Localgiving report finds local charities fearful of their long term survival

Thursday 26 April, 2018

Media:







Report sparks debate about the future of UK's local voluntary sector

- Localgiving report finds local charities are hugely overstretched and under resourced. Just **47%** of UK's local charities and community groups are confident they will survive beyond 5 years.
- The financial value of volunteers in the local voluntary sector lies between **£7.5 and £10.5** Billion per year.
- Localgiving and the funders of this year's report, Sage Foundation, convene key sector bodies to discuss the future of the local voluntary sector.

On Thursday the **26th of April,** key voluntary sector bodies including NCVO, IoF, DCMS, SCC, Lloyds Foundation and DSC gathered at the headquarters of the Sage Foundation, to debate the findings of Localgiving's latest *Local Charity and Community Group Sustainability Report*.

The report found that local charities and community groups in the UK are stretched to breaking point. Over recent years, cuts and austerity measures have increased the burden on local charities and community groups. Many groups are now facing a trade-off between the quality and the durability of their services.

Each year the *Local Charity and Community Group Sustainability Report* provides a snapshot of the local voluntary sector, highlighting both the unique value of local groups and the key challenges they face. Now in its third year, this report revisits the core themes of sustainability, staffing and skills while also addressing emerging issues such as the potential impact of Brexit, GDPR and devolution.

With **686** responses from local charities and community groups, this is one of the largest voluntary sector surveys in the UK.

The report finds that:

- Less than half (**47%)** of local charities are confident they will survive beyond 5 years.
- **78%** of groups reported an increase in demand for their services over the past 12 months. **85%** of these groups predict a further increase in demand over the coming year but just **14%** feel sufficiently resourced to meet it.
- Organisations working in areas affected by cuts in public services, welfare reforms and the wider impact of austerity have been affected significantly. **93%** of respondents working in homelessness or providing counselling services have experienced an increase in demand.
- **71%** of respondents are concerned that their organisation does not have the requisite skills to run a successful fundraising campaign.
- The financial value of volunteers in the local voluntary sector lies between **£7.5 and £10.5 Billion** per year.
- Just **2%** of local groups in the UK feel that Brexit will have a positive impact on their organisation. In Northern Ireland **64%** of groups think Brexit would have a negative financial impact compared to an average of **24%** across whole of UK.
- Just **5%** of groups in areas where devolution has taken place recall being consulted about the process.

Localgiving has given a set of recommendations to help address these issues. These include:

- The need to develop strong, transparent communication channels between the local voluntary sector and government - at all levels.
- The need for improved capacity building programmes to help grassroots groups diversify their income streams and prepare for increases in service demand.

Lewis Garland, author of the *Local Charity and Community Group Sustainability Report 2018,* said:

"We are consistently impressed by the resilience and resourcefulness of local charities and community groups – particularly their ability to provide high quality services on limited budgets. This is testament to the incredible passion of those working and volunteering in the sector. However, these services cannot be run on passion alone".

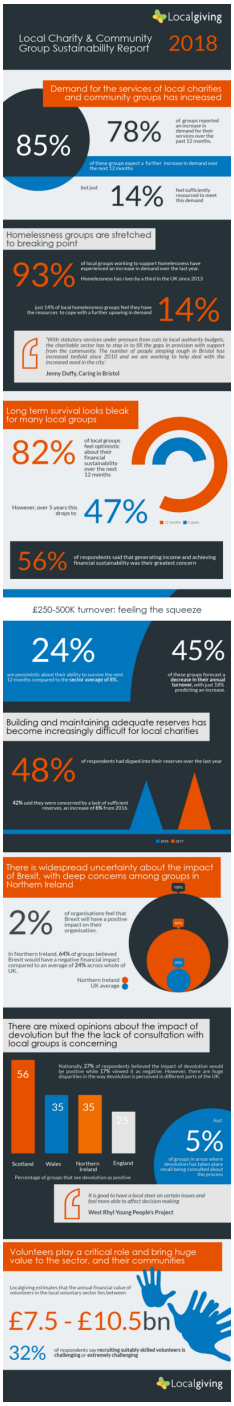
"Our report has revealed a sector stretched well beyond its capacity. Local charities have been expected to fill the gaps left by public sector cuts, while simultaneously competing for dwindling funding opportunities. Meanwhile, the climate of uncertainty around issues such as Brexit and GDPR has left many questioning their future. If the sector is to survive, let alone flourish, it is essential that local charities are actively included in key decision making processes - both at the local and national level. Furthermore, we must find way to increase, and diversify the funding and support available to these groups".

Paul Streets OBE, Chief Executive, Lloyds Bank Foundation for England & Wales said:

"As a funder of small and local charities, every day we see examples of organisations stretched to capacity facing rising demand and increasingly uncertain futures. This report shows that now more than ever it is important that we speak up for charities on the frontline supporting people facing the greatest challenges, helping to raise their voices too. The upcoming Civil Society Strategy needs to grasp this as a chance to shift the focus of government back towards the value and needs of these local charities, through reforming commissioning and supporting their vital role in communities."

Andrew Walkey, Head of Marketing and Membership, NCVO said:

"This report echoes many things we hear from our members. Housing, homelessness and welfare changes are major issues for many local charities at the moment, while others are concerned about the potential impact of Brexit. But it's always heartening to see that while the funding environment continues to challenge them, charities are working hard to adapt and ensure they can be in a good



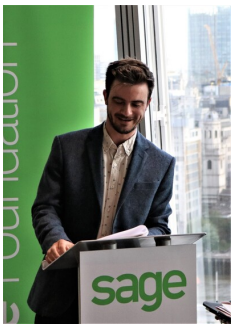
place for the future. We'll continue to work with Localgiving to make sure we're providing all the support charities need to help them make an even bigger difference."

Debbie Wall, VP, Sage Foundation said:

"This remarkable snapshot should be a wake-up call to any business, like Sage, who believe in corporate philanthropy and their role in helping local communities. The findings are a clear impetus for business to ensure charity partners benefit more than ever from the experience of the private sector. Sustainability, resourcing and planning are the cornerstones of any strong business and much could be achieved through a richer collaboration across our two sectors.

"Good will is not enough and that's why Sage will be doubling down on our 2+2+2 commitment of funding, volunteering and product donations to UK grassroots organisations. We'll also be reaffirming our commitment to capacity building through volunteering and grant making, so more brilliant groups can diversify and prepare for successful – not uncertain - futures."

Read the full report today: http://report.localgiving.org/





For more information please visit Localgiving.org, email help@localgiving.org or call 0300 111 2340.

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For more information please contact:

Lewis Garland, Communications Manager - lewis.garland@localgiving.org

About Localgiving

Localgiving is the UK's leading membership and support network for local charities and community groups. It aims to empower grassroots organisations to fundraise online, connect with supporters and take control of their financial future. In addition, it provides advocacy for the local voluntary sector and works to secure third party funding for its members. It provides free training opportunities, fundraising resources and regular incentivised giving campaigns to help groups raise funds online.



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