Community Action Suffolk

and

Suffolk Community Foundation

# State of the Voluntary, Community, Faith and Social Enterprise Sector – Headline Report 2025

# Foreword

We are delighted to publish this report setting out the state of the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector in Suffolk. The research and the stakeholder survey were undertaken in early 2025. This report represents the culmination of extensive efforts, and we would like to express our sincere gratitude to all who contributed their time and insights.

The Suffolk VCFSE sector have made strides to overcome the significant challenges and changing demands to better support communities during a prolonged period that has seen a cost-of-living crisis and a change of Government bringing new challenges to the sector. With many services cut or depleted, charities and social enterprises have stepped forward to plug the gap, often on significantly reduced budgets.

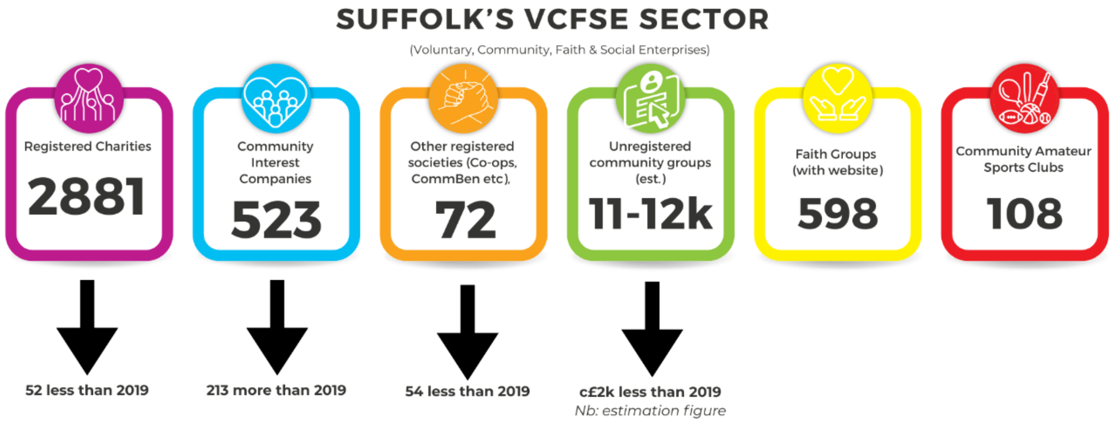
However, the VCFSE sector is resilient and well versed in responding to challenging situations. We continue to see increasing demand for investment from organisations looking to strengthen their sustainability and enhance their impact.

The research does indicate that although there are considerable pressures on the VCFSE sector, overall, it continues as a large, diverse and active movement with considerable social and economic impact across the county. Many organisations are adapting and developing to meet new needs and ensure their own sustainability.

Given the significant importance and value attributed to communities, as well as the vital role of the Voluntary, Community, Faith, and Social Enterprise (VCFSE) sector and the rising demand for volunteers, we urge all partners to explore the opportunities for enhanced collaboration and partnership based on the insights and recommendations presented in this report.

*Hannah Reid, Chief Executive, Community Action Suffolk and Hannah Bloom Chief Executive, Suffolk Community Foundation.*

# Sector Snapshot




**Size of Suffolk <u>Registered Charities (*reported* data for 2021/22)</u>**

- 72% have income less than £100,000
- 96% have an income less than £1m
- 9% have an income less than £10,000
- 4% income £1m+

*Nb: Charity Commission figures based on 1439 Suffolk registered charities annual returns – some charities with income less than £10,000 will not have completed these therefore the percentage for 'income less than £10,000' is likely to be much higher.*

Of stakeholder survey respondents (in 2025), over half (57%) have an annual income of less than £50,000.

| **Income Band** | **Response** |
|---|---|
| Under £10k | 52 |
| £10k-£20k | 28 |
| £20k-£50k | 32 |
| £50k-£100k | 27 |
| £100k-£500k | 33 |
| £500-£1m | 11 |
| £1m+ | 12 |
| No answer provided | 1 |

Suffolk has more than double the number of small charities than national average at 63.03% compared to 30.95%.

In Suffolk, the top 100 charities (in terms of income) had a combined income of £399,999,185, whereas the 1,032 Micro and Small charities had a combined income of £30,959,708 in 2021/22.

4.03% of Suffolk charities are in the Large, Major and Super-Major income backets, whereas nationally, 4.44% of charities are in the Large, Major, and Super-Major charities.

58 charities in Suffolk bring in a combined income of £370,859,322 between them.

*The following pages summarise Key Findings from the 2025 State of the Sector Report drawn from national, local and regional desktop research and the 2025 State of the Sector stakeholder survey (196 organisation responses).*

*The full dataset report is available on our website:*

*[Research into Suffolk and the VCFSE Sector - Community Action Suffolk]*

# Income

- According to the Charity Commission, Suffolk charities registered a gross income of £499,458,522 in financial year ending 2023 compared to £492,927,959 in 2022. **A £6.5m increase**.

- Charity expenditure in the same period disproportionately increased from £469,702,519 in 2022, to £518,249,737 in 2023. **A £48.5m increase**.

- The **3 decreasing income streams** identified by survey respondents the most in the last 12 months were:
    1. Grant funding from Trusts and Foundations
    2. Public Giving
    3. Statutory Grant Funding

- Circa 50% of respondents reported **grant funding financially decreased the most in the last year** (2024).

- 78 respondents said that 50% or more of their organisation's income was from grants and contracts.

- According to 360 Giving GrantNav – average grant award size in Suffolk **fell by 49% from £108,078.98 in 2022/23 to £53,113.06 in 2023/24**. The number of **awards also fell by 77% from 808 to 293**.

- All respondents reported they had **at least one other source of income**, ranging from trading income (e.g. venue hire, training, sales, user fees), to income from investments and membership fees.

- 69% of respondents reported their organisation income has stayed the same of decreased over the last year, and 30% reported income growth. However, anecdotal intel from our teams and reported by voluntary sector organisations in 2024, suggest **increased and more complex demand for services against a backdrop of little, if any, increase to funding**.

- **Core funding, long-term funding and better application processes** are cited as the top 3 'asks' of the sector to commissioners and funders.

# Expenditure

- In the last 12 months, respondents report **increased costs** against all areas of the survey. Top 4 were **energy bills, other utilities, staff salaries and essential supplies**.

- **Staff salaries represent the third most significant rise in organisational expenditure**. This situation is further exacerbated by the recent Government decision to increase the burden on employers by raising National Insurance Contributions.

- In response, 52 organisations have **increased charges for services** (61% charge for some services), 46 **have limited or restricted services**, and 42 have **unexpectedly used reserves**.

- 26 have **terminated or suspended services**, 24 have **introduced or extended waiting lists**, and 28 have **reduced staff hours and/or made redundancies.**

- Charity Commission guidance is that unless an organisation has a specific requirement for more, 3 months running costs is the minimum reserves level organisations should operate with to be able to cover any contractual commitments should closure be necessary. **44% of respondents do not meet the 3-month reserves threshold**.

- **7% of respondents (12 organisations) do not have any reserves with a further 5% unlikely to meet contractual obligations should the worst happen.**

## Service Delivery

- 27% responded they were **delivering services they felt others had a statutory responsibility to deliver.**

- 66% have experienced an **increase in demand for services** in the past year and **expect the increase to continue** in the next 12 months.

- 118 respondents reported an **increase in complexity of demand** in the past 12 months resulting in expansion of current services, additional need for volunteers, upskilling of staff and volunteers, introduction of new services, and new partnerships with other organisations. While these actions are all positive steps, they do not come without additional cost.

- The majority of respondents confirmed their organisations had been able to meet the volume and complexity of demand with some difficulty, or with little or no difficulty. However, 19 had not. **Most were confident they would meet demand in the next 12 months**.

## Workforce Wellbeing

- Nationally, **69% of VCFSE workers said they suffered from anxiety due to their work, while 68% reported continual tiredness and 66% sleeplessness** (Unite survey December 2023).

- 45% of our survey respondents state there had been no noticeable change to morale within their organisation. However, **40% had witnessed instances of burnout in the last 12 months**.

- 101 responding organisations indicated that they were **slightly or very concerned about <u>volunteer</u> wellbeing** and 82 organisations were **slightly or very concerned about the wellbeing of their <u>staff</u>**.

- 17% of respondents had seen an **increase in sickness** in the last 12 months.

# Sector Challenges


- The **top 3 sector challenges** are:
    1. Insufficient funding
    2. Increase in demand
    3. Volunteer recruitment

- The top 5 significant **challenges facing professionals** in the sector are:
    1. Funding & Cashflow
    2. Volunteer Recruitment
    3. Long term/sustainable funding
    4. Burnout/lack of time/worklife balance/high workload
    5. Core funding

- The national research report Breaking Point: The Mental Health Crisis in Small Organisation Leadership found that **85% of respondents feel their mental health has been negatively impacted by their role**. Core funding has consistently been cited in previous years as the biggest challenge for <u>the sector</u>, it is therefore both interesting and concerning to see the risk of burnout, time & work/life balance above core funding as a <u>professional</u> challenge.

- Funding for **core costs, multi-year funding, and long term (2+ year) project funding** are cited as the types of funding most required to meet organisation needs.

- **Time and complexity of funding applications** is the biggest concern for organisations regarding funding, followed by **lack of flexibility**.

# Spotlight findings on Volunteering

- According to Charity Commission, **Suffolk charities have 223,585 registered volunteers** (Nb: reported only, actual figure likely to be significantly higher).

- 50+ respondents felt it has become more difficult to recruit volunteers, and just under 50 felt it has become **more difficult to <u>both</u> recruit and retain volunteers**.
  - The types of roles organisations most needed were volunteers to **support with service delivery**, (for example through befriending, facilitating drop ins, etc.), closely followed by **practical support**, (for example, decorating, IT support, gardening etc.). **Support with fundraising** was the third highest type of role most required by responding organisations.

  - By age, survey responses indicate **25% of volunteers are 65+ and in total, 64% are above the age of 51**.

  - By far the best way of **finding volunteers** has been through an organisation's service users, or beneficiaries, where the volunteers "know" an organisation.

  - 50% of volunteers do so once per week.

  - 81% of organisation **do not have a specific role** dedicated to recruiting and retaining volunteers.

  - All respondents had noticed a **decline in volunteers** with Covid 19 & Cost of Living Impacts still taking 2nd and 3rd place behind **'Less time' as the biggest challenge**.

  - A clear **reluctance to have volunteers under the age of 18** was cited in the survey results. Of those that do have young volunteers, Duke of Edinburgh Awards (9) and Work Experience placements (10) were the most common.

  - Lack of time, general life complexity, lack of funding for recruitment and retention, recruitment, communications and Suffolk's ageing demographic were all cited as the **most challenging issues affecting volunteering in Suffolk.**

# Finding Recommendations for Partners and Stakeholders:

1. Engagement with sector funders to help bridge the gap between their needs and requirements in order to award funding and the capacity and skills of VCFSE Sector groups that wish to apply for funding to help ease the process (through easier application forms, introduction of quick expression of interest forms that clearly show if a group is eligible before lots of time is spent producing a full bid) etc.

2. Encourage funders to see the value in funding what works, funding core costs and funding for longer terms rather than over reliance on short term project funding. Short term funding has its place and can create innovation and enable piloting, but longevity and realistic sustainability should be considered at the outset by funders as well as delivery organisations.

3. Improved system working to ensure service users/beneficiaries receive the right service they require through the best placed and qualified organisation to do so. Where a statutory obligation exists, partnership working should be equitable to enable VCFSE sector the opportunity to refer back into services with the reassurance that action will take place. Where funding, in whichever form, does not cover cost space should be enabled to have proactive conversations and for action to be taken if necessary to reduce the burden felt by VCFSE partners.

4. Partnerships and collaboration opportunities need to be developed across the sector to share good practice and learning, and also to develop ways of partnership working to support each other and work together to find solutions to issues in an equitable manner.

5. Improve training and development for the sector in collaboration with other sectors to share learning and experience. Mentoring, coaching and training opportunities are all cited within the report as opportunities to collaborate.

6. Accurate representation of sector needs is required from partners by ensuring the right representation is possible and Voluntary sector voice is heard at relevant tables and utilised productively with clear action and feedback.

7. A programme of support needs to be developed to help VCFSE Sector organisations demonstrate their value to funders, stakeholders and statutory bodies.

8. Improved business planning – both from the perspective of managing finance and particularly reserves, but more widely in terms of business

continuity and crisis planning – what will the organisation do if/when the worst happens? There are a range of sector organisations and pro bono partners who could help with this.

9. Staff and volunteer wellbeing support – encourage sharing best practice, what works, and how to support staff and volunteers to reduce risk of burnout, sickness and poor wellbeing.

10. To address the reduction in numbers of volunteers, there needs to be promotional effort to attract volunteers from different areas and demographics.

For further data, conclusions, and full source information, please see the full State of the Sector Dataset report which can be found here:
Research into Suffolk and the VCFSE Sector - Community Action Suffolk