

VCSA Impacts of the Cost of Living Crisis Report

March 2023



1 Background and Methodology

In summer of 2022, it became clear that a national cost of living crisis would be a major focus of the voluntary, community and social enterprise sector (VCSE) in the months and perhaps years ahead. At this time, very little national research was available on how the looming crisis would impact the sector itself, not just individual households. For this reason, the Shropshire Voluntary and Community Sector Assembly (VCSA) undertook some local research to understand how the cost-of-living crisis would impact the VCSE sector in Shropshire, Telford & Wrekin.

Anecdotally, the VCSA knew that capacity concerns were salient in the sector, and so it was decided that a “pulse survey” approach would be the best way to engage the sector on this topic. The survey was therefore administered in four waves between October 2022 and January 2023, with 6-8 questions to complete in each wave. Each wave focused on a different topic related to the cost-of-living crisis and the VCSE sector and took approximately five minutes to complete. If an organisation missed participating in one wave, it could still participate in the other waves.

The open dates of the waves were as follows:

Wave 1: October 5 – October 26 2022

Wave 2: October 26 - November 16 2022

Wave 3: November 16 – December 7 2022

Wave 4: January 11 – February 8 2023

Each wave focused on a particular topic related to the cost of living crisis, and the analysis below is organised around these themes:

Wave 1: Staff and volunteer recruitment and retention

Wave 2: Rising costs and pressure points

Wave 3: Service demands

Wave 4: Access to funding

Finally, all participants were signposted to the Shropshire Infrastructure Partnership (SIP) Community Development Team for help with infrastructure support should they need it.

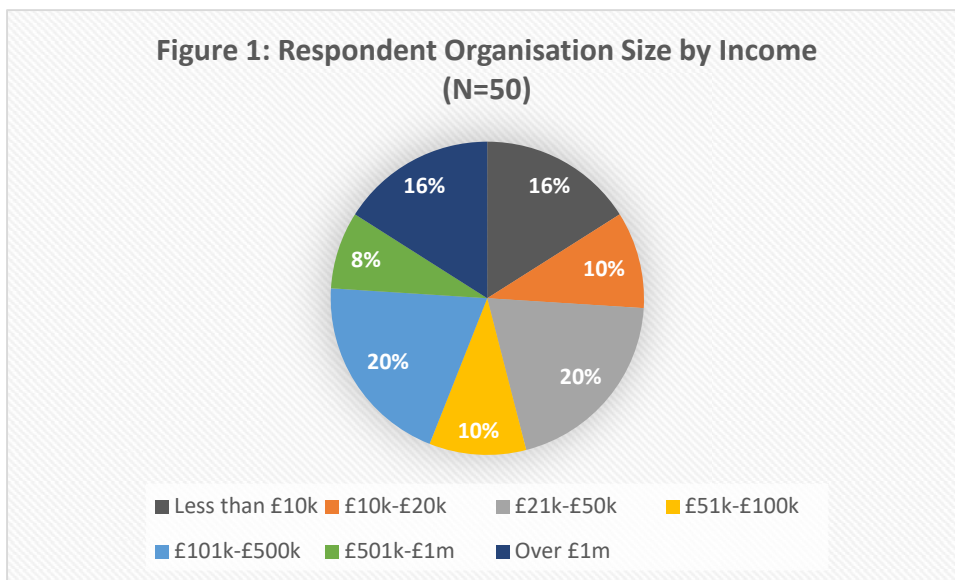
2 Respondents

Participation in each wave was low (see **Table 1**), despite the hope that the “pulse” model would improve survey uptake due to the short time it took to complete the survey. Using unique IP addresses, it was possible to track **50 total responding organisations** across the four waves. Some organisations responded across all four waves, some only responded to two or three, and the majority of organisations appear to have responded to only one of the waves.

Table 1: Number of Respondent Organisations Per Wave

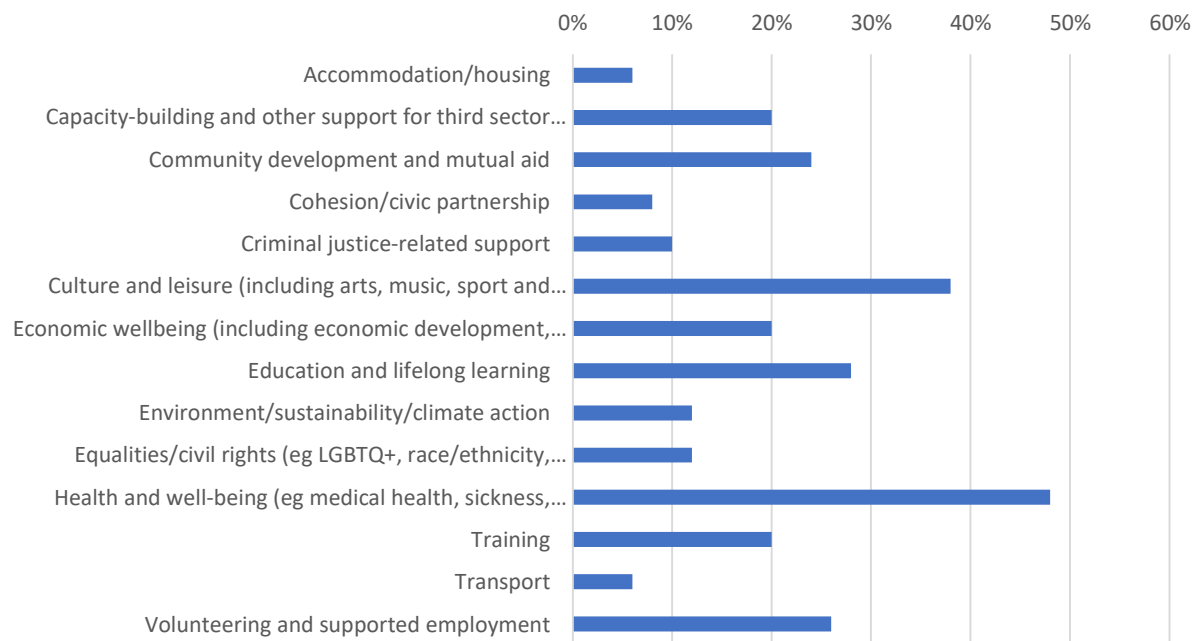
	Responses
Wave 1	20
Wave 2	21
Wave 3	11
Wave 4	10

Each wave asked respondents two questions that were the same so that it was possible track some data about the organisations responding across waves. The first asked organisations to identify their size according to annual income (**Figure 1**), and the second asked organisations to identify the types of services they provided (**Figure 2**). These responses are aggregated across the four waves by unique IP address.



A majority of the responding organisations were of small or medium size in terms of income, with only 12 of the 50 organisations (22%) responding that they earn over £500k annually. This aligns with other data, including previous state of the sector surveys and Charities Commission data, indicating that the majority of Shropshire’s not-for-profit organisations are small or medium in size.

Figure 2: Percentage of Respondent Organisations Saying They Offer Service (N=50)



When asked about the services they deliver, organisations were given the opportunity to tick more than one service area, so Figure 3 represents the percentage of responding organisations that ticked each of the options displayed above. The biggest service area represented was Health and Wellbeing (which includes mental health). This once again aligns with previous State of the Sector surveys, where this has been the biggest service area represented by organisations in Shropshire.

While respondent profiles reflect similar research previously conducted in Shropshire, as well as national trends, greater survey uptake is needed for more robust data and more reliable analysis. The conclusion contains some discussion of ways that uptake might be improved in future Shropshire VCSE sector research.

3 Staff and Volunteer Recruitment and Retention

The questions asked in Wave 1 of the survey focused on staff and volunteer recruitment and retention. The following questions were asked:

- Are you seeing an impact of the increasing cost of living on volunteering in your organisations?
- To what extent, if at all, are you concerned about wellbeing, stress, and burnout among staff in your organisation (if applicable)?
- Do you have concerns about staff leaving your organisations because of low pay?
- Have you had problems recruiting staff in recent months?
- Please tell us anything else you would like to say about the impact of the cost of living crisis on your volunteers and staff

National trends

While research on the impacts of the cost of living crisis on VCSE sector organisations is still developing, some national research exists looking at the impacts of the crisis on the sector.

For instance, an NCVO study published in July 2022¹ showed some worrying trends of decline and burnout in volunteering across the UK. The study's authors note that "volunteer levels are at a record low" in the sector. This low, the study finds, is due to record levels of burnout among volunteers.

"This research has consistently shown an elevated level of anxiety and fatigue among pandemic volunteers as well as their strong sense of guilt. Guilt-stricken volunteers suffer from burnout."

VCSE sector employees are also facing increased pressures. Some national evidence suggests that VCSE sector employers are struggling to recruit due to a widening pay gap between the sector and other sectors. An August 2022 Pro Bono Economics study² highlights that there is already a large and growing pay gap for VCSE sector employees, and that this gap is widening.

A Pro Bono Economics and Nottingham Trent University Joint State of the Sector Survey published in December 2022³ also showed that VCSE organisations are struggling to fill vacancies, and that existing employees are shouldering the extra burden by increasing working hours (See **Image 1** below)

¹ [Rei Kanemura, et al., Time Well Spent: Impact of Covid-19 on the Volunteer Experience, NCVO, July 2022](#)

² [Jamie O'Halloran, The Price of Purpose? Pay Gaps in the Charity Sector, Pro Bono Economics, August 2022.](#)

³ [Jansev 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, Pro Bono Economics, December 2022](#)

Image 1: Pro Bono Economics and Nottingham Trent University Survey – VCSE Employees Working Increased Hours



In addition to stress caused by increased working hours, the cost of living crisis may also impact VCSE employees more than those in other sectors due to lower wages. A June 2022 Civil Society study⁴ found that 14% of third sector workers are paid below the living wage, meaning that more of VCSE organisations' own staff will likely be facing their own household financial concerns.

Local trends

The national concerns about volunteer burnout are reflected in the local data from Wave 1. **65% of survey respondents reported a decrease in the number of volunteers, volunteer hours or volunteer applications.**

Only one comment reflected on the shortage of volunteers. The respondent said: "Many volunteers see volunteering as their hobby and incur some personal costs to volunteer (e.g. many drive to youth clubs and don't reclaim mileage, bring food from home etc.). This is getting harder to do & impacting on volunteering."

Staff recruitment and retention was an even bigger concern among respondents. **80% of organisations said that they have struggled to recruit in recent months, and 68% of respondents have concerns about staff leaving their organisations because of low pay.** The majority of open-ended comments also reflected these concerns:

- "I am the only employee in my organisation and feel the full effects of low pay. In fact, I am simply unable to even consider employing someone else because of the tight budget constraints that are in part due to the cost of living crisis."
- "Having some staff leaving for better paid roles, more churn than we have ever had. Harder to recruit some staff who are on minimal wage as competing with supermarkets etc."
- "We do not pay staff well, so members of the team have left to work in the NHS or for Shropshire Council."

⁴ [Yasmin Mahmoudi et al., All Work and Low Pay? The Third Sector and the Real Living Wage, Civil Society, June 2022.](#)

- “We have found it impossible to fill some of the vacancies we have.... It has taken almost a year to get the right staff in place following Covid.”
- “We are not competitive salary wise, can’t compete with private sector. Also, there is quite a shortage of the type of skills we need. We have had to advertise a number of times for the same role and not been able to recruit to certain roles too.”
- “We have had to re-advertise on a few occasions.”
- “Salary is currently being reviewed internally... pay is way under the national average... [and there are] high levels of staff turnover.”
- “Problem is that funding doesn't necessarily go up, so we can't necessarily put up wages.”

Finally, a huge majority (**95%**) of organisations responding reported feeling **"somewhat" or "very" concerned about staff stress, burnout and wellbeing**. Comments about this issue included:

- “Struggling before the crisis began, this has made things worse. Health and wellbeing of the team is essential for us to fulfil our mission.”
- “It will impact all of us in terms in increases to daily living but also staff will have to deal with emotive issues from clients which we will not be in a position to resolve.”

These results correspond with further qualitative evidence gathered at a VCSA Mental Health networking event held in January 2023, attended by over 32 individuals representing 21 different VCS organisations providing mental health support services in Shropshire. After the event, a summary report⁵ was produced, which highlighted a number of concerns about the mental health and wellbeing of volunteers and staff within these organisations. The following is excerpted from that report:

“Participants raised a number of issues around supporting staff, including:

- Concerns around infrastructure support: how well equipped are social prescribers to deal with really complex mental health issues?
- The need to restore some work/life balance after the stresses of Covid threw everything out.
- Former trauma or existing mental health issues of staff and volunteers being triggered or worsened due to current stresses.
- Financial and personal stress has increased among staff and volunteers, which increases work stress.
- Mental health issues are causing and contributing to already existing capacity issues in the sector.
- Organisational leaders, in particular, expressed a need for support, as they often absorb both client and staff stress.
- Home working trends have caused some staff to feel isolated, and there is a need for more peer support, but this can be hard to implement.
- Those present agreed that there is a need to share concerns in group settings such as this event.

⁵ [Mental Health Networking Event Summary Report, Shropshire VCSA, February 2023](#)

Participants also discussed several issues around supporting volunteers, including:

- The nature of volunteering has mushroomed since the pandemic, and participants discussed being mindful that they are asking a lot of volunteers.
- Barriers with helping volunteers' mental health include a lack of time with them. People only want to give 2 hours of their time, not spend loads of time in a debrief.
- There are also challenges with digital exclusion and getting volunteers to use online mental health training or debriefing tools."

The summary report from this event was shared with Shropshire Council's Public Health department, the Health and Wellbeing Board and the Hardship and Poverty subgroup.

It is clear from Wave 1 data, coupled with qualitative data from the Mental Health Networking Event, that Shropshire VCSE sector organisations are struggling with concerns around the mental health and wellbeing of their staff and volunteers. Relatedly, volunteer numbers are declining, and staff recruitment and retention is a challenge. This is likely due to the combination of Covid-19 burnout and the lack of any recovery ahead of the cost of living crisis.

4 Rising Costs and Pressure Points

The questions asked in Wave 2 of the survey focused on the rising costs of things like fuel and food, and asked organisations about their greatest pressure points. The following questions were asked:

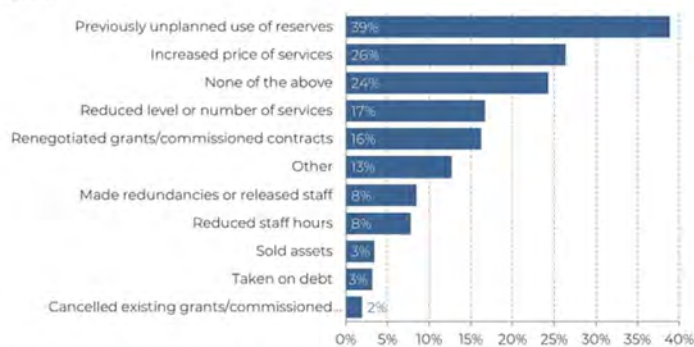
- What sort of changes have you seen to your running costs in 2022?
- Costs of everyday expenses have gone up for most organisations, often exceeding what had been budgeted for them, and other pressures are also creeping in on VCS organisations due to increases in the cost of living. Please tick any of the following that is causing your organisation pressure at the moment: Rent, energy bills, transport, food costs, staff or volunteer shortages, other.
- Of those things listed in the question above (including things you identified under 'other', please tell us the top pressure that your organisation is facing at the moment.
- Please provide details regarding how increased costs are impacting the services you offer.

National trends

Just like households, VCSE sector organisations are also facing rising costs around fuel, transport, food and more. Some national research exists on how this is impacting organisations. For instance, the December 2022 Pro Bono Economics and Nottingham Trent University study⁶ suggests that organisations are taking actions to tackle the challenges of rising costs (see Image 2). These actions include releasing staff, using reserves and increasing prices for services.

Image 2: Pro Bono Economics and Nottingham Trent University Survey – VCSE Organisations Taking Actions to Counter Increased Costs

Figure 7. Charities and community groups are using reserves, increasing prices and cutting services to manage rising costs
Which of the following actions has your organisation taken as a result of rising costs?



Note: n=671. Respondents could select as many answers as were applicable. Excludes 'Don't know' (2.7%)

Source: Pro Bono Economics and Nottingham Trent University VCSE Data and National Insights Observatory, State of the Social Sector Survey (7 - 21 November 2022)

⁶ [Jansev Jamal et al.](#)

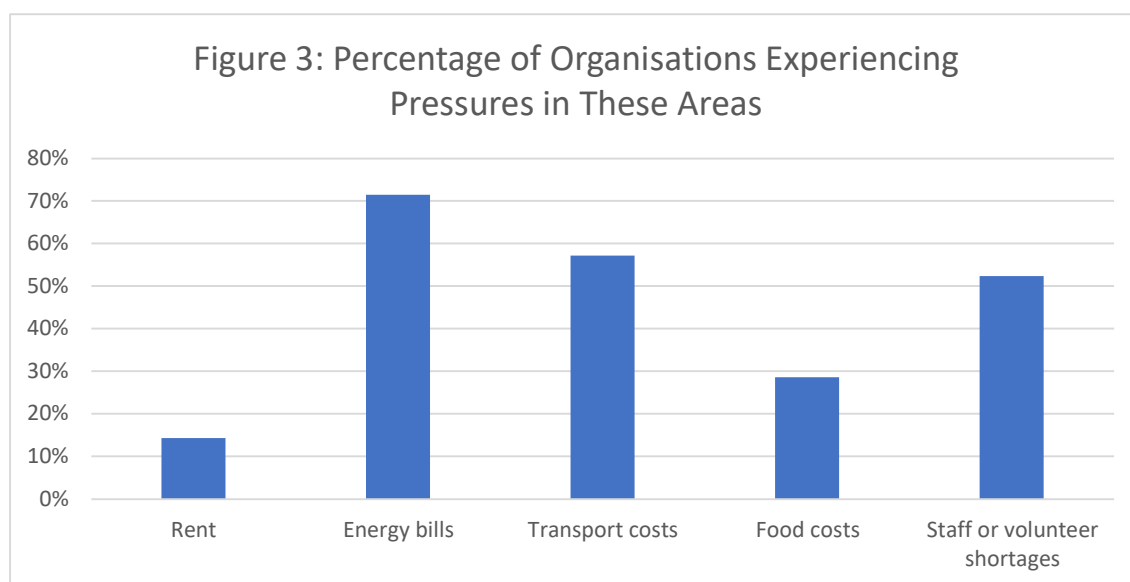
A Community Space Barometer from Community Matters, published in January 2023⁷ helps to further break down the cost pressures facing community organisations and their impacts. According to this report, 56% of the 121 organisations they surveyed said that their financial position had deteriorated in recent months, with 78% of those saying that this was due to rising costs.

The study demonstrated that utility costs rises were the biggest pressure point for the organisations they surveyed. “Whilst all organisations have had an increase in their utility costs, for a third of respondents the increase was 60% or higher.” In this survey, the cost of energy was the number one reported cost for organisations, whereas the cost of staff was the second highest. The report’s authors note that this result is striking, as the cost of staff is usually a VCSE organisation’s top cost.

Local trends

Shropshire VCSE organisations participating in Wave 2 of the VCSA Cost of Living Impacts survey overwhelmingly reported an increase in costs in recent months. **90% of organisations surveyed responded that they are experiencing increasing costs** this year, with **38% of those saying that the increases were “significant”**

A majority of organisations in the local survey also said that they are facing increased pressures around the cost of energy, transportation, and staff or volunteer shortages (see **Figure 3**).



In addition to these causes, some organisations also listed inflation rates and increased interest rates as also having an impact on their costs.

⁷ [Community Space Barometer, Community Matters, January 2023.](#)

With respect to those costs listed in Figure 3, organisations added more context to the pressures they are facing with open-ended comments:

- “Increased costs are putting pressure on the finances making balancing the books much harder. We have had to take on additional staff to increase capacity due to the increase in demand, this has not been funded and the cost is having to be borne by the organisation, putting further pressure on finances.”
- “Cost in travel - we have increased our mileage rate to take into account the increase of fuel. This means that even though team members are may not be travelling as much, when they do it will have an overall increased to our travel expenses to the whole organisation.”
- “Staff wages is comfortably our biggest cost. With inflation running at 10% we are struggling to keep up with this, so staff are seeing cuts in their take home pay, which in turn is squeezing all of them.”
- “Costs to pay volunteer travel expenses at the new 50p/mile rate [are having an] impact.”
- “With the same money, we can do less.”

Much like the national findings, respondents in the local survey rate **energy bills as the number one pressure** facing organisations as they deal with cost of living increases. Some of the comments associated with this include:

- “Heating costs [have] trebled.”
- “We are being pressured by utility bills to raise our fees.”

In line with national trends, increased energy costs are the biggest concern for VCSE sector organisations in Shropshire related to the cost of living. While some national government relief is offered to help offset these costs, clearly organisations are still unsure how to manage these and other increased costs without them impacting things like services, reserves, staff and volunteers.

5 Service Demands

The questions asked in Wave 3 of the survey focused changes organisations might be experiencing in service demands. The following questions were asked:

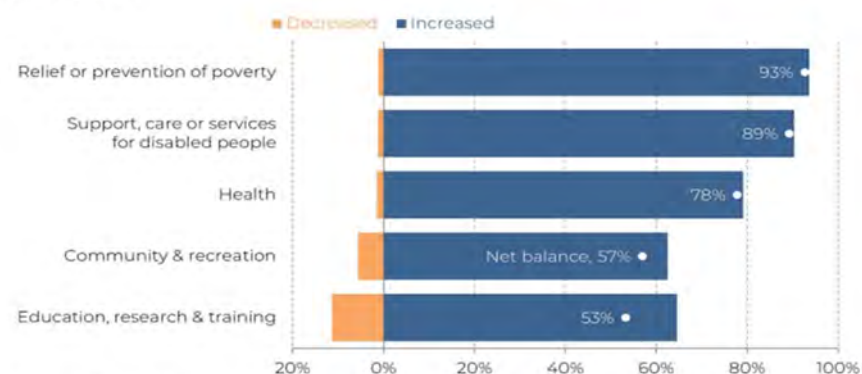
- Have you seen an increased demand for services in the past three months as a result of the rising cost of living in the UK?
- If yes, please provide information on the kinds of services that are in the highest demand.
- If you answered yes above, please tell us whether you're struggling to meet those demands.
- Have you found an increase in the number of clients cancelling or not taking up paid services due to affordability?
- Please feel free to add more information for context.

National trends

The December 2022 Pro Bono Economics and Nottingham Trent University study⁸ focuses quite a bit on the increase in service demands that VCSE organisations are facing as a result of the cost of living crisis, and the impacts of these increased demands on the sector. **Image 3**, taken from this study, shows that demand has increased overwhelmingly across all different types of service areas over the past few months.

Image 3: Pro Bono Economics and Nottingham Trent University Survey – Increased Demand

Figure 1. Every part of the charity sector has experienced rising demand
Over the last 3 months, has demand for your services/activity...?, by charitable activity type



Note: All, n=671, residual is 'Not applicable/don't know' – 0.6%, 'Stayed the same' – 19.1%. Poverty, n=95, residual is 'Stayed the same' – 5.3%. Health, n=72, residual is 'Stayed the same' – 9.4%. Disability, n=83, residual is 'Stayed the same' – 8.4%. Education, training & research, n=62, residual is 'Not applicable/don't know' – 1.6%, 'Stayed the same' – 22.6%. Community, n=72, residual is 'Stayed the same' – 31.9%.

Source: Pro Bono Economics and Nottingham Trent University VCSE Data and National Insights Observatory, State of the Social Sector Survey (7 - 21 November 2022)

⁸ [Jansev Jamal et al.](#)

The trend toward increased service demands in the VCSE sector was also the top finding of the latest Charities Aid Foundation Resilience Index, published in January 2023.⁹ This report finds that 57% of the over 1,300 organisations they surveyed reported a rise in service demands with almost a quarter of those (24%) reporting that demand increased by “a lot”.

Moreover, the Pro Bono Economics and Nottingham Trent University report¹⁰ suggests that many organisations predict that they will struggle to meet demands. In the January report, more than half of respondents predicted that they would not be able to meet demands this winter.

Local trends

Of those responding to Wave 3 of the Cost of Living Impacts survey, nearly **three quarters (7 of 11 respondents) said that they had experienced an increase in demand**. Of those three quarters, **another three quarters (6 respondents) reported that they were struggling to meet that increased demand**.

The kinds of services that organisations in Shropshire reported increasing varied, but services around financial help, benefits and debt advice, as well as services tackling mental health and isolation seemed to be the most affected. Some examples of comments about this include:

- “We are seeing an increase in requests for support from people that have tried to access other services which have been up to capacity (potentially as a result of increasing demand due to cost of living issues) and therefore referred to us. Also seeing increasing numbers of people needing additional support re food bank referrals.”
- “Welfare benefits, energy and debt advice”
- “Experiencing record levels of demand... Have chosen 'we're meeting the demand' because currently... just about managing but there are concerns for the new year when ... donations drop off.”
- “Mental health support for those on NHS waiting lists, financial support, support for children on the edge of care.”
- “Requests for help with paying bills, claiming benefits, Food bank deliveries, hot food delivery. We try and signpost to the other services funded for benefit work, but they do not do home visits, so causes real stress for some of our client groups.”
- “41% increase in referrals (double the enquiries) for our ... programme for most vulnerable people with physical/mental health issues.”
- “Particularly high demand in benefits advice and befriending”

On the flip side of increased demand for services, the VCSA was also concerned that some organisations might experience a decrease in service uptake for paid programmes. **A third of organisations (4) responding to this wave of the survey reported that they have**

⁹ [CAF Charity Resilience Index: How the Cost of Living Crisis is Affecting the Sector, Charities Aid Foundation, January 2022.](#)

¹⁰ [Jansev Jamal et al.](#)

experienced an increase in the number of clients cancelling or not taking up paid services due to affordability. However, when organisations were asked to provide comments for context, it became clear that a few more organisations had noticed other ways in which services were being impacted by higher cost of living for clients.

- “Engagement in face-to-face family and parent activities is down - possibly due to costs/travel/parents working or caring/having to prioritise household resources... We continue to have stronger engagement for our online groups and events.”
- “People who would normally [use our service] 3 or 4 times a week to get out of the house are now only travelling once a week or less due to rising costs not of fares but in the shops and cafes.”
- “Not a large number of cancellations yet but a reduction in some paid for services, clients stretching hours out. Increase in free services such as I&A and befriending.”
- “We only offer free provision currently. We are however seeing people who cannot afford transport to access our service.”

While this wave of the survey had fewer responses than previous waves, their correlation with national data finding increased service demands are helpful in painting a fuller picture of the cost of living impacts on Shropshire’s VCSE sector. Moreover, the qualitative themes emerging around financial advice and volunteer-heavy services such as befriending help to point to the pressure points that may be emerging in terms of increasing service needs in the county moving forward.

6 Access to Funding

The questions asked in Wave 4 of the survey focused organisations' income and challenges they might have experienced with accessing funding such as grants, donations or contracts. The following questions were asked:

- Over the past six months, has your organisation seen donations/income increase, decrease or stay the same?
- Have you applied for any grants specifically related to the cost of living crisis (regardless of whether you were successful)?
- If yes, which grant(s) did you apply for?
- Have you received any additional funding specifically related to the cost of living crisis?
- If yes, which grant(s) did you receive, and for how much?
- If your organisation's income has decreased in the last six months, what have been the impacts of this decrease on your organisation?

National trends

There were already signs in early 2022 that charitable giving was declining after the pandemic. The 2022 UK Giving Report from the Charities Aid Foundation¹¹ for instance, shows that giving was down in 2021 compared with 2020 and 2019, and suggested that this trend would continue.

This decline in giving is particularly problematic for small and medium-sized charities, which make the majority of VCSE organisations in Shropshire. The NCVO has found that a larger percentage of smaller charities' income comes from charitable giving than that of bigger organisations.¹² In addition, the 2022 NCVO Almanac¹³ showed that the second-biggest source of income for charities, government spending, has declined every year since 2014.

The January 2023 Charities Aid Foundation report¹⁴ offers a helpful look over a recent four months of the financial resilience levels of charities in their study. **Image 4** shows a summary of resilience scores for charities between October 2022 and January 2023, which demonstrate a pattern of declining resilience between October and December, with only a slight improvement in January. For example, in the final measure, only 31% of charities in January 2023 showed resilience under the statement "our current funding is secure," while up from the low of 24% in November, is still down two percentage points from October.

¹¹ [UK Giving 2022, Charities Aid Foundation and ACEVO](#)

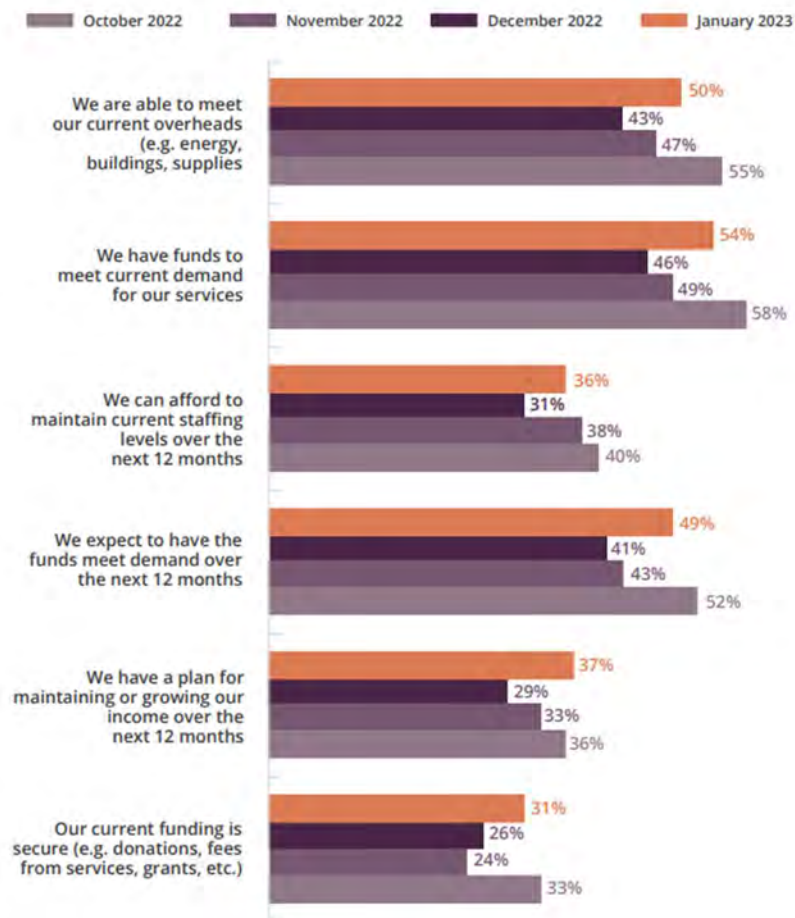
¹² [UK Civil Society Almanac 2021, NCVO.](#)

¹³ [UK Civil Society Almanac 2022, NCVO](#)

¹⁴ [ibid](#)

Image 4: Charities Aid Foundation January 2023 Report – Charity Resilience Summary Oct 2022 – Jan 2023

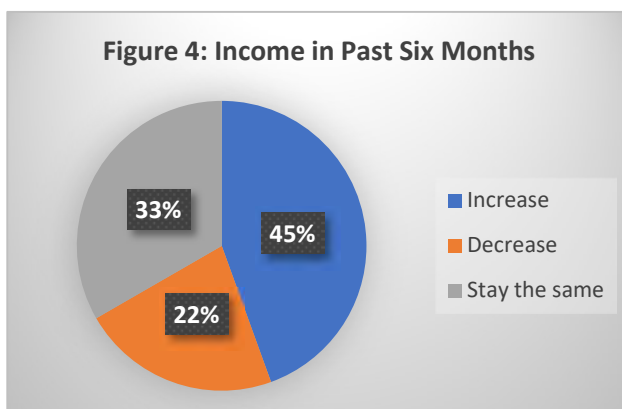
Figure 5: Charity Resilience summary of measures (percentage of charities scoring eight or more out of 10)



Base: Charities. October, N=351; November, N=346; December, N=312; January, N=314.

Local trends

Wave 4 of the survey had the lowest participation rate, so it is difficult to discuss universal trends in this area of questions. However, it is worth reporting that only a small percentage of those surveyed (2 of 10 organisations) said that their income had decreased over the past six months (see Figure 4).



One of the organisations that saw their income decrease received a grant specifically related to the cost-of-living specific crisis, while another organisation that had an increase in its income also received a crisis-related grant from another source.

Very few comments were left on Wave 4, but one was relevant to concerns about funding sources, noting that it was difficult to find funding to help cover increases in energy costs.

- “It is harder to cover the overhead costs of the organisation. The energy costs have more than trebled and finding the finance to cover it is difficult.”

Some of the comments from Wave 2 touch on the question of using reserves to cover costs such as increased energy bills, which is relevant here, as organisations are struggling to find income streams to cover these increased costs. Comments from Wave 2 on this include:

- “These times are what our reserves are for – let’s hope it’s not for long.”
- “In order to try to reduce any impact on services we are currently using charity reserves. But without any increased funding to meet increased costs we will in 2023 need to reduce our costs and the services we can offer.”
- “Increased costs are putting pressure on the finances making balancing the books much harder. We have had to take on additional staff to increase capacity due to the increase in demand, this has not been funded and the cost is having to be borne by the organisation, putting further pressure on finances.”

Another comment from Wave 3 of the survey is also relevant to the questions asked in Wave 4, illustrating that the national data on concerns over the financial security of charities is not unfounded:

- “We know our charity can relieve the pressures on hospital beds/ assist with winter pressures We have been providing integrated care/housing services for over 30 years and have battled to get commissioned or grant funded for the last 5 years. The tripling of utility bills within our properties and the inability to persuade commissioners to contract with us has led to our charity trustees accepting that we are no longer viable and the charity will close in three months’ time.”

While few responses in this wave mean that it is difficult to discuss universal trends in Shropshire based on this data, there are worrying alignments with national data around funding sources not meeting cost of living increases, as well as increased use of reserves and worries around sustainability. The one imminent charity closure highlighted in a sample of just 10 responses is also concerning, pointing to a need for further investigation of the sector’s financial position in upcoming research, including the State of the Sector survey.

7 Conclusions

While there are a number of lessons to be learned through this research, the conclusions listed below are those that are most supported by the evidence provided through the survey, and/or also correspond to trends in national data.

Shropshire's VCSE sector is struggling with staff and volunteer recruitment, retention and mental health

There is a great deal of evidence on a national level to support the fact that the VCSE sector is struggling with low pay, burnout and a decrease in volunteering. This was also the conclusion most supported by local evidence, which showed a decline in organisations' levels of volunteer application and recruitment, as well as an increased difficulty in recruiting for staff roles in recent months. Moreover, evidence from the survey and the VCSA Mental Health networking event shed light on a burgeoning mental health crisis in the sector among staff and volunteers who are facing increased pressures.

Mental health concerns are important to address in and of themselves, but they also feed into other issues raised in this report, including problems recruiting and retaining staff, as well as capacity issues with meeting increasing service demands. All three of these things work together to reinforce each other and exponentially increase the challenges posed for organisations. Addressing the mental health and wellbeing of staff and volunteers working in the VCSE sector should therefore be an immediate priority.

Energy bills are the number one financial pressure for Shropshire's VCSE organisations, and these increases are hard to cover with current funding

Shropshire VCSE organisations listed energy bills as their top financial pressure in the survey, but this is also the top pressure listed in national data among VCSE organisations. This was reflected by an urgent November 2022 call from the NCVO for the national government to continue its energy relief scheme for voluntary organisations.¹⁵ "Charities are particularly vulnerable to rising energy costs because of the nature of the services they run and how they generate income. They can't simply put up their prices like a private business might do." As one Shropshire-based organisation said, it is not easy to recoup energy price rises when you are receiving your funding through a grant or contract that is already pre-set. It is in these circumstances that organisations must rely on reserves that may have already been depleted during the Covid-19 crisis.

Shropshire organisations are seeing increased service demands alongside increased costs, which don't necessarily correspond with increased income

While a few organisations reported increased income in the survey, a majority of organisations had their income either decrease or remain the same, which national data demonstrates is typical of the sector currently. However, even when income remains the same, increases in the cost of operations and increases in demands for services can mean

¹⁵ ["Call for continuing energy bill support for voluntary organisation," NCVO, November 2022.](#)

effective financial losses for organisations. This leads to a decrease in overall financial resilience, such as that reported by the Charities Aid Foundation and other national bodies supporting charities in the UK.

Even the small sample size of just 10 organisations responding in Wave 4 captured one upcoming charity closure. The loss of even one organisation operating for years in Shropshire represents not just a loss of crucial local services at a time when service demands are increasing dramatically, but also unique on-the-ground local knowledge and experience. This highlights the stark need for more investment in the sector in order to maintain and sustain the value that organisations with many years delivering services. It also suggests that more research on the sector's financial sustainability is needed in the near future.

Response rates for sector surveys not improved with shorter but multiple wave method

Response rates to the individual waves of the survey were very low, indicating that the shorter but more numerous wave method did not have the desired effect of saving organisations' time and thus improving uptake.

One reason for the low response rates in each wave may be that while each survey itself was short, the window for organisations to complete the survey was also short (3 weeks) which may have been too little time for a wave to get onto an organisation's "to do" list before closing. Another reason may be that despite messaging, organisations may have been confused about whether they had already taken the survey or not.

Experience from testing this method suggests that future surveys of the VCSE sector in Shropshire should be in one wave, with a long opening window to maximise the collection of responses.

Many thanks to all of the Shropshire VCSE sector organisations that participated in this research.

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Report produced on behalf of the Shropshire Voluntary and Community Sector Assembly (VCSA)

Analysis and reporting by:

Feedback and Insight Team, Communications and Engagement, Resources

Shropshire Council

Email: VCSAssembly@shropshire.gov.uk



Shropshire
Council