



HARD TIMES: THE RECESSION AND THE VOLUNTARY AND COMMUNITY SECTOR IN THE EAST OF ENGLAND

**The COVER survey of Voluntary and Community
Sector (VCS) funding in the East of England
going into financial year 2009/10**

APRIL 2009

AUTHORS:

Survey design, editing and written text: Andrew Cogan

Survey completion: COVER administration team

Case studies: VCS organisations in the region taking part in the original survey

Survey data: The data used as a basis for this report is available from the
COVER website: www.cover-east.org

Introduction: Mark Mitchell, Chair, COVER
3/4/2009

A. INTRODUCTION

This survey and case studies sets out the position of the Voluntary and Community Sector (VCS) in relation to the economic downturn going into financial year 2009/10.

CONTEXT

In terms of context, the East of England in both the Public Sector and the Voluntary and Community Sectors, is underfunded, on a per capita and needs basis. This is a difficult position to be in as the economic downturn takes hold and limits the responses that VCS support organisations can make to large increases in demand for advice, counselling and support services. For example advice organisations report large increases, 25% year on year, in casework in relation to debt, employment, mortgage repossessions and relationship difficulties.

As a second example, volunteer centres are reporting large increases, 15% year on year, in enquiries about volunteering, including increased referrals from public agencies that see volunteering as a route back to work, without any increases in resources to manage and place volunteers.

SURVEY RESULTS

In terms of overall survey results 118 VCS organisations based in the region completed the survey. 33 (28%) are experiencing increased funding going into 2009/10; 41 organisations (35%) are experiencing no changes in funding levels; 44 organisations (37%) are experiencing decreased funding going into 2009/10.

In terms of types of VCS organisation all types, Advice, Children and Young People, Disability and Health and Social Care are in all categories. In terms of size of organisation, small organisations (income less than £20k pa) and large VCS organisations (income over £1m) are in all categories.

In terms of locations of VCS organisations all geographic counties are represented in each category. Cambs and regional VCS organisations were the highest numbers in reporting no funding changes. Cambs and Suffolk VCS organisations were the highest numbers reporting increased funding. Cambs and Essex VCS organisations were the highest numbers reporting decreased funding.

So, overall, the effects of the recession are widespread across the VCS and across the geographic areas of the region.

CASE STUDIES

These case studies set out at micro level the direct and immediate impacts, positive and negative, of the recession on front line VCS organisations in the East of England.

1. CAB Bury St Edmunds, Suffolk.
2. CAB Stevenage, Herts.
3. Cornerstone Trust, Harlow, Essex.
4. MIND., Maldon, Essex.
5. Network 81, Stansted, Essex.
6. Relate Bedfordshire and Luton.
7. Relate, Herts Central, Herts.
8. SAFECHILD, Suffolk and Norfolk.
9. St Andrew's Church Hall, Chesterton, Cambridgeshire.
10. Suffolk Inter-Faith Resource, Suffolk.
11. West Norfolk Carers, Kings Lynn, Norfolk.

CONCLUSIONS

The VCS in the East of England is underfunded.

The recession is having a twin impact on the sector:

- Demand for VCS services, particularly advice and support services, is rising.
- Income is falling or flat (which in itself is a cut as fixed costs such wages and bills still have to be paid) for over 70% of VCS organisations responding to our survey.

For the 28% with rising incomes, services are expanding, jobs are being retained or new jobs are being created.

For the 72% of organisations with flat or falling incomes, client services are being reduced or closed, staff hours are being cut, staff are being made redundant, reserves are being used up and in extreme cases organisations are closing down.

These are indeed Hard Times for the Voluntary Sector in the East of England region.

MARK MITCHELL

**CHAIR
COVER**

FUNDING CONTEXT

The East of England Public Sector is underfunded and, as a consequence, the Third Sector in the East of England is underfunded compared with the other English regions. Central government funds, national lottery funds and trust funds all direct money away from the region to areas perceived nationally to be areas of greater need.

Although the East of England region has 10% of the UK population, it receives only 7% of EHRC, Equalities and Human Rights Commission funding and 5.9% of Big Lottery Funding. The SHA and the NHS in the East of England, is underfunded on a per capita basis and the RDA (EEDA) is the least funded RDA in the country on a per capita and actual basis.

In terms of the New Deal for Communities and the Neighbourhood Renewal Funds, the East of England has the lowest number and the lowest level of funding. In terms of the collection of local taxes and business rates, and the return in terms of grants from central government to local government, the East of England is one of three net contributing regions to central government and on to other regions.

The case for change

The East of England population is growing bigger, and is expected to reach 6.4m by 2020; it is getting older – 50% of the population will be over 50 by the early 2020s; it is becoming frailer – 23% of the population at the 2001 census had life-limiting diseases, illnesses or conditions; it is becoming singler – in the 2001 census 38% of the adult population led single lives; and it is becoming more diverse, through internal and external migration. Migrants now account for 10% of the population and 12% of the region's workforce.

The East of England does have low crime rates, high employment rates and long life expectancy, compared with other regions, but it also has below national average skills levels and 1m people in poverty – some 18% of the population. The people in poverty in the region often experience multiple deprivations based on place, age, ethnicity, disability or learning disability, rurality, gender, health or mental health, or responsibilities as carers in terms of access to work and services. For instance, a longer life, without quality of life and well-being, may be a problem rather than a benefit if health and care services wanted or needed are rationed or not available locally.

So, the East of England, in terms of both the Public and Third Sectors, has a case for a bigger and fairer share of national investment to tackle the multiple deprivations in the region and promote social, economic and community inclusion.

SURVEY

The survey, postal and online, invited VCS organisations based in the East of England region to report the effects of the economic downturn/ recession on their organisation going into financial year 2009/10 that would start in April 2009. The survey went live in December 2008 and ended in March 2009. In addition 11 organisations expressed a willingness to provide a more qualitative Case Study examining the impact of the financial downturn on their organisation.

Full details of the quantitative survey are in the excel spreadsheet on the COVER website.

Overall survey results:

- 118 VCS organisations based in the region completed the survey.
- 33 (28%) are experiencing increased funding going into 2009/10;
- 41 organisations (35%) are experiencing no changes in funding levels;
- 44 organisations (37%) are experiencing decreased funding going into 2009/10.

1. ORGANISATIONS REPORTING NO CHANGES IN FUNDING 2009/10.

a. Types of VCS organisation: Community Trusts; disability groups; children and young people's organisations; advice providers; women's aid groups; volunteer centres; sports clubs; faith groups; older people's organisations; mental health organisations; carer and childminding groups.

b. Location of organisations:

Geographic area	Number
Beds and Luton	4
Cams and P'boro	9
Essex, Southend, Thurrock	7
Herts	4
Norfolk	5
Suffolk	5
Regional	7

c. Size of organisations' client base in the respondent group: Rounded figures

Biggest: 20,000, Blind association; 8,000, Advice provider; 4,000 a Youth organisation; 3,700, a Youth organisation.

Smallest: Approximately 50 clients each for local church, arts and youth projects.

d. Comments on funding climate from respondent groups:

A blind association reported 'we have no state funding. We rely on legacies, investments and donations which we hope will hold up.'

A youth infrastructure organisation reported that they had 3 year funding from the Big Lottery Fund which began in 2008 and would last until 2011.

A volleyball association reported that income from club affiliation fees, from training courses and local authority payments was not likely to change.

2. ORGANISATIONS REPORTING INCREASES IN FUNDING 2009/10:

a. Types of VCS organisation: mediation and advocacy services; homeless support; childminding, child safety and child support; older people's organisations; local infrastructure organisation; alcohol and drugs treatment; housing and sheltered housing; youth; community foundation; advice organisations; disability; mental health

b. Locations of organisations:

Geographic area	Number
Beds and Luton	5
Cams and P'boro	9
Essex, Southend, Thurrock	5
Herts	3
Norfolk	3
Suffolk	6
Regional	2

c. Size of organisations' client base in the respondent group: Rounded figures:

Biggest: 24,000, Advice Bureaux; 16,000 Older People's organisation; 16,000, Advice Bureaux; 3,000, Children and Young People's organisation; 2,600 children and parenting organisation.

Smallest: 50, family support; 200, mental health support; 240, drug addiction treatment; 340, mental health counselling.

d. Size of increasing income:

Biggest: £3m, Housing Association, Residential Social Landlord (funding source: Housing benefit/ Supporting People); £880k, treatment of drug addiction and dependency; £420k, Housing Association, for tenant care and support; £250k for a new Community Foundation Grant programme;

Smallest: £100 from increased membership income; £200 for a small training grant; £1200 for family support drop in sessions.

e. Sources of increased funding: unitary, county and district councils; national government grants, benefits, initiatives; Big Lottery; Trust funds; services sold; increased membership fees; increased client charges.

f. Impact on organisation of increased funding:

Retaining staff and skills; recruiting additional staff and skills; developing and extending specialist advice services; increasing opening hours; increasing service locations; running additional groups; reaching new clients; clearing

previous budget deficit; staying in business after March 2009; secure funding through to 2012.

g. Impact on clients of increased funding:

Widening provision; making the service more accessible (family mediation); improving the quality of accommodation (homeless charity); securing £800k of additional welfare benefits (Advice Bureau); helping 200 people in Fenland avoid the repossession of their family home; better support for clients; better support for members; more and better support for volunteers; help to cope with the 45% increase in benefit enquiries and 210% increase in redundancy, mortgage and secured loans cases a CAB; more coaching availability, a Volleyball Federation.

3. ORGANISATIONS REPORTING DECREASES IN FUNDING 2009/10:

a. Types of VCS organisation:

Crisis helpline; advice organisations; volunteer centres; homeless support organisations; mediation organisations; recycling organisation; housing association; youth groups; disability groups; family and parent support groups; older people’s organisations; social enterprise; relationship counselling; social club; over 60s club; mental health organisation; international development organisation; race equality organisation.

b. Locations of organisations:

Geographic area	Number
Beds and Luton	1
Camb and P’boro	12
Essex, Southend, Thurrock	9
Herts	6
Norfolk	5
Suffolk	4
Regional	4
Nationals in the region	3

c. Size of client base of respondent group:

Biggest: 100,000, preservation society; 40,000 older people’s organisation; 16,000, advice organisation; 15,000, international development organisation; 11,000, disability organisation.

Smallest: 25, a social enterprise; 30 a life skills group; 45 a family welfare organisation; 50, an over 60s club; 50 a community social club.

d. Size of decreasing income:

Biggest: £150k, a PCT; £130k EEDA the Regional Development Agency; £80k the EHRC, Equalities and Human Rights Commission; £58k the Big Lottery Fund; £55k, a County Council.

Smallest: £260, venue income; £500, membership/donations; £750 a VCS trust; £1500, Department of Work and Pensions; £3000, a District Council.

e. Sources of decreased funding:

County, unitary and district councils; department of Health, Health Trusts, PCTs; Learning and Skills Council; Police; local businesses; falls in investment income; falls in the value of investments; national government grants; client payments; Big Lottery Fund; Trust funds.

f. Impact on the organisation of decreased funding:

Closure of an organisation; reduction in services; reduction in hours of opening; reductions in the number of locations; reductions in the number of clients seen; 19 reports of job cuts and redundancies; postponements of projects; postponement of repairs; removal to cheaper premises; running the organisation on deficit funding; eating into reserves; rent problems; increasing costs to service users.

g. Impact on clients of decreased funding:

Crisis helpline reported that their service will cease after 25 years of operation as demand for services is increasing; a CAB reported that they will have 25% less capacity next year; a CAB reported that they would have to deal with 30% fewer clients next year; a national organisation is closing branch offices in the region; a counselling services is reducing sessions next year; another project is closing down after 13 years at a time when demand for services is rising; one organisation will offer no support to volunteers next year; a disability organisation is reducing outreach services; an advocacy organisation is reducing services next year; a social club will organise fewer outings; another scheme may fold in 2009; a race equality council will have 50% less capacity next year to support BME organisations and individuals; a specialist service will accept fewer referrals next year; a family support group will cut parent/ child drop in sessions; another family group will cut 1-1 family support; another organisation reported that they will no longer be able to provide specialist support in Chatteris.

CONCLUSIONS

Overall the recession is having a negative effect on the VCS in the East of England in terms of funding for services, as it goes into financial year 2009/10. The picture is of declining and flat funding for over 70% of the VCS and increased funding for some 28% of the sector. All types of VCS organisations are in the flat, declining or increasing funding categories.

In terms of locations all parts of the region have the mix of flat, falling and declining income and in terms of client base large and small VCS organisations appear in each category. So there is no one specific sectoral area, or part of the region, or VCS client group affected by the downturn.

The recession is having a twin impact on the sector:

- Demand for VCS services, particularly advice and support services, is rising.
- Income is falling or flat (which in itself is a cut as fixed costs such as wages and bills still have to be paid) for over 70% of VCS organisations responding to our survey.

For the 28% with rising incomes services are expanding, jobs are being retained or new jobs are being created.

For the 72% of organisations with flat or falling income client services are being reduced or closed, staff hours are being cut, staff are being made redundant, reserves are being used up and in extreme cases organisations are closing down.

LOOKING AHEAD: 2010 and beyond

Most VCS organisations active in the region expect, in social and cultural terms, the demand for services to increase. The demographics of a growing, ageing, frailer, singler and more diverse population, alongside the economic effects on people's livelihoods, relationships and communities is likely to push up demand for VCS services over the next decade. For instance volunteering is seen as a pathway back to work by many public sector agencies who on the one hand will promote volunteering but on the other hand, to meet downward pressure on budgets, will cut resources to voluntary organisations.

Some VCS organisations particularly those dealing with Children and Young People reported that funding for 2009/10 is being rolled over by Local Authorities as Children's Trusts have been slow to get into gear in terms of commissioning out Children's services. Given the huge public sector debts and the consequent downward pressure on public sector funding nationally and locally many VCS groups are expecting 2010/11 to be the year when the pain really begins to be felt.

Adult Carer organisations are expecting similarly tough times from 2010 onwards and VCS organisations in the Health economy expect to see more community based provision of health services but only at the time when the long upward investment in Health Services nationally comes to an end.

In political terms the personalisation and individual fundholding agenda may, over the longer term, offer small, local and specialist VCS organisations increased opportunities to provide relevant and innovative services at individual and neighbourhood level.

Overall, for most of the VCS in the region, these are hard times, that in the short to medium term may get harder.

VCS CASE STUDIES

Impact of recession on VCS organisations as of end of March 2009

These case studies set out at micro level the direct and immediate impacts, positive and negative, of the recession on front line VCS organisations in the East of England.

Case Study 1

A. ORGANISATION: Citizens Advice Bureau

Location: Bury St Edmunds

Geographic area of benefit: Bury St Edmunds and the surrounding district

Beneficiary population: 2007-8 Number of client contacts: 14,337
Number of non-client contacts: 7,518
Number of new enquiries: 16,262

Types of service you provide:

The CAB provides free and impartial information, advice and support to all. We operate a money advice service which last year dealt with £3.8 million of new debt. We also help with completing forms, and deal with specialist casework in benefits, employment, consumer issues and child support.

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

Employment queries are increasing, with redundancy enquiries up 210% on the same quarter last year (Quarter 3 is the last complete quarter) with all the signs that it will be a similar story by the end of this quarter. A preliminary look at the current quarter shows an increase of 50% in Jobseekers Allowance queries over the previous quarter in 2008-9. Enquiry numbers are limited only by the number of advisers we have at the time.

In addition, an increasing number of people are asking about short time working or reductions in pay, and while we are giving information about the possibility of claiming redundancy or unfair dismissal, generally people seem to be keen to stay with the employer to wait the problem out, rather than risk losing their employment.

Debt enquiries are also increasing to a lesser extent – within our debt enquiries, the number of people with mortgage/secured loan arrears is increasing at a greater rate. Very noticeable is the change in the type of clients we are seeing, so that while the majority of our debt clients are still housing association tenants on low incomes, we have an increased number of higher earners, who may have other properties they rent out, and are generally over-committed and caught out by mortgage problems and a reduction in hours/pay. They have assets but little or no disposable income, and are therefore unable to use their previous sources of advice.

Recession effects on trustees, employees and volunteers:

The bureau has not had to make any staff redundant, although our most recent employee has an 18 month fixed term contract since we are unable to guarantee that we will have funding beyond this point, and this may set a pattern for future staffing.

We have not generally had a problem finding prospective volunteers but have found an increased number approaching the bureau in the last couple of months, and

generally people of a very high calibre. This is extremely helpful to the bureau in that all are very computer literate and will be able to take on the new fast-track training options for people who already have a good understanding of the main issues. One of our new volunteers has already offered to do more volunteering hours in the next year or so because he expects to return to his business at some point after that, and may then have to reduce his hours with the bureau. There is therefore a background worry about long-term retention of this new breed of volunteers.

Economic impact on your organisation:

Earlier in 2008, looking at our forward budgets for the next couple of years, the bureau was facing a decreasing income with increasing expenditure. The decreasing income was due to a year by year reduction in funding by our local council, who have always been extremely generous to the bureau in the past but as pressures on their budget grow, have indicated that the bureau needs to find other sources of funding. In addition, our other major funder, the county council, has changed the distribution of their CAB budget to base it on population figures. Clearly the losers in this re-allocation are the bureaux such as ourselves who serve a large rural catchment in addition to the town. The bureau was therefore looking at a small deficit in 2008-9 and what appeared to be a gradually reducing budget from then on.

However, since the recession the bureau has been given an additional £5,500 by Suffolk County Council, targeted at specialist advice, with a suggestion of some further funding in 2009-10, for which all the county bureaux are in the process of submitting a bid. St Edmundsbury Borough Council has also given the bureau an additional £5,500 for 2009-10 as a one-off arrangement for this financial year.

The bureau has also been successful in bidding for two additional projects; one to train additional advisers in order to increase our opening hours for advice, and the other to employ a volunteer co-ordinator to provide financial capability training through trained volunteers during this period.

The bureau is extremely grateful for the additional new funding, but our concern is that while funds are being awarded to deal with the situation in the short term, all of this extra funding is likely to leave the bureau with a commitment to continue the work, but with increased costs and no further funding to pay them. In other words, the core business of the bureau is advising the people of Bury St Edmunds and the surrounding area across a wide range of subjects using holistic methods, and providing appropriate help and support according to the level of individual need. Most of the additional funding is not designed to consolidate this role, or to ensure that our clients can feel confident in the continuation of the same level of service, but have created a need for a greater level of core funding requirement for next year.

Case Study 2

A. ORGANISATION: Citizens Advice Bureau

Location: Stevenage

Geographic area of benefit: Stevenage and surrounding area

Beneficiary population: 6000 people of all types but mainly those on lower incomes

Types of service you provide: Free, confidential and independent advice and information to all in the local area by telephone and face to face. We aim to provide

high quality advice particularly to those who are vulnerable and unable to help themselves.

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services: We have seen a large overall increase in demand for our service and have doubled our opening hours to help deal with this. Debt enquiries were up 41% in the 3rd quarter of 2008/9 compared with the previous year, Housing enquiries are up 42% and benefits enquiries are up 31% (mainly as a result of a big increase in enquiries about Job Seekers Allowance.

We are able to help everyone at present with general help but many of the clients we are seeing need specialist help and we don't have sufficient resource to deal with this. Generally when a client comes to see us, providing it isn't too late in the debt cycle, we can intervene and it results in a good outcome. We are now seeing more people who have secured loans on their houses as well as mortgages and have delayed seeking help. An increasing number of these clients are losing their homes. This is a devastating outcome both for the client and their family and the adviser who is trying to help them. It also has a huge cost in terms of services for the town and county.

Recession effects on trustees, employees and volunteers:

We have had to make 3 specialist staff redundant at the end of fixed term contracts because we didn't have further funding for them. However we have also been able to increase the hours of some staff to provide session supervision for volunteers.

We have seen a big increase in the number of volunteers interested in volunteering with us (about 5 per week coming forward compared with 1 per week roughly last year) and we have completely overhauled our training process to enable us to take more people on and utilise them quickly. The added bonus of this is that they get a lot of satisfaction from helping people soon after they start with us and it enables us to help more people. We have accepted that a large number of these volunteers will be skilled up through this training and able to take on new jobs but see this as a way that we can contribute positively to the recession.

Economic impact on your organisation:

Our reserves are low so there is uncertainty for the future. We have been given a 1 year SLA with our local authority instead of a 3 year one while they review the grant process and their finances. Again, this breeds uncertainty.

We have been given additional funding £29,000 for additional opening hours until the end of March 2010. This is great because it is something we have always wanted to do. However, we are nervous about what will happen when that funding finishes and an expectation has been built up with our clients.

Case Study 3

A.ORGANISATION: Cornerstone Trust

Location: Harlow, Essex

Geographic area of benefit: West Essex

Some delivery in Bishops Stortford in East Hertfordshire

Beneficiary population:

- 50 unemployed adults, from lone parent and other disadvantaged groups
- 100 adults for Neighbourhood Learning in Deprived Communities – unemployed adults or adults without level 2 qualification
- 50 adults with mental health issues
- 100 adults with learning difficulties

Types of service you provide:

- Training in life skills (e.g. confidence building and anger management)
- Training in employment skills, basic IT, first aid
- Money management and numeracy one to ones
- One to one mentoring
- Advocacy services (Formal and self advocacy) for adults with learning disabilities

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

Demand is up – local CAB seems recently to have closed or is on restricted opening because of funding issues caused by funding cuts and delays by local council. Increased calls for debt management. To date we have only offered money management as the CAB offer debt counselling.

Demand is up due to high level of unemployment and case loads are increasing as fewer adults are moving on to jobs. So more people are starting our program but few are leaving so the numbers we have in the centre on a daily basis are growing putting demands on staff and resources.

Many contracts seem to be delayed and there is uncertainty about future funding levels. Local council is looking for ways to get more money and is currently carrying out a rent review and has said it wants to charge charities commercial rents. The local council has also just pushed through a change to free parking in our area so that we will now have an annual parking fee bill of £6,000.

Our budget for 09/10 looks to be up from £220K to £320K but some of our contracts are still not signed even though they start in April 09. However we will then have some level of certainty for 2-3 years. Our income on the employment side is 50% dependant on hitting targets for getting adults back into jobs and this is clearly at risk given the recession. This means we have to risk not getting £25K for 09/10 if we don't hit our target. The authorities are pushing the risk down to the charities because we have to take the risk and employ staff to work with people to get them back into work but if we are not able to get them work then we don't get paid although we have done the work.

Recession effects on trustees, employees and volunteers:

- 2 staff resigned just before Christmas and I have not replaced them due to funding uncertainties.
- An increased work load for employees.

- Potentially more highly qualified volunteers available. I have recently had help from IT specialist whilst they wait for job market to pick up.
- Trustees - Chair stepping down as now working full time because partner is unemployed.
- 2 more volunteers

Economic impact on your organisation:

I cut hours in April 08 but this was due to a claw back by LSC due to impossible targets on a pilot project to engage with young mums. We have no reserves currently and it is looking difficult to rebuild reserves in the current climate. There is uncertainty about forward funding – what happens if the Conservatives get in, will all the initiatives change? It is also clear that funders are keen to get more for less.

What is effecting our organisation more is the move by LSC, ESF, DWP to funding only one provider across the whole of East of England which excludes local charities unless they can get in to a consortium. It is very time consuming to attend all the various consortiums or to find out who is bidding for these contracts. I would like to build a consortium in Essex similar to the one in Hertfordshire so that we can start competing against the large commercial organisations.

Case Study 4

A. ORGANISATION: Maldon MIND

Location: Maldon, Essex

Geographic area of benefit:

Beneficiary population:

Types of service you provide:

To provide a wide range of caring support for individuals with mental health needs wherever and whenever it is needed within Mid Essex and to raise positive public awareness of mental health issues and campaign for better mental health services

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

The BroSis funding story.

Our young peoples project, BroSis, had been funded by a large variety of sources since its birth in 2000. But as an established project, we had found it harder to get private funding for it as it was no longer a new initiative. We had been pleased to get significant funding (basically our core funding) through Connexions, but when the Connexions set up was changed by Essex County Council and when we applied (as requested by ECC) to ECC for continuation funding for 2009/09, we were advised that our funding was no longer available as it had been from a Connexions under spend.

On/off funding

In 2008/09 ECC was going to introduce a new system for funding Children and Family Services on a three year contract by tender process and we were being assured that BroSis was just the sort of model service they were seeking. Other funders like the PCT were happy to continue to give us little pots of money for certain aspects of BroSis work but that was useless if there was no core funding. Private Trusts were reluctant to give us money without assurance of financial sustainability.

Our reserves were under pressure as we run 10 projects and need to keep a certain safe level as recommended by the Charity Commission. Commissioners were changing the way in which they paid us for nearly all the Projects, instead of getting one year or six months in advance it is three months if we are lucky and they are always late paying and of course interest rates were falling.

We had to take the decision to close our sheltered Employment Project during the summer due to total changes in the commissioning objectives, making it obsolete, and all this has a knock on effect on the Charity's overall stability.

Ultimately, just as we were about to take the decision to close BroSis, the Children Young People Strategic Partnership found some short term funding and then the PCT awarded us funding till March 2009 when the new ECC CFS streams were due to start.

Just after Christmas 2008 we learned that although the bid process would start in March, the funding would not start till October – so we had another six months funding gap. We had to start to attack ECC early (we felt that this situation was a breach of the Compact) and because many staff had changed at ECC, we had to keep on plugging with our known contacts who had originally supported funding the BroSis model and considered it a good one for Essex, and with members of the CYPSP who used BroSis and found it effective. For the second time we gave our staff redundancy notices.

Funding 2009/10

At the 11th hour the new CFS chief has agreed to fund us till October (with the heavy support of the local CYPSP) and we have rescinded the redundancy notices, for the second time.

Question

How can any Charity be expected to thrive in these circumstances – our service users are the people who ultimately suffer and the kids need our services more and more at the moment.

Case Study 5

A. ORGANISATION: Network 81

Location: Stansted, Essex

Geographic area of benefit: England and Wales

Beneficiary population: Approximately 3,000 in England and Wales

Types of service you provide: Telephone helpline, Advocacy, Training

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

The calls to our helpline and enquiries via email have increased by 10% over the last year. There has been a significant increase on last year (25%) for our intensive advocacy service.

Recession effects on trustees, employees and volunteers:

One full time member of staff is being made redundant at the end of March and further redundancies are expected in the next six months. Trustees are unchanged

but the number of meetings per year has been cut.

Economic impact on your organisation:

The income for our organisation is down 30% over the last year. The fall for 2009/10 is anticipated to be even greater than this.

The ratio of grants received against grants applied for is down for 2008/09. Grants applied for September 2007 – August 2008 - 49 applications 8 approved £131.500 gained; September 2008 – August 2009 - 109 applications 7 approved £22.617 gained.

Income from bank interest has decreased by 96%.

We were incorporated in 1986 and are currently in the worst financial situation since then. Forward funding is very uncertain. There is constant re-evaluation of whether the charity itself may have to close.

Case Study 6

A. ORGANISATION: Relate Bedfordshire and Luton

Location: 6 St Pauls Square Bedford MK40 1SQ

Geographic area of benefit: Bedfordshire and Luton

Beneficiary population: 3,600 adults and young people in Bedfordshire and Luton.

Types of service you provide:

- Adult relationship counselling for couples and individuals
- Family Counselling
- Young People's Counselling
- Sex Therapy
- Training Courses and Workshops

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

Relate has a mixed economy of services. Our young people and family counselling services and some of our training courses are commissioned by the local authority and NHS. These services are free at the point of delivery. Our adult relationship counselling and sex therapy are charged at £42 per session. We do, however, offer a lower payment for those who are unable to afford the full cost. This is negotiated on a sliding scale with the individual and does not presently operate on a means tested / evidenced basis.

The impact of the recession is already being felt by families across the country. There will be an emotional impact on families in terms of people experiencing redundancies, job losses, relationship difficulties and overall financial hardship. Figures released by Relate on 27 February reveal that 66% of Relate Centres across the country, including our own centre in Bedfordshire and Luton, have seen an increase in demand for their services as clients feel the impact of the recession.

Further Relate research shows that client impact of the recession is currently particularly acute in the South-East and Midlands¹. Relate Centres are experiencing a double whammy of an increase in demand for services and an increase in the number of clients unable to contribute to the full cost of their counselling. This national Relate evidence supports a recent research published by the Local Government Association that 17% of English councils are reporting growing demand for relationship counselling², rising to 25% and 37.5% in London and the Metropolitan districts.

Our local centre in Bedfordshire and Luton has experienced an increase in demand, particularly for adult couple counselling sessions, but an increasing number of clients are unable to pay the full cost of the appointment and are seeking reduced payments. The minimum payment is £10. However, this payment does not cover the delivery costs and we are therefore operating at a loss for these appointments. We currently have a small pot of bursary funds for the Luton area funded by Luton Borough Council which subsidises the Luton appointments where the client cannot pay the full amount. However, we do not have a similar fund for clients from Bedfordshire and we are therefore presently subsidising this work from our unrestricted income / reserves. Clearly this cannot continue longer term so we have now considering options. A key priority for Relate is to ensure that our services are available for those who need them and we do not wish to turn people away. However we must also balance this with the fact that we must remain financially viable. We are presently looking at the option of a limit of six sessions for those who are making the minimum payment. The counsellors will be use brief / solution focused therapy techniques to achieve the maximum benefit for this short term counselling approach. We will also be making applications to grant making trusts and other relevant funding streams for bursary funding.

Recession effects on trustees, employees and volunteers:

We are presently setting the budgets and reviewing income streams for the forthcoming financial year. We do not anticipate making redundancies for 09/10. Our trustee team has remained stable and we have recently recruited a new Trustee to the team. We are a company limited by guarantee and a registered charity. We have professional liability and employers' liability insurances; however we are presently obtaining quotations for Trustee Indemnity Insurance to reduce risk and to provide additional financial protection for the Trustees. We have recently taken on a new office administration volunteer and it is likely we will be looking for more volunteers to support the administration of the organisation. However, this is not without challenge, we need appropriately trained individuals who are able to work effectively and it takes time and planning to ensure volunteers are appropriately supported in their roles, which adds to the challenge for paid office staff. The majority of our counsellors offer a combination of volunteer hours and paid hours. I have had an increased number of discussions with counsellors about their ability to continue to commit volunteer hours and their need for increased paid hours. There is an evident decrease in the number of counsellors who deliver the service as volunteer and increasing numbers who are seeking a paid counselling career.

Economic impact on your organisation:

Reviewing our financial position as of February 2009, we have experienced a loss of nearly 10% of projected client income for the financial year 2008/9. This is not a trend we can continue to support and may have a potential negative impact on our

¹ Relate Monitoring the Credit Crunch September 08 / January 08

² Recession drives more relationships onto the rocks, LGA Media Release – Wednesday, 24th December 2008

level of reserves for the forthcoming year. A strategic aim of the organisation was to increase our reserves to ensure we have at least six months cover, I do not anticipate that this will be an achievable goal in the present economic climate. In fact there may be a reduction in free reserves if we are unable to secure bursary funding and the present trend for reduction in client income continues.

Our centre is not planning any job / hour cuts at this point in time. If anything, our team is overstretched, particularly with the increased demand for outcomes information and management reporting on the services we deliver. We require more administrative hours. I will need to review this position carefully and consider how feasible an increase in staffing might be in an unstable financial environment. It might be that we endeavour to recruit more volunteers to provide this type of support for the organisation. With regard counsellors, we have seen a steady flow of trainee counsellors seeking placements at our centre and we have a fairly stable counselling team at present. However, the increased demand for the counselling has led to longer waiting lists, particularly in areas where we have lower levels of provision.

We are in an area that has been affected by local government reorganisation. Our contracts for commissioned work have been rolled over for a year pending review. It is likely that the new authorities will have to make financial cuts and this may have a detrimental impact on the commissioning of services delivered by the local voluntary sector providers.

On the upside, is a significant commitment to developing services for children and young people and our centre has worked hard to provide high quality, evidence based services with positive outcomes and a proven quality framework for delivery and safeguarding. These are key factors that are of high importance as we move into a more outcomes focused, competitive arena where finances are reducing. The challenge of having a mix of commissioned and funded work projects for small / medium organisations is the bureaucratic burden of providing extensive reports to a number of different funding agents. I presently have to provide reports to over 10 different agencies.

Case Study 7

A. ORGANISATION: Relate Herts Central

Location: Hertfordshire

Geographic area of benefit: Central Hertfordshire including; St. Albans/Harpenden, Welwyn/Hatfield, Broxbourne, Hertsmere.

Beneficiary population: 1,250 people seeking relationship counselling and/or sex therapy as individuals, members of a couple or members of a family.

Types of service you provide:

We provide relationship counselling and support for individuals, couples and families, as well as a sex therapy service and a homelessness mediation service.

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

- Waiting Lists: Up 33% on the same time last year.
- Registrations: Up 20% on the same time last year

- Clients presenting with financial problems: Up 20% on last year
- Clients presenting with work problems: Up 30% on last year
- Clients presenting with unemployment problems: Up 75% on last year

Recession effects on trustees, employees and volunteers:

We have not experienced any effects of the recession on trustees or volunteers. We have taken on more counsellors to cope with increased demand.

Economic impact on your organisation:

As the figures show, we are experiencing an increased demand for our services, with a greater emphasis on the impact of financial, work and unemployment problems on couple relationships and family life. This has resulted in us taking on more counsellors to fulfil the demand but those new counsellors are paid for their services and have increased our costs. However, the level of fees our clients are able to pay for our services has fallen by 15% over the last six months and is expected to continue to fall. At the same time we are experiencing a fall in the real value of local authority funding (which has either been cut or has remained at the same level for a number of years).

We produced a deficit at the end of the last financial year resulting in a decrease in our financial reserves to a level below that which is prudent.

Our financial future is uncertain and, therefore, the provision of our services is under threat at a time when couple relationships and family cohesion is also under threat.

Case Study 8

A. ORGANISATION: SAFEchild

Location: Suffolk & Norfolk

Geographic area of benefit: Mainly Eastern Region but website is global.

Beneficiary population: 2000 voluntary & community groups, various commercial organisations

Types of service you provide:

Child protection training, advice, audits, consultancy, standards, CRB checks. Also the SAFEchild Award for groups who meet safeguarding standards and have satisfactorily completed safeguarding risk assessments.

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

There has been 25% less demand for in-house face to face bespoke Raising Awareness of Child Protection training sessions from voluntary and community groups since March 2008 and a similar decline in demand for attending our regular training programme attended by group leaders. However, commercially there is an upswing in demand from the leisure industry (where we generate income to meet our charitable objectives). This sector seems to be looking for more benchmarks and quality assurance of their work to achieve better value for money and improve their “family friendly” image. This is particularly true for audit and consultancy work. The income generated has exceeded the loss of income from the voluntary and community sector.

The volume of CRB checks has increased 30% since March 2008 and the new ISA (Independent Safeguarding Authority) numbers will also increase demand when they start for new workers and volunteers in October 2009. This is a planned 5 year roll out by which time all those who have direct contact with children, young people or vulnerable adults will need ISA numbers by law.

There has also been increasing demand for specialist training and support particularly around E-safety and sports groups. We have never been busier holding specialist events across the year.

Our new website www.safechild.co.uk has increased our reach to all non statutory sectors across the country including Leisure, Commercial, independent, Faith, Uniformed Groups, Arts/Theatre/Music, Preschool/Play Groups, General Youth Groups, Museums/Libraries/Archives, Village Halls/Community Centres, Sports, Licensed Trades, Retail. The website involved heavy staff time investment initially but is now generating a steady income with very few capacity issues.

The impact of the new Third sector Unit for Safeguarding will also probably impact upon, and increase, demand for our services, due to be launched May 2009.

Recession effects on trustees, employees and volunteers:

If anything we have increased staff hours to meet demand of more CRB checks. As the website progresses (it was launched Autumn 2008) we will need to consider increasing staff numbers.

Economic impact on your organisation:

We have also noticed a reduction in donations and grant funding seems increasingly difficult to achieve, down 20% in the last year.

Overall, we anticipate our surplus funds year end to increase by £30,000, mainly due to the website. The on-line training is cost effective in terms of travel and time and is very popular. Customers also like ordering CRB checks on-line and doing their SAFEchild Award paperwork by e-mail. Also SAFEchild Award holders can get 10% discount on their group public liability insurance.

Case Study 9

A. ORGANISATION: St Andrew's Hall, Chesterton

Location: St Andrew's Road, Chesterton, Cambridge, CB4 1DH

Geographic area of benefit: The immediately local community of Chesterton, and the surrounding area of the city of Cambridge and beyond

Beneficiary population: Chesterton has a population of approximately 16,500 residents, many of whom use our services. Cambridge City has approximately 115,200 residents.

Types of service you provide:

We are a community hall and meeting venue, hosting a wide range of commercial and voluntary sector groups and individuals in our main hall and meeting rooms. These can range from a small 'off-site' business meeting to an exercise/yoga class for local people. As well as hosting activities organised by others, we also put on our own events, such as Christmas and Summer 'drop in' parties/fetes, which are open

to all, and act as an information point for people dropping in wanting advice or information about local services.

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

Demand for meeting space is up 69% on last year, but since we are a new organisation (opened in 2005) this could be explained by a natural increase in demand for room hire as word gets round about the facility, rather than because groups want to meet more because of the recession. It is true, however, that we have had a number of enquiries recently from people interested in hiring meeting space to run their own courses as they have recently been made redundant and are looking for new avenues of employment (e.g. a man who worked in advertising but was made redundant through cut backs and is now considering going freelance and hiring meeting space here to run art classes).

We are watching attendance increase at the various pilates and exercise classes that go on here, including daytime classes, and the class leaders have told us that people are joining classes 'because of the recession' – presumably either because they find they have time on their hands that they wouldn't have had had they been in employment, and/or because they need outlets to meet others and keep their spirits and social networks up which previously would have been provided by work.

There is a definite increase in people dropping in to have casual conversations about employment concerns, and a growth in attendance at our mother and baby/toddler group as some mothers find themselves unable to find employment and therefore end up being at home with children rather than needing to put the children into nursery whilst they go out to work.

Recession effects on trustees, employees and volunteers:

We have one extra volunteer helper at our weekly coffee morning because the person concerned has been made redundant and so has time on her hands because of the recession. Since the demand for our services is increasing rather than decreasing, we find ourselves considering whether or not to increase staff hours rather than to decrease them. There is a constant awareness, however, that the recession could mean that some of our regular business hirers go out of business or that private hirers decrease because they have less spare cash to spend on private parties etc., so contracts of new members of staff we employed at the end of 2008 are short-term (6 months and 1 year), so as to allow for the possibility of them being re-thought as the effects of the recession become clearer.

Economic impact on your organisation:

See above for job/hour cut info.

Our organisation gets no regular revenue funding, and we are not expecting our one-off funding streams to be particularly effected by the recession. Most of our annual expenditure is met by income from bookings, and this is actually increasing due to the increased usage explained earlier.

Case Study 10

A. ORGANISATION: Suffolk Inter-Faith Resource

Location: Ipswich with groups in each district of the county

Geographic area of benefit: Suffolk (county wide)

Beneficiary population:

- 7 x 20 people each meeting for 8 study groups sessions around the county
- 40 faith reps meeting 4 times per year for Forum of Faiths meetings
- 50 schools x 60 children visited by faith speakers
- 20 police x 5 days on faith awareness training
- 20 council staff x 15 sessions from faith tutors
- 6 other training session (~15 people) for statutory and voluntary sector groups
- 10 statutory and educational diversity/equality committees

Types of service you provide:

- Single and multi faith awareness training for schools
- Faith diversity training to the statutory sector
- Advice on the setting up of multi-faith worship space /quiet rooms
- Advice on faith related incidents and issues

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

Changing demands for services:

To date schools have not been affected and an updated SACRE syllabus has resulted in an increase in requests for our services. The statutory sector is becoming more concerned with costs and is honing down its programmes to save money. Organisations may be opting for in house training and the sale of our Faiths Handbook and our training game Diversity remain constant.

Recession effects on trustees, employees and volunteers:

- Our 7 trustees remain unchanged
- 2 of our 3 staff have recently resigned from their part time posts to take up full time posts making use of the knowledge and experience they accumulated working for SIFRE.
- Our large team of as needed faith tutors continue to be available whenever we want them.
- One or two recently out of work are offering their services as volunteers.

Economic impact on your organisation:

As much of our work and income is derived from self funding activities we are not troubled by increases/decreases in activity.

Our two staff who have resigned were paid for partly from core funding from Suffolk County Council. As the future of Suffolk has yet to be decided by the Boundary Committee and we do not know whether we will be working with one, two or three unitary authorities and we are therefore concerned about the security of our core funding, the board has decided to postpone reappointment of salaried staff and the work of the two part time Faiths Officers has been picked up by a team of about 8 newly appointed voluntary faiths officers with a board member as team leader. We intend to make staff appointments when we feel secure about our core funding.

Case Study 11

A. ORGANISATION: West Norfolk Carers

Location: King's Lynn

Geographic area of benefit: West Norfolk

Beneficiary population: The last census identified 17,000 carers in West Norfolk. We currently have an active case load of approx 450 plus carers with a further 2,000 who remain on the data base and who receive regular information from us. We also work with young carers, at the moment we are working with about 24 young carers and recognise that this group will increase.

Types of service you provide:

Advocacy, counselling, support groups, listening support, home visits

B. IMPACT OF THE RECESSION ON YOUR ORGANISATION:

We have been successful in tendering for a three year contract to develop a County wide Carers Co-ordinator post – this has been reduced to one year! Cost to the organisation in terms of income for this post is £100,000 of which £13,000 would be management fee revenue over the two (lost) year period.

There has been no percentage cost income increase over the last two years and yet our services are experiencing a growth in demand, with some service users not able to access support because of distance and travel costs in delivering a more local service. In real terms income is down 6%

Changing demands for services:

The outreach service has witnessed increased demand of 25% in the first three months of this year compared with the same period last year. Indications are that the second half of this year will show a similar increase, yet there is no expectation of increased capacity to meet the demand.

We are also receiving more requests for support in specific projects groups e.g. substance misuse, but our funding allocation for this project will be reduced by £12,000 in the financial year 2009/10. Similarly our male carers group will be unfunded except for a small grant of 350. Last year we received £2,500 for this group pitifully small, but an improvement on this year!!

Recession effects on trustees, employees and volunteers:

At the present time this is unchanged.

Economic impact on your organisation:

Anticipated loss of reserves this year approx £21,000. This money will be spent to maintain current activity.

Donations – these are down by 50% and I am told to expect further reductions during the year as people's ability to give to charitable causes are restricted by their own daily living needs, particularly in a relatively poor area such as West Norfolk.

Published by:

COVER: The Community and Voluntary Forum for the Eastern Region
Eagle Stile, Rectory Farm Barns, Walden Rd, Little Chesterford
CB10 1UD

Tel 01799 532880

Email office@cover-east.org

www.cover-east.org

