The 2023 State of the Sector Survey also shed light on this trend, demonstrating an increase in organisations who are “not very confident” or “not confident at all” in their ability to recruit and retain staff in the year ahead. In 2022, only 15% of respondents expressed being “not very confident” in their ability to retain volunteers, whereas in the 2023 survey 28% of respondents said they were “not very confident” in their ability to recruit and retain volunteers, and a further 9% said they were “not confident at all”.

Income and the Economy

Confidence in the outlook for the local and national economy seems to be improving slightly in 2023 over 2022 (see Figure 11). However, the ability to secure enough income from grants and contracts seems to divide opinion somewhat more this year over last year (see Figure 12). More organisations in 2023 reported being “not confident at all” about their ability to secure grants and contracts (16%) and enough income (16%) in 2023 than did so in 2022. Overall, though, the percentage of organisations reporting positive confidence levels (“somewhat confident” or “very confident”) also grew slightly from 63% of organisations surveyed in 2022 saying they were confident in their ability to secure enough income to 65% reporting the same in 2023.



¹⁷ March 2023: <https://www.vcsvoice.org/media/tpnneati/vcsa-col-report-final.pdf>

¹⁸ Kenley, Anoushka and Jack Larkham. “Shifting Out of Reverse: An analysis of the VCSE Sector Barometer, in Partnership with NTU VCSE Observatory.” June 2023: <https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=e02585be-c7d7-48c4-9d10-83f1902cf8cc>

Figure 11: Confidence in the Economy: 2022 to 2023

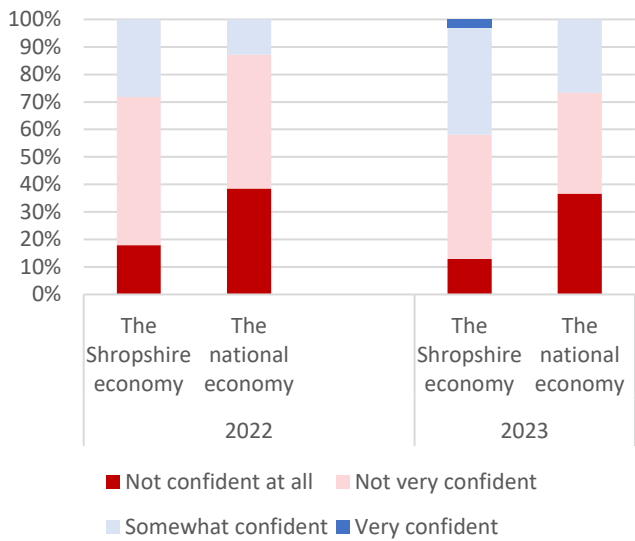


Figure 12: Confidence in Securing Income: 2022 to 2023

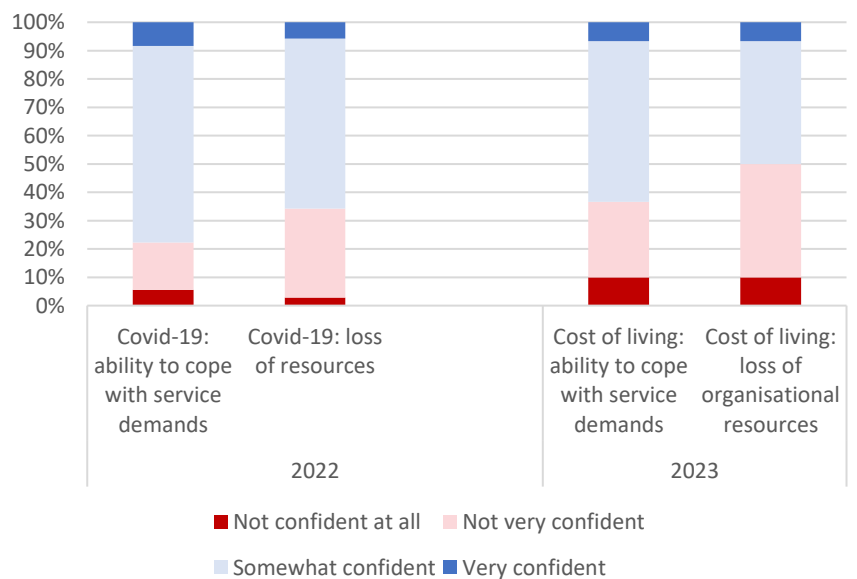


Handling Crises

Another important trend between 2022 and 2023 is the decrease in confidence levels among organisations surveyed about their ability to cope with the impacts of crises (see Figure 13).

In 2022, only 23% of organisations reported feeling “not very confident” or “not confident at all” about their ability to cope with service demands as a consequence of Covid-19, and 34% reported similar feelings about the ability to handle the loss of organisational resources due to the Covid-19 crisis. In 2023, however, confidence levels in the ability to cope with service demands and the loss of organisational resources related to the Cost of Living crisis are even lower. 34% of organisations surveyed reported feeling “not very confident” or “not confident at all” about their ability to cope with service demands as a result of the Cost of Living crisis, and **almost half of organisations (47%) reported a lack of confidence in their ability to cope with the loss of organisational resources resulting from this most recent crisis.**

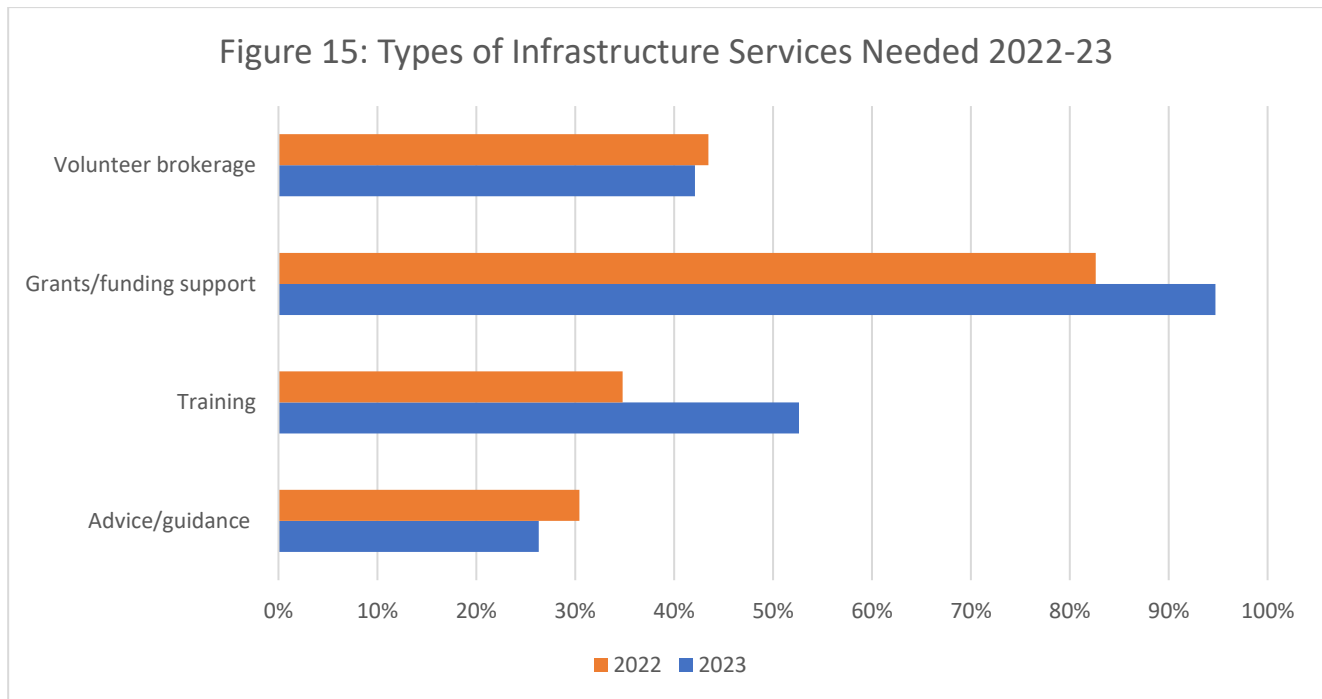
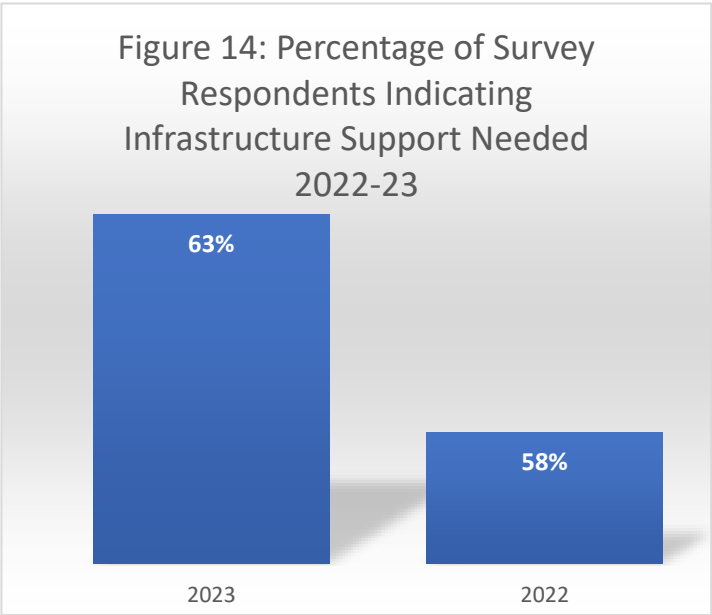
Figure 13: Confidence in Handling Impacts of Crises: 2022 to 2023



7. Infrastructure Needs

As in 2022, Shropshire Council’s Feedback and Insight Team worked closely with the Shropshire Infrastructure Partnership Voluntary and Community Development Team (SIP Team) in early 2023 to develop questions for the 2023 State of the Sector Survey. These questions were designed to identify and continue to develop an evidence base for infrastructure support needs across Shropshire, Telford & Wrekin and to continue to help inform the work of the SIP Team moving forward.

In 2023, there was a slight increase in the percentage of organisations indicating that they needed infrastructure support, with **63% of 2023 survey respondents claiming that they need infrastructure support**, compared with 58% in 2022. This increase could be due to the impacts of the Cost of Living crisis on the increase in service demands without necessarily yielding a corresponding increase in income and volunteers, as demonstrated in early sections of this report.



In speaking with the SIP Team, their analysis of Figure 15 is that demand for volunteer brokerage and advice/guidance is down due to the immense amount of work that their team has done to secure volunteers for organisations in Shropshire and to provide advice and guidance for the 180 organisations that they have made contact with over the last year.¹⁹ Their interpretation of increases

¹⁹ 2023 SIP Annual Report

in training needs is that their work with organisations to put better governance and policies in place has now driven an increase in demand for training to implement better governance and to train new volunteers.

However, it does not take the expertise of the SIP team to interpret the need for greater funding support in the context of a Cost of Living crisis and other indications in the report above that the VCSE sector is facing greater economic uncertainty. Thus, the SIP team's support for funding advice and applications is particularly critical at a time when **95% of survey respondents indicated a need for grants and funding support.**

8. Conclusions

The sector is a major employer and economic contributor to the county.

- This report estimates that the voluntary sector in Shropshire, Telford & Wrekin may employ up to one-fifth of the total workforce in the county.
- The sector brought in over £650m in income in 2022, £27m of which can be identified as purely external grants, and spent almost £610m on what is most likely to be local service delivery and employment.
- An estimated 14 million hours of donated working hours are added to the county through volunteering.

Experiences working with statutory partners have been mixed.

- While a majority (53%) of survey respondents had a positive experience working with the local authority, 22% reported their experience as "mixed" and cited issues with communication and mutual financial pressures.
- 31% reported positive working experiences with health partners, while 28% reported their experiences as "mixed", noting issues around contracts and payments as well as feelings that health partners had trouble understanding the VCSE sector.
- Mental and physical wellbeing are top areas of service coverage by VCSA members, with 57% of member organisations providing health and wellbeing support and 29% offering support for people with mental health needs, so there is a lot of scope for health and local authority partners wishing to commission health and wellbeing related VCSE services.

Staff and volunteer recruitment and retention is a growing concern.

- 37% of survey respondents indicated a lack of confidence in their ability to recruit and retain volunteers in the next 12 months. This is an increase over only 15% who reported a lack of confidence in volunteer retention last year.
- This local finding aligns with national survey data stating that 40% of all charities nationally saying that a lack of volunteers over the past year has stopped them meeting their main objectives.²⁰
- Volunteer shortages are beginning to impact local charities in significant ways. Shropshire Disability Network, for example, recently sent an email to its stakeholders noting that if they

²⁰ Kenley, Anoushka and Jack Larkham. "Shifting Out of Reverse: An analysis of the VCSE Sector Barometer, in Partnership with NTU VCSE Observatory." June 2023:

<https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=e02585be-c7d7-48c4-9d10-83f1902cf8cc>

cannot recruit enough Trustees in the coming months they may be forced to close. It is not the only local organisation facing this particular decision.

Service demands are increasing and likely to continue to do so.

- This survey also finds evidence of increasing service demands across a large majority of the sector with 84% reporting increased service demands.
- This also aligns with national survey data demonstrating significant percentages of organisations (as much as half of some larger organisations) saying that they do not expect to meet demands.²¹
- As local authorities and health partners continue to look to the VCSE sector to pick up service demands from tightening government budgets, it is expected that these trends around demands will continue into the foreseeable future.

Financial concerns in the sector present a risk to sector benefits.

- Almost half of organisations surveyed (47%) reported a lack of confidence in their ability to cope with the loss of organisational resources resulting from the Cost of Living crisis.
- There is an increase in the percentage of organisations using their reserves to cover funding gaps in 2023 (73%) over 2022 (69%).
- More organisations in 2023 reported being “not confident at all” about their ability to secure grants and contracts (16%) and enough income (16%) in 2023 than did so in 2022.
- When organisations cannot meet their costs, services must often be cut to make ends meet. Since service demands on the sector are only growing, these financial concerns represent a real threat to the continued ability of the sector to deliver services effectively.

There is demonstrated need for funded infrastructure support to the VCSE sector across Shropshire, Telford & Wrekin.

- 63% of 2023 survey respondents reported that they need infrastructure support, compared with 58% in 2022.
- 95% of survey respondents reported needing assistance with grants and funding.
- There is currently no funded infrastructure support in Telford & Wrekin for funding assistance, governance advice, volunteer brokerage or subsidised training similar to that being provided by the SIP team in Shropshire.
- At the time that this report was published, the SIP team, funded by Shropshire Council, were only funded to continue through to September 2023.

Analysis and report produced for the VCSA by the Feedback and Insight Team, Shropshire Council. August 2023. Contact: vcassembly@shropshire.gov.uk

²¹ Ibid.