



SUFFOLK
Community
Foundation

Community Action Suffolk

and

Suffolk Community Foundation

**State of the Voluntary,
Community, Faith and Social
Enterprise Sector –
Dataset Report
2025**

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State of the Sector 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.

1. Introduction

This report is intended to provide a comparative picture of the local voluntary sector in Suffolk against the backdrop of the national charitable picture. It is a 'bird's eye view' of the local sector, covering a number of areas and includes responses to a survey of the VCFSE Sector undertaken in partnership with Suffolk Community Foundation, which sought to gauge the sentiments of the VCFSE sector and provide an in-depth analysis of volunteering. The areas of consistent interest to the sector itself, partners, funders and investors is also examined. We have identified concerns that, as a sector and partners in 2025, must be kept track of going forward. These are drawn out in the recommendations at the end of this report.

This report gives greater insight into the significant contribution of the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector across Suffolk. It highlights the impact of the sector to enable influence – particularly with regards to policy. This report also provides a better understanding of the collaborative value of the sector, and fosters 'ownership' of this value and the need to support and nurture it. It will be disseminated widely and used to inform the partnership working responses of all organisations seeking to work with and through the VCFSE sector in Suffolk.

It is crucial to highlight the work that goes on under the radar – the incredible work of community groups, volunteers, paid staff and others in the sector that keep our communities vibrant. This report is designed to raise awareness of the size of the sector and its contribution not just to community life but also as a key part of Suffolk's economy and by enhancing the effectiveness of our public sectors.

Our charitable and wider VCFSE organisations, groups, and volunteers across the county work tirelessly to make Suffolk a safe and vibrant place. However, this year a concerning number of our VCFSE organisations continue to subsidise their annual delivery costs using their reserves. On average, these reserve levels are now approaching the minimum levels that would be expected (equivalent to 3 months unrestricted costs), with 44% of respondents to our State of the Sector survey indicating they now have less than this recommended level. This is one of the trends that has been identified and will be highlighted through this report. The implications are that VCFSE organisations are running much closer to minimum resource levels due to reduced ability to generate sustainable funding and/or income. This prompts an underlying concern with ability, and potentially desire, to change – the landscape in 2025 is very different from that in 2019 (pre-Covid19 and post Brexit) when the last full State of the Sector Report was published. Many VCFSE organisations feel it is necessary to hold on to established practices

which places them in a challenging position to differentiate, invest in new activities or organisation development, become sustainable, or to retain sustainability through new ways of working.

We need to help Suffolk's VCFSE organisations to identify alternative ways to be sustainable – this may be through new income generation opportunities, diversification of income mix, examining how best to address funder requirements, partnering and collaboration to enable bidding for larger more complex contracts (outside the skills and service delivery of one organisation on its own), or to facilitate mergers to form larger and more diverse VCFSE organisations that can better withstand the challenges of long term sustainability. There is a need for further leadership and facilitation across the sector to share best practice, encourage more effective business planning, and develop 'stepping out of the comfort zone' to enable opportunities for income generation to be grasped where appropriate.

We also need to better identify and harness the sector's contribution to the growth of an inclusive economy. Recent DCMS figures (see Appendix 1) identify that Civil Society contributed an estimated £18.5bn in 2023, accounting for 0.8% of the UK economy. Civil Society grew by 2.3% from 2022 to 2023, leaving it 6.5% higher than in 2019, prior to the pandemic, and 49.8% higher than in 2010, in real terms.¹ This is an upward trend and one that we should explore and exploit as a sector.

Suffolk is not alone in this challenge as our equivalent infrastructure partners nationally, one of which also note "Many VCFSE organisations are using their financial reserves to maintain operations amidst funding uncertainties. While holding reserves is common, the majority of organisations have not invested in new activities, and smaller organisations are particularly vulnerable"²

2. About Us

Community Action Suffolk (CAS) is the 'go to' support organisation for VCFSE organisations in Suffolk. We exist to ensure the sector is supported, safe and sustainable through the four functions of Local Infrastructure – Leadership & Advocacy, Partnerships & Collaboration, Capacity Building, and Voluntary & Community Action. We provide (or signpost) whatever is needed behind the scenes to enable this, so the sector can concentrate on doing what it does best – making Suffolk an incredible place in which to live and work.

¹ <https://www.gov.uk/government/statistics/dcms-economic-estimates-gva-2023-provisional/dcms-economic-estimates-annual-gva-2023-provisional>

² <https://www.sparksomerset.org.uk/wp-content/uploads/2024/11/Lessons-from-the-National-Picture.pdf>

We work closely with partners from the statutory sector, including Suffolk County Council, Borough and District Councils, Town and Parish Councils, Health and Police. We help our partners communicate and work more effectively with VCFSE sector organisations, communities, and volunteers in Suffolk. All these parties play a vital part in improving the lives of people in Suffolk. This is recognised by many statutory partners, though working with such diverse community groups can be difficult for large statutory organisations. Community Action Suffolk is positioned to support our partners and open communication channels.

Suffolk Community Foundation was established in 2005, is a registered charity and part of a national family of 47 community foundations across the UK.

We work closely with key stakeholders to increase understanding of need and raise essential funds to support local charities and community groups.

In partnership with Suffolk, we seek to rebuild local lives in a compassionate, respectful and sustainable way.

We do not compete with other local charities but instead act as a philanthropic hub to channel funds directly to them.

3. The VCFSE Sector

What do we mean by the VCFSE sector?

For this research we have chosen to focus on registered ‘not for profit’ organisations with charitable purposes. We have also undertaken a survey of the sector including a deep dive into Volunteering. Primarily, we will be focusing on registered charities and the wider VCFSE cohort of organisations including voluntary organisations, community groups, the community work of faith groups, and those not for profit organisations, and social enterprises where there is a wider accountability to the public via a board of trustees or a membership and profits will be reinvested in their social purpose.

We have used the definition of ‘charity’ as an organisation with specific purposes defined in law to be charitable – which is exclusively for public benefit.

According to the NCVO Almanac 2024³, in 2021/22, there were approximately 166,000 voluntary organisations in the UK. [NCVO point out that] this is a

³ <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/profile/how-many-voluntary-organisations-are-there/>

small, but significant, increase of 0.5% from the previous year and suggests the sector is recovering from the impact of the covid-19 pandemic. They go on to say that] micro and small organisations (income under £100,000) make up 80% of the sector, [and that] the number of large, major and super-major organisations (income over £1m) has slightly increased. This continues the trend seen in previous years. Whether this national picture is replicated in Suffolk will be examined.

There are currently 2884 physically registered charities active within the county of Suffolk with a Suffolk postcode. In 2019, when the last full State of the Sector report was undertaken, there were 2931 charities registered within Suffolk, a reduction of 47 charities. This isn't all due to closures, there have been new charities registered, amalgamations or mergers have taken place, and there have also been charities who have ceased to operate.

Nb: this number is those that have their official charity registration address and postcode in Suffolk, it does not necessarily mean that they all work in Suffolk and may not capture others who are registered outside of Suffolk but who work in the county. This also does not include those charities registered in Suffolk that are inactive and have been removed from the charity commission register.

According to Findthatcharity.uk, which takes its data from the Charity Commission register, there were the following numbers of VCFSE organisations.

The VCFSE Sector in Suffolk broadly consists of:

- 2884 registered charities (this includes registered charities, Charitable Companies and Charitable Incorporated Organisations (CIOs) that are registered with the Charity Commission for England and Wales, plus their equivalents in Scotland and Northern Ireland)), that have a registered contact address within Suffolk.
- 523 active Community Interest Companies (CICs) with a registered address within Suffolk
- 72 Registered Societies (registered on the FCA mutual public register) with an address within Suffolk
- 108 Community Amateur Sports Clubs

Plus, there are 598 different faith organisations throughout the county that also work for the benefit of the community, these numbers are taken from desktop research of their various websites. These include:

- 443 Church of England Churches registered with the Diocese of St Edmundsbury and Ipswich, plus those registered with the Diocese of Norwich that are within the Suffolk boundary.

- 27 Baptist Churches
- 53 Methodist Churches
- 19 United Reformed Churches
- 32 Catholic Churches
- 10 Congregations of Jehovah's Witnesses
- 6 Plymouth Brethren
- 3 Mormon Churches
- 2 Muslim Mosques
- 1 Hindu Samaj
- 1 Sikh Gurdwara
- 1 Buddhist Centre

Please note that some of these faith groups will also be registered with the Charity Commission. Some of the registered charities will also have trading arms that generate surpluses to support the charity. These trading arm organisations will be registered with Companies House, though it is a little trickier to count those as they do not have their own category within Companies House. They are most likely to be registered as a Company Limited by Guarantee or Shares, but there are a lot of commercial businesses also registered as this. Therefore, finding reliable methods of counting these trading arms and subsidiaries is a work in progress for future reports.

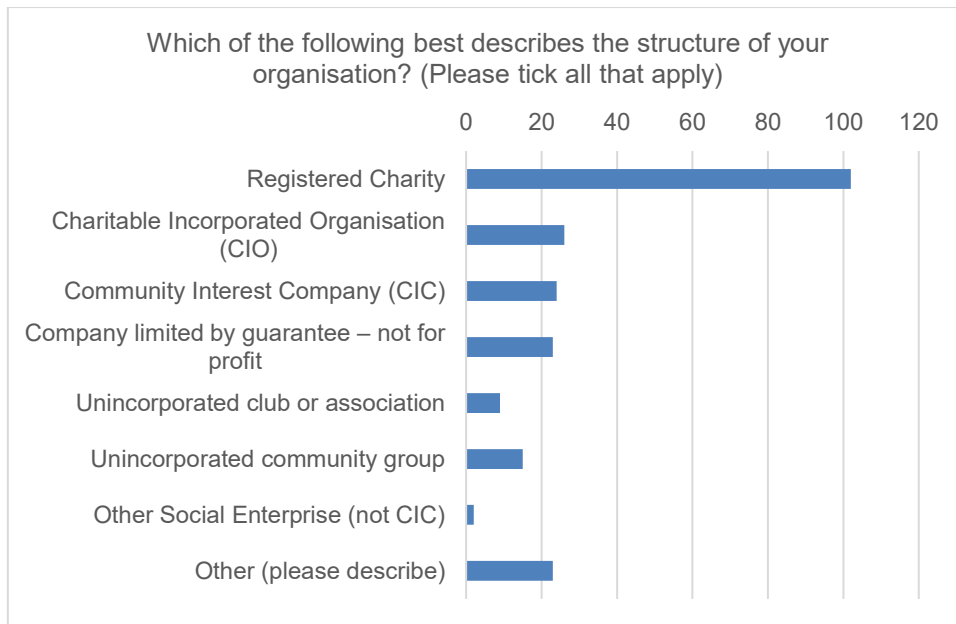
The most recent NCVO Almanac 2024 points out similar observations, in that, recent years have seen the rise of 'hybrid' organisations that share the characteristics of more than one sector. For example, social enterprises (businesses with social objectives that reinvest the money they make back into their business or the local community) can have multiple registrations including:

- community interest companies
- limited liability companies
- charities.

A charity may also have a trading arm registered as a social enterprise.⁴

In the State of the Sector Survey that was undertaken with the VCFSE Sector in Suffolk, the question was posed as follows: (Respondents could tick all that applied).

⁴ <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/profile/>

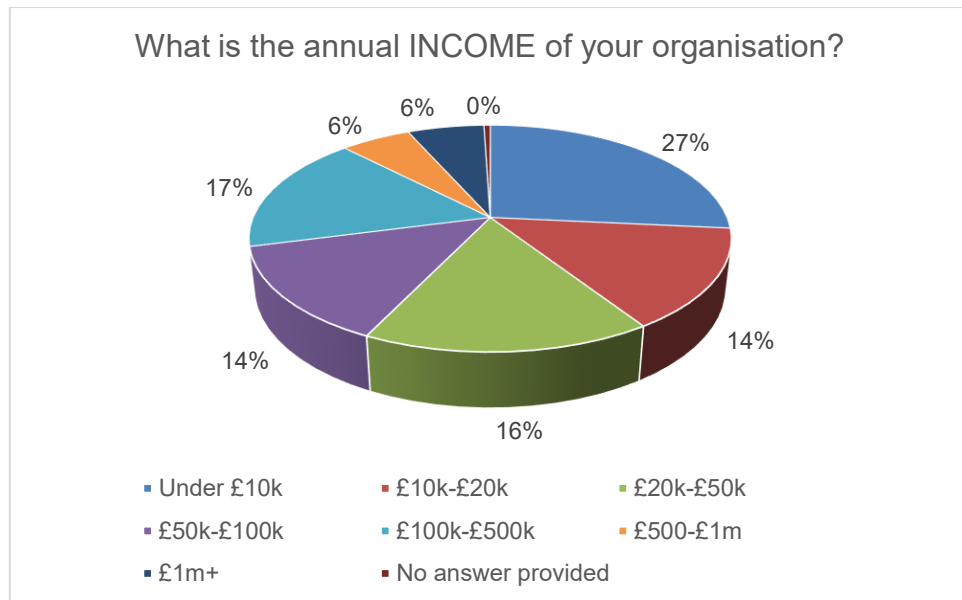
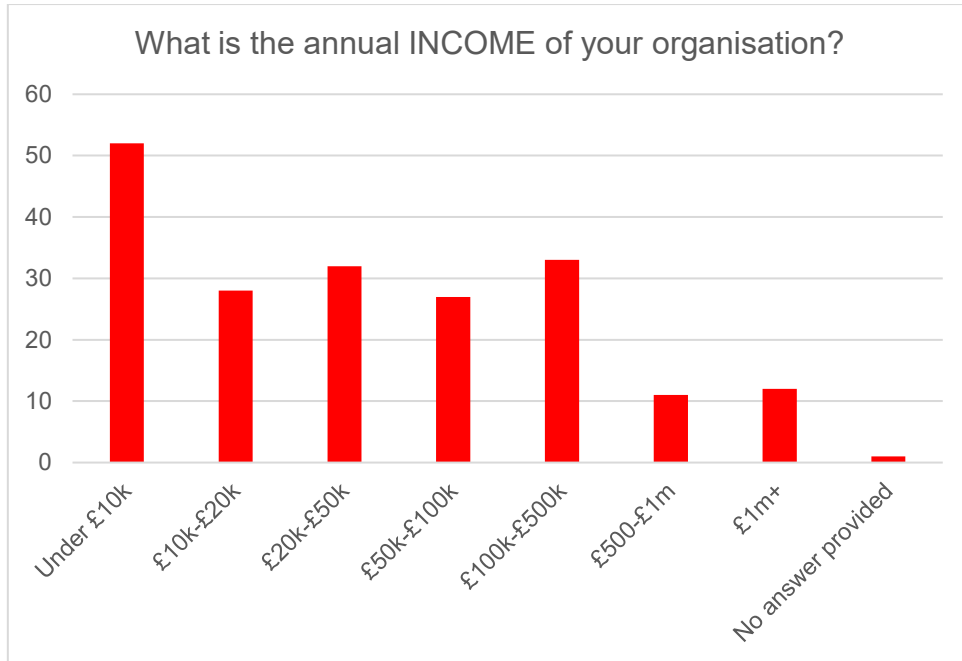


Organisations can be registered under more than one structure, (for example, a registered charity can also be registered with Companies House and a Company Limited by Guarantee). As can be seen in the chart, most respondents were registered charities.

4. Income and where it comes from

Using the Charity Commission returns of the financial year ending March 2022 to enable comparison to the NCVO Almanac 2024 (which uses the data from 2021/2022), Charities registered in Suffolk recorded a combined gross income of £492,927,959 in that financial year and a gross expenditure of £469,702,519. Upon examining the next financial year ending in 2023, the Charity Commission returns indicate a notable increase in gross income, amounting to £499,458,522 for the charities registered in Suffolk. However, it is concerning that the total expenditure for the same period reached £518,249,737.

The State of the Sector Survey asked about annual income of respondent organisations. The responses were as follows:



Over half (57%) of the responding organisations have an annual income of less than £50,000.

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

When comparing the Suffolk charity income and the national charity income in the NCVO Almanac 2024, (for 2021/22), the following data arises:

Income band	Name	Number of organisations	% of all organisations	Number of Suffolk Organisations	% of Suffolk Organisations
Less than £10,000	Micro	81,388	48.92	125	8.69
£10,000 to £100,000	Small	51,484	30.95	907	63.03
£100,000 to £1m	Medium	26,104	15.69	349	24.25
£1m to £10m	Large	6,440	3.87	52	3.61
£10m to £100m	Major	880	0.53	5	0.35
More than £100m	Super-major	65	0.04	1	0.07
All organisations	Total	16,6361	100.00	1,439	100.00
5					6

The reason that the Charity Commission “all organisations” data is not the same as the number of organisations registered with the charity commission in Suffolk, is because some charities have not completed their Annual Returns, which they should do even if their income is less than £10,000. If income is less than £10,000 they only need to report their income and spending⁷, but they should still complete an Annual Return to confirm these figures.

It is difficult to accurately measure the VCFSE sector’s contribution to the UK Economy. The Economic Statistics Centre of Excellence concurs, stating that the inability to measure the voluntary sector’s contribution to the UK economy limits its comparison to the non-voluntary sector, meaning that it may be undervalued or overlooked.⁸ [They continue to explain that] the ONS (Office for National Statistics) and NCVO (National Council for Voluntary Organisations) developed a method in the early 2000’s to calculate the sector’s GVA (Gross Value Added), which is still used by the NCVO today. [5]⁹ GVA is a productivity metric that measures the contribution of a corporate subsidiary, company, or municipality to an economy. The method calculates GVA as: $GVA = \text{Staff costs} + \text{Expenditure on goods and services} - \text{Income from sales of goods and services}$. However, this method may significantly

⁵ <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/profile/how-many-voluntary-organisations-are-there/>

⁶ Extrapolated from the Charity Commission register

⁷ <https://www.gov.uk/guidance/prepare-a-charity-annual-return>

⁸ <https://www.escoe.ac.uk/measuring-the-voluntary-sector/>

⁹ [5] Tabassum, N. (2023) *What do voluntary organisations contribute to the economy? NCVO*. Available at: <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2023/impact/> (Accessed: 23 February 2024).

underestimate the voluntary sector’s contribution to the economy because it fails to adequately consider unpaid volunteers; informal volunteers; spillover fiscal benefits; and the wider economic spillovers from receiving services.[6].¹⁰

A further issue that we are seeking to unpick is the impact of this income on the social challenges that affect Suffolk. Data to support this analysis is limited but we have information from the Funding 4 Suffolk Portal on what charities are seeking funding for, plus a look at the funding reported on the 360° Giving website which will give an indication of the amount of funding coming into the county that has been reported on this platform.

The subject of Income was a large area of the State of the Sector Survey that was undertaken in the beginning of the year. The questions and the responses received are as follows:

Respondents were asked whether in the past 12 months their organisation had experienced a decrease to any of the following income streams:

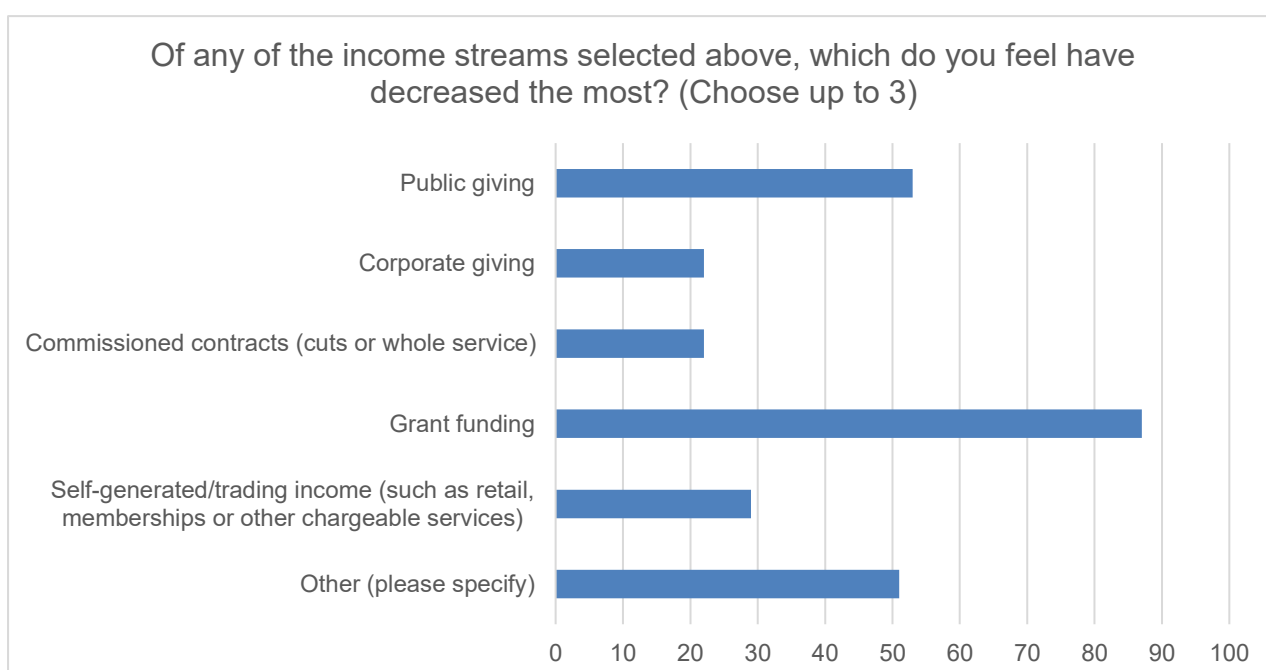


Perhaps unsurprisingly, the past 12 months has seen a reduction in Grant Funding from Trusts and Foundations, with the second highest number of respondents seeing a reduction in Public Giving. The reasons for this could be two-fold. The cost-of-living crisis has resulted in people having less

¹⁰ [6] Franklin, J., Graham, M. and Whittaker, M. (2020) *Undervalued and overlooked? The need for better understanding civil society's contribution to the UK economy*. Pro Bono Economics. Available at: <https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=d1fb4adb-1789-4c62-a897-097f2363a89a>.

disposable income in order to support charities is likely to be the most pressing reason, plus the negative media coverage of a few charities may have reduced the public's trust in giving to charity. The Government's Public Trust in Charities research¹¹ confirmed that Media coverage is particularly influential in leading to distrust in charities, but generally the public are cautious to not let the actions of one charity influence how they feel about others. However, for any charities where the media uncovers wrongdoing, there is little they can do to redeem their reputation and public trust.

As can be seen below, when asked which of these income streams, they felt had decreased the most, respondents clearly indicated that income from Grant Funding was the most significant decrease to income in the sector.

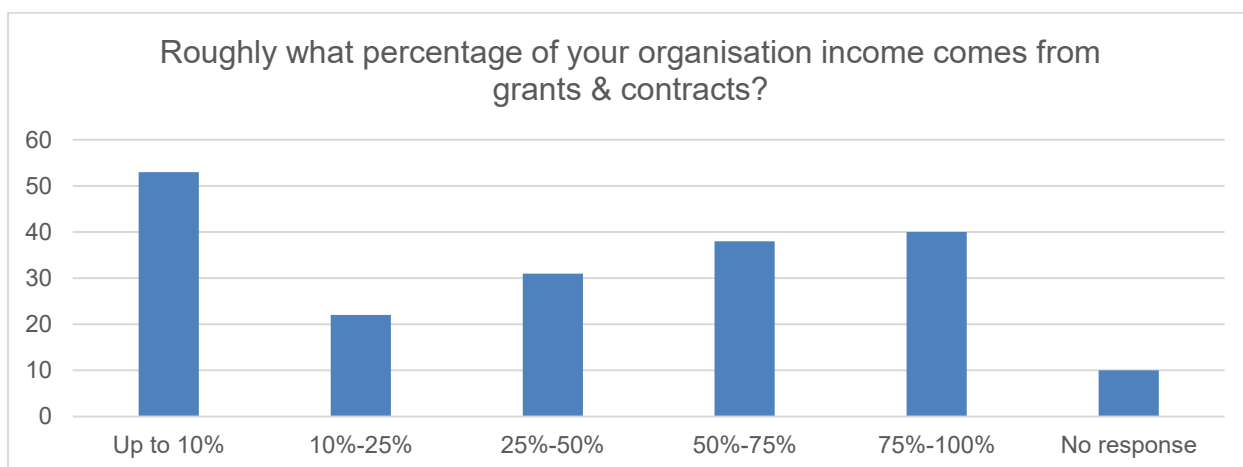


NCVO'S Almanac 2024 reported the decline in Funding for the Sector. This was reported in Civil Society¹², and noted by NCVO's President, Baroness Delyth Morgan in the House of Lords, stating that a "long-term decline" in funding from the government has left the charity sector vulnerable. [The remarks were made during a debate in the House] on the importance of contributions of the charity and voluntary sector. Revealing new figures from the NCVO's upcoming UK Civil Society Almanac 2024, Morgan said that government funding accounted for 26% of the sector's income in 2021-22, down from 30% the previous year.

¹¹ <https://www.gov.uk/government/publications/research-into-public-trust-in-charities-and-trustees-experience-of-their-role-2024/public-trust-in-charities-2024>

¹² <https://www.civilsociety.co.uk/news/long-term-decline-in-government-funding-leaving-charities-vulnerable-peers-told.html>

When survey respondents were asked to give a breakdown of the percentage of their income which came from grants & contracts, the following responses were made.



78 respondents (42% of those who responded to this question) said that 50% or more of their organisation's income was from grants and contracts.

A visit to 360°Giving's GrantNav website¹³ allows an exploration of recent grants that have been awarded to organisations in Suffolk. We point out that grants are given to many types of organisations other than those with the VCFSE Sector, but as a flavour of the decrease in grant funding over recent years, a search on Suffolk resulted in the following information.

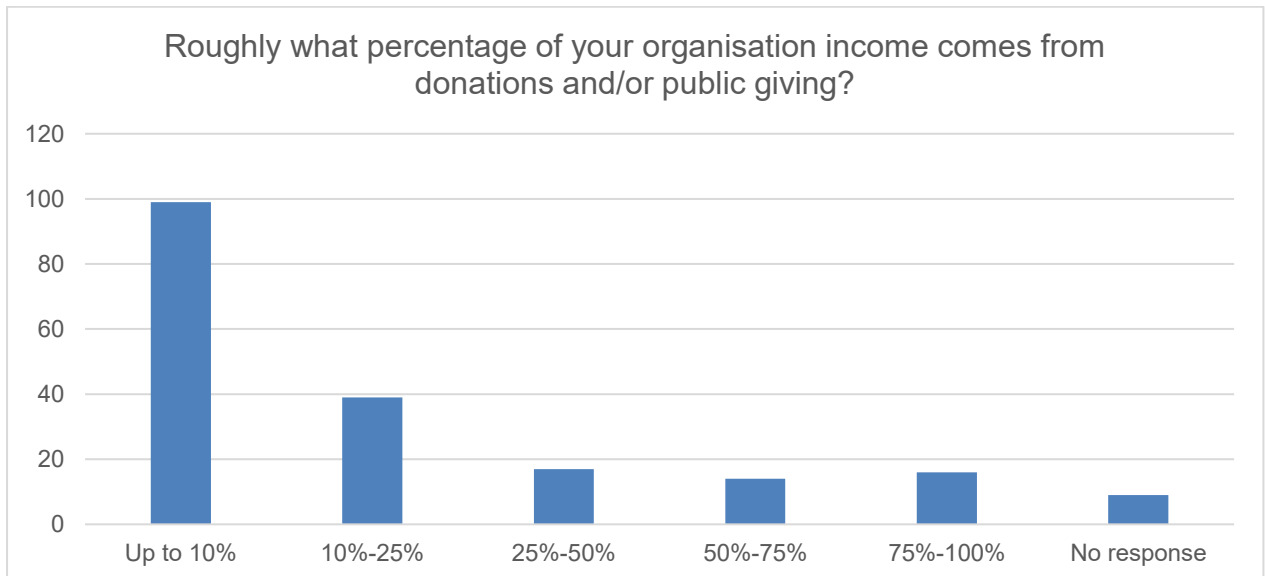
Financial Year	Number of awards	Amount Awarded	Average Award Size
2021-2022	1178	£239,700,539	£203,480.93
2022-2023	808	£87,327,817	£108,078.98
2023-2024	293	£15,562,126	£53,113.06
2024-2025 as at 11/03/2025 i.e. not a full year's data has been provided yet.	126	£3,942,883	£31,292.72

The 2021-2022 high level of grants can be accounted for through additional funds for Covid-19 response some of which will have continued in 2022/23. However, the table does show a clear decrease in number of grants reported to 360°Giving. Of course, this may have been a reduction in the number of

¹³ <https://grantnav.threesixtygiving.org/>

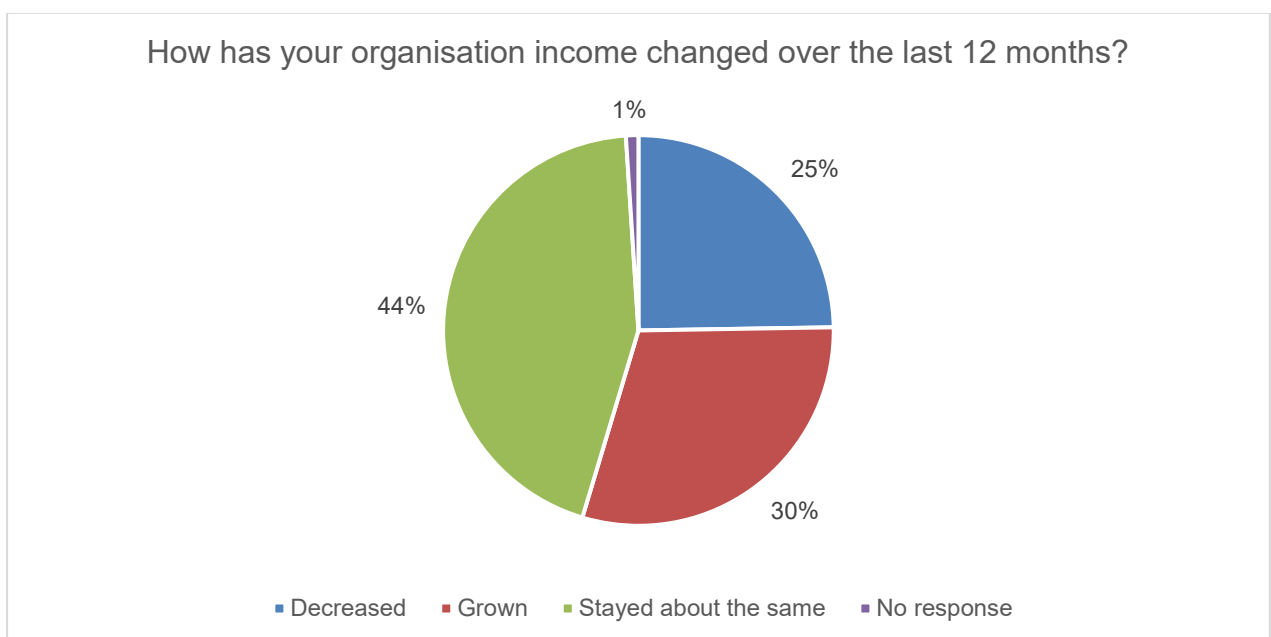
fundraising data, but more likely is a reduction in grant funds being available across the board.

Respondents were also asked roughly what percentage of their organisation's income came from donations and/or public giving.



Any other sources of income were also queried within the survey. Organisations 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.

Organisational income over the past 12 months was the next area to be on the survey. Respondents were asked how their organisation's income had changed over the last 12 months.



Reassuringly for the moment, only 25% of respondents had seen a decrease in income over the past 12 months, with 44% of respondents confirming it has stayed about the same. 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.

Funding for charities in Suffolk – how do they find out about it?

In 2016 the Funding 4 Suffolk Portal was developed, supported by Transformation Challenge Award (TCA) funding in year 1. Funding for a further 3 years 2017-20 was agreed with a contribution from every District and Borough Council and SCC. Since then, it has continued to be supported by these funders and the Suffolk Collaborative Communities Board more recently. The portal is administered and managed by CAS.

The funding portal has changed the way that many Suffolk organisations undertake fundraising activity. Groups are now able to autonomously search and identify the funding that they are eligible for. Groups access documents and online support and there is a mix of officer and specialist accompanying support.

Since May 2016 to February 2025, 165,690 visits have been made to the portal with approx. 13,070 unique funding searches being undertaken. There have been 31,158 repeat visitors returning to the site to undertake searches throughout this time.

The top 5 types of organisations using the portal are Registered Charity, Charitable Incorporated Organisation (CIO), Community Interest Company (CIC), Voluntary and Community Organisation, and Charitable Trust or Foundation.

The top five areas of work included Community, Young People and Youth Issues, Education and Training, Families, and Disability.

And what were users seeking? The top five searches were for Purchasing Equipment, Paying Staff, Making Alterations to Buildings or Land, Costs Associated with Maintaining Buildings, and Purchasing Consumables and Materials.

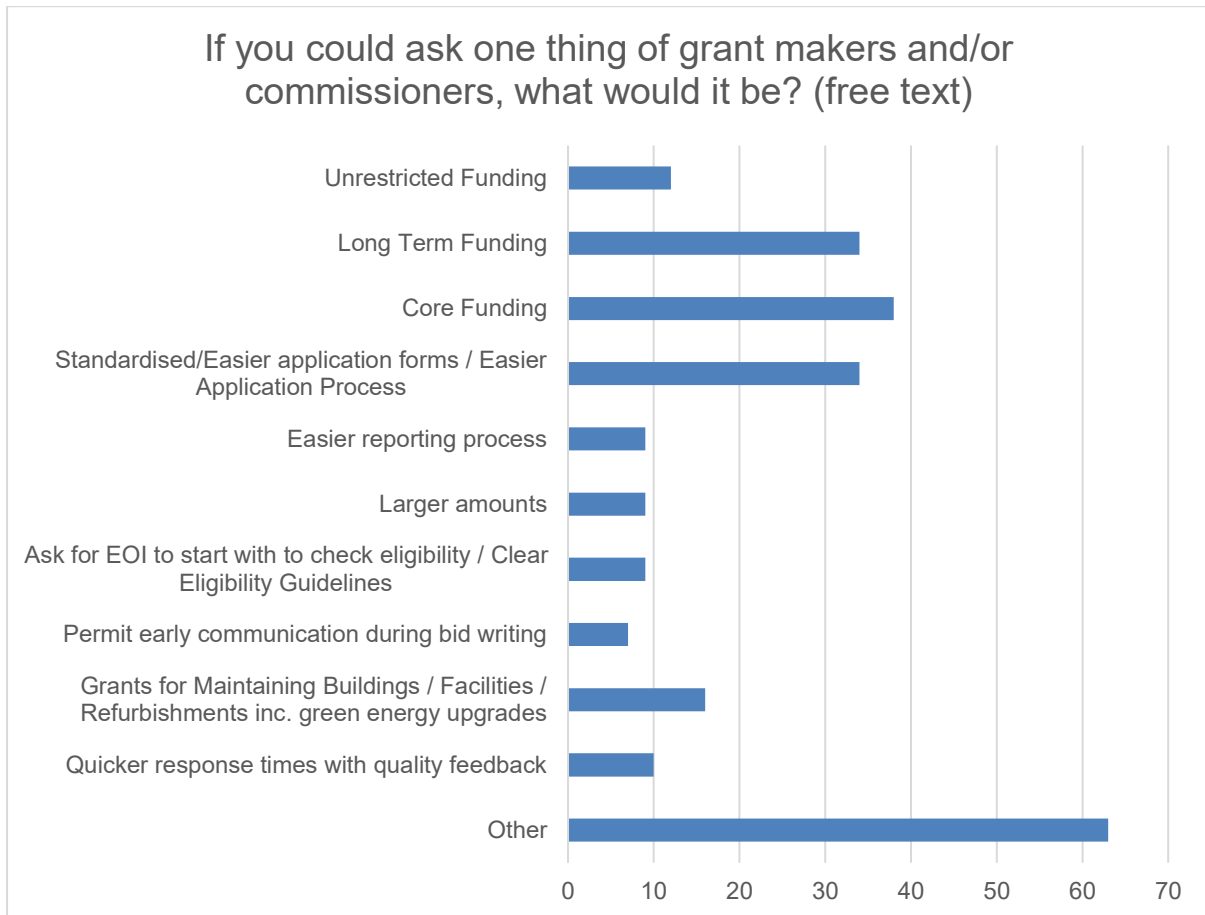
State of the Sector survey respondents were asked to identify one request they would make to grant makers and/or commissioners.

The following are just some of the quotes that were given in response to this question and a summary of the responses made by the sector is given below.

The need for Unrestricted, Long Term and Core Funding can clearly be seen along with a need for easier application processes.

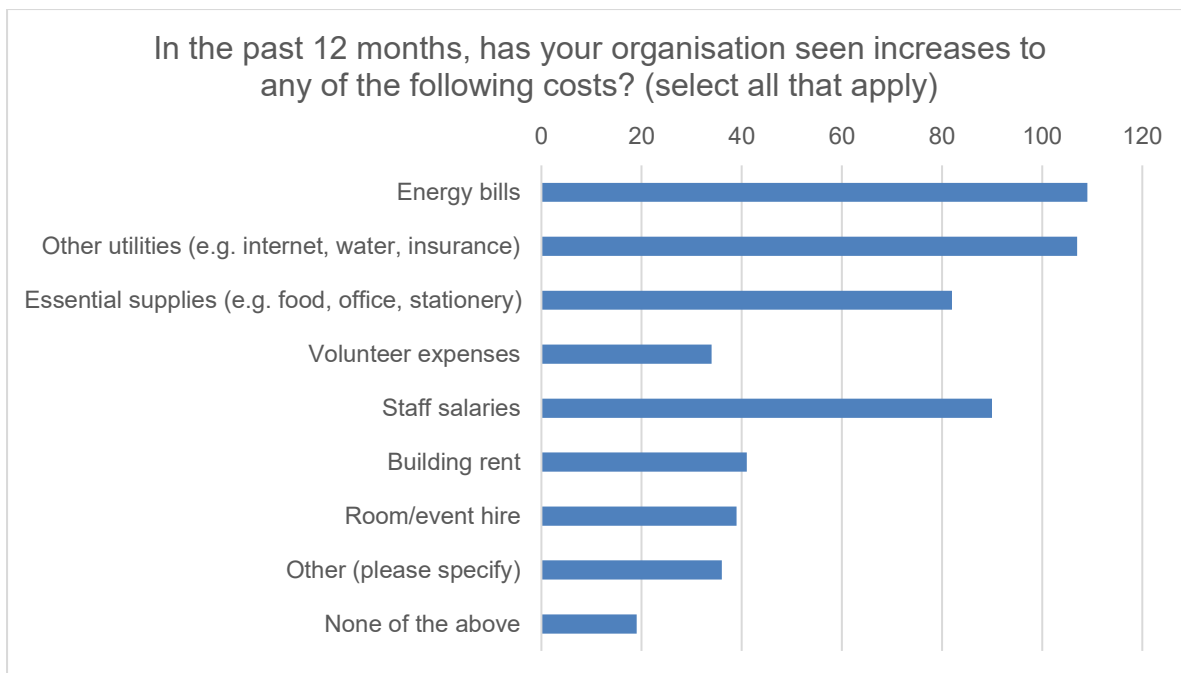
- *“I would ask commissioners to please understand that the [Voluntary] sector organisations need security for their staff as much as any organisation. Whilst those in (Public Sector) have largely permanent posts, annual pay rises, great pensions, in the voluntary sector and certainly for us, most of our posts are fixed term, as jobs are tied to funding pots, pensions are basic. Being recommissioned on an annual basis is very unsettling for a small organisation. Please look to fund for 3-5, or even 7 years. With a sound spec, regular commissioning meetings, projects can grow and develop in conjunction with commissioners, with greater stability, we can make longer term plans, attract other funding, growing our added value and as organisations we can attract, recruit and retain skilled staff.”*
- *“Appreciate that we are employers and need to meet all the legal requirements of employers i.e. NLW and Pensions contributions. Therefore, consideration needs to be given to funding of services and grant awards. There needs to be built in increases to match increased costs and flexibility to understand and meet demands. Recognise that shortfall in support for those who are not-digitally able and fund the VCFSE who are trying to fill this gap on a formal basis. Recognise and respect the increases in costs that are impacting the ability of the sector to continue to deliver services. Where organisations have had to close, and others are picking up the additional clients the funding needs to reflect this.”*
- *“One of the key issues is around continuation funding. Often, grants are only for 1 year, and therefore, any VCFSE organisation must go cap in hand each year and risk losing competent staff. Having funding that is available for 3 years at minimum provides sustainability and growth potential. Core costs are also often not allowed to be included, yet we need the staff to deliver the projects. Finally, the value of the contracts/grants is not sufficient, with many being less than £20K.”*
- *“Help with running costs and not just one-off projects. We could have the best equipped community project but can't turn the power on!!”*
- *“Recognise that project funding is just cherry picking the attractive parts of the charity to fund and is part of the problem not the solution! The boring parts of the charities are vital and necessary, and project cannot run without them. You can't run a car with no engine!”*

- “We have been well supported by grants but the application processes are becoming increasingly complex and narrow and the requirements/ demands put on us in return for grant funding are becoming unrealistic - we run services totally using volunteers who all have full time jobs - all our effort is put in to delivery our charitable purpose and we do not have capacity to do more than that in return for funding. We do appreciate everyone is trying to make money go further but it is becoming a deterrent to applying for funding.”*



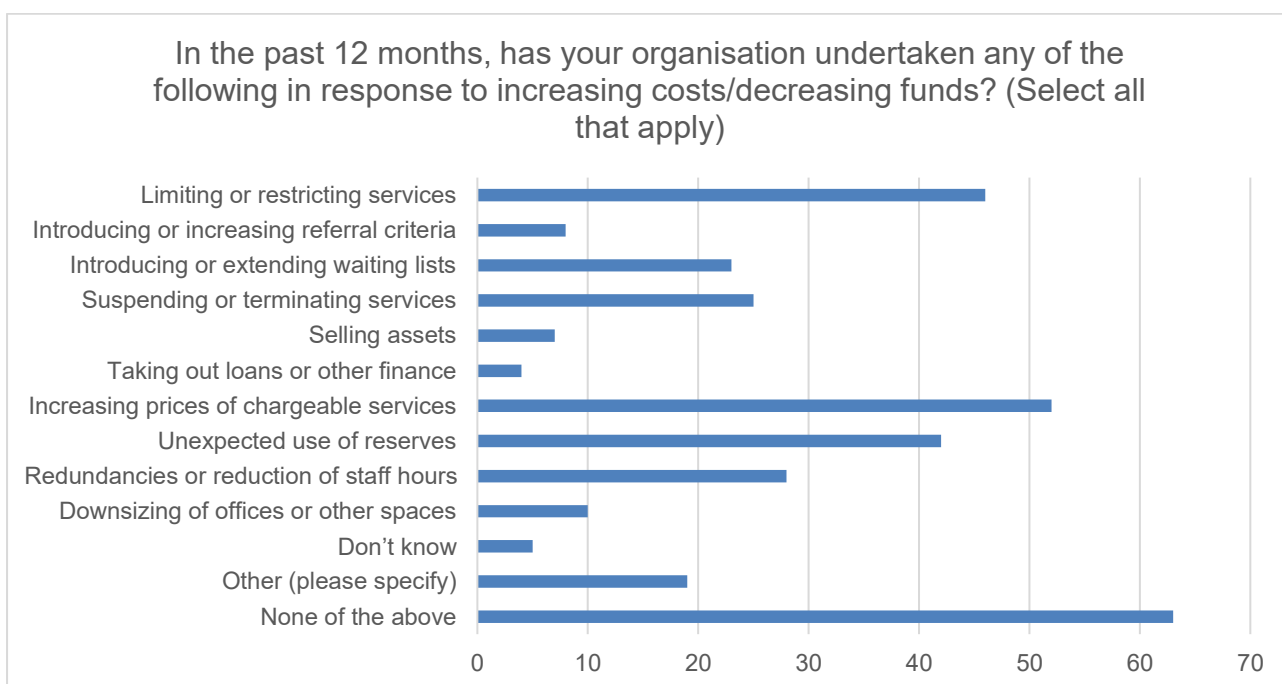
5. Expenditure and where it goes

The State of the Sector Survey also asked about increases in costs due to inflation and the cost-of-living crisis. Respondents were asked whether, in the past 12 months, their organisation had seen increases to any of the following costs and to select all that applied. Their responses are as follows:



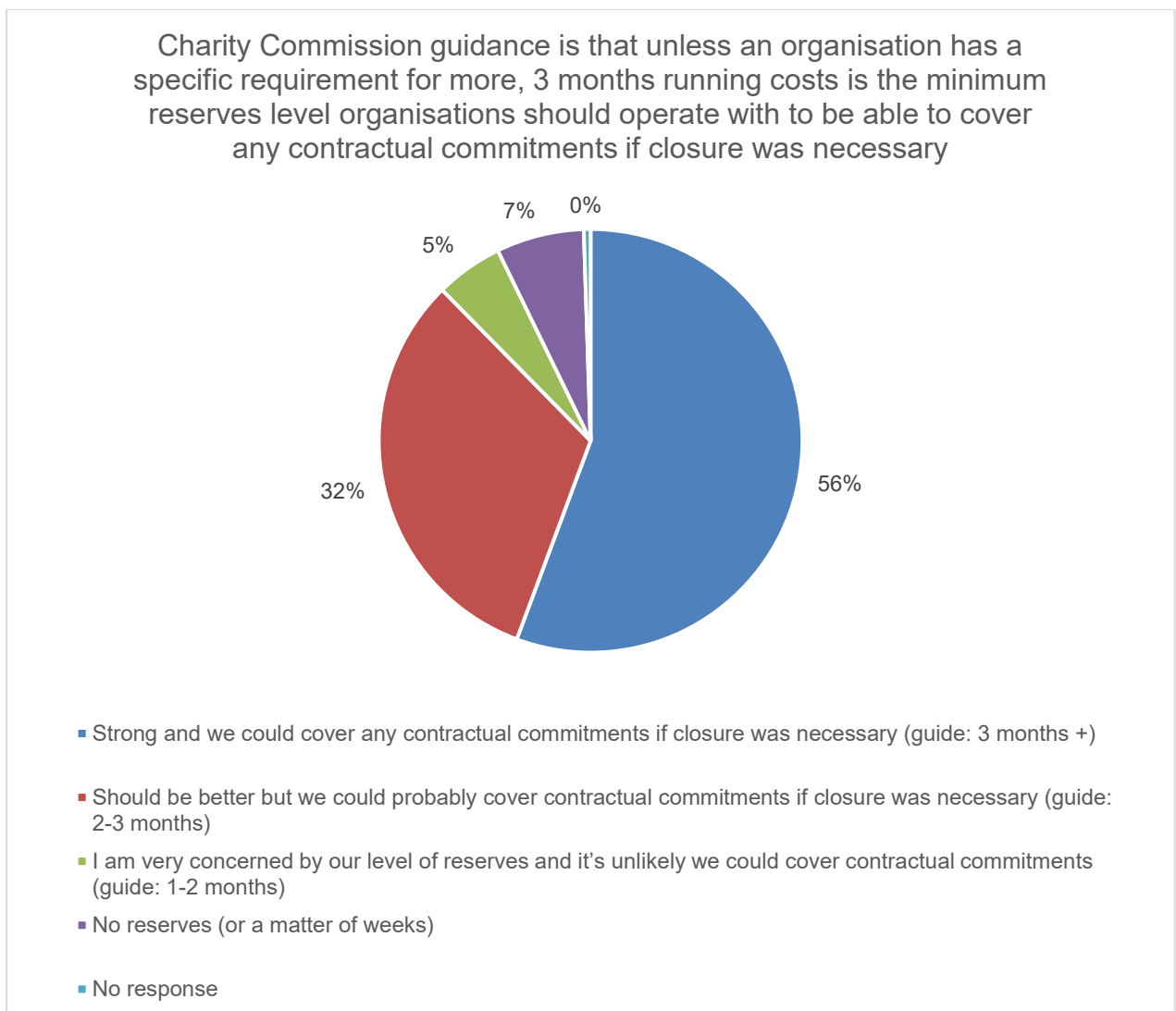
Given the surge in energy costs, it is not surprising that this increase has been observed across the sector over the past year, closely followed by other utilities. Staff salaries represent the third most significant rise in organisational expenditure. This situation is further exacerbated by the recent Government decision to increase the burden on employers through a proposal to raise National Insurance Contributions.

The State of the Sector Survey went on to ask whether, in the past 12 months, organisations had undertaken any response to the increasing costs/decreasing funds situation. The responses are below.



Though many organisations indicated they hadn't responded to increased costs and decreased funding with those actions, over 50 respondents had felt the need to increase prices for chargeable services, passing on the cost increases, or a portion of those, to the consumer. The next highest mitigation that had been seen amongst those who responded had resulted in the limiting or restricting of services that were offered. The third highest response, with over 40 respondents, were those that indicated they had had to make unexpected use of reserves.

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. Based on this statement, respondents of the survey were asked how they would rate their reserves level.



44% of respondents stated that they did not have the recommended 3 months running costs held in reserve, which is a concern for the sector as a whole.

6. Service Delivery

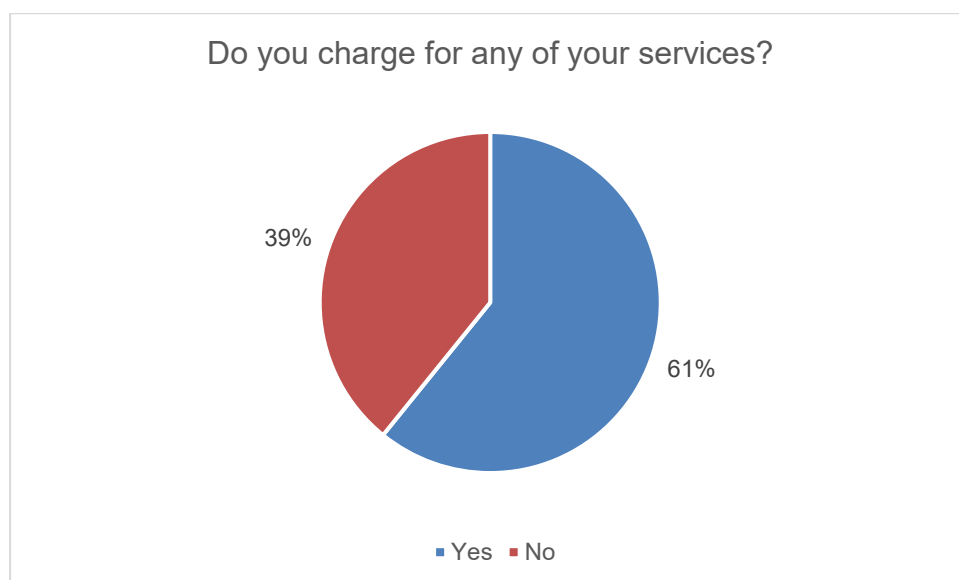
As mentioned previously, VCFSE organisations can have a trading arm, subsidiary or be set up as a social enterprise or organisation where profits are put back into the organisation or put into the community for the social good. The NCVO Almanac 2024¹⁴ confirms that the public remains the largest contributor, providing 48% of the sector's total income. This category includes voluntary donations, legacies, and earnings from trading activities, such as charity shops and membership fees. The proportion of the income from the public was in line with 2020/21. Charities can trade, as explained on the Gov.uk website¹⁵, which states that:

Your charity will not pay tax on profits it makes from trade if:

- you are making money to help your charity's aims and objectives, known as 'primary purpose trading'
- your level of trade that is not primary purpose falls below the charity's [small trading tax exemption limit](#)
- you trade through a [subsidiary trading company](#)

Your charity must pay tax on any other profits.

The State of the Sector Survey asked respondents if they charged for any of their services.



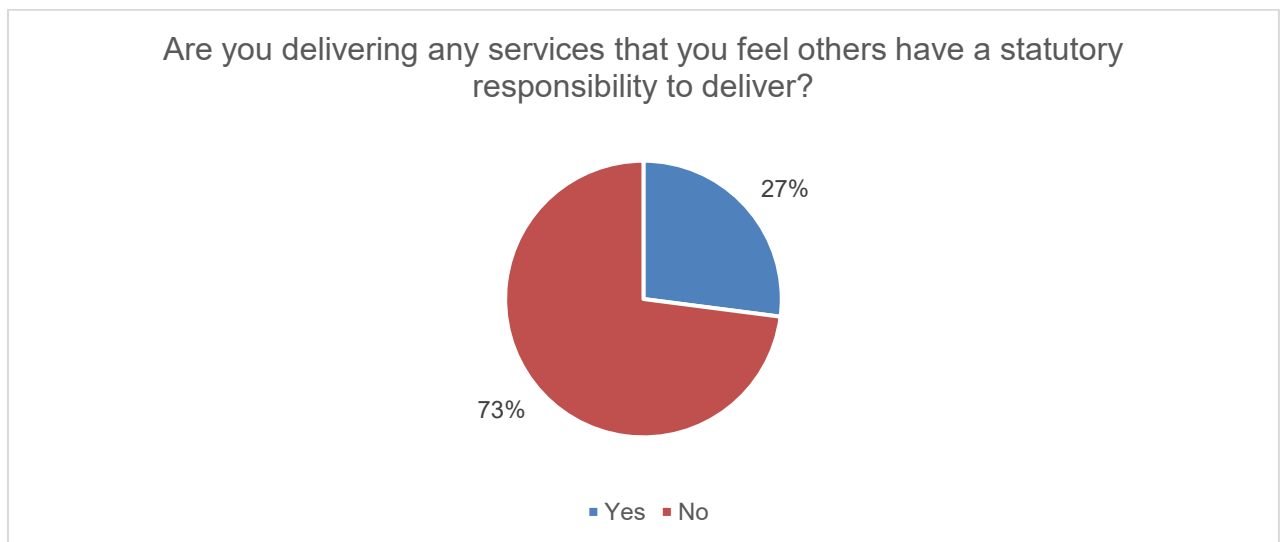
¹⁴ <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/financials/where-do-voluntary-organisations-get-their-income-from/>

¹⁵ <https://www.gov.uk/guidance/charities-and-trading>

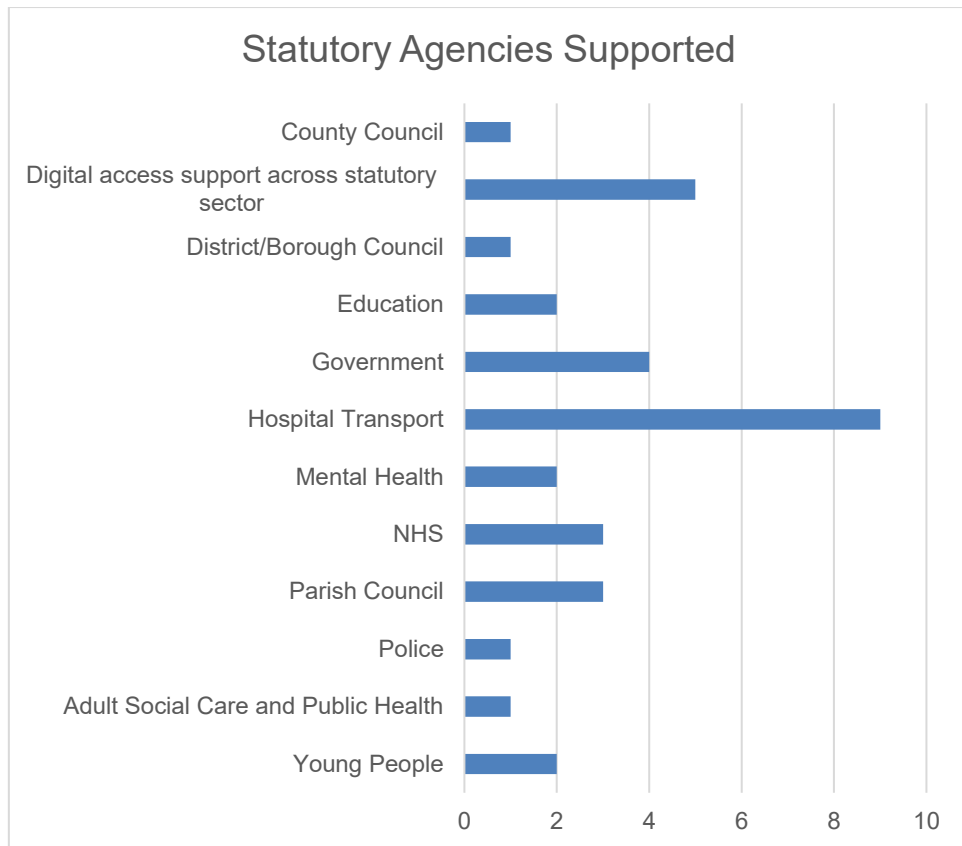
61% of respondents indicated that they did. Respondents were then asked if they had said they didn't charge, whether they felt able to expand on their reasoning for this.

66 organisations responded to this question. The majority said working with people and groups from deprived areas or situations, serving vulnerable people, and to minimise barriers for people to access services. Some were crisis services; others were faith groups which felt all services should be open to all. Others stated that by charging for services, this would exclude people and would barely touch the sides of the meetings costs involved. Other groups, though not charging for services, do welcome any donations: towards volunteer travel costs for example.

Groups were also asked whether they were delivering any services that they felt others had a statutory responsibility to deliver. Just over a quarter of respondents felt they did.



Those who indicated yes, were asked whether this impacts on their ability to fulfil their organisation's objectives/mission, and, if so, how. Groups went on to provide an explanation of which statutory duties they felt they were undertaking.

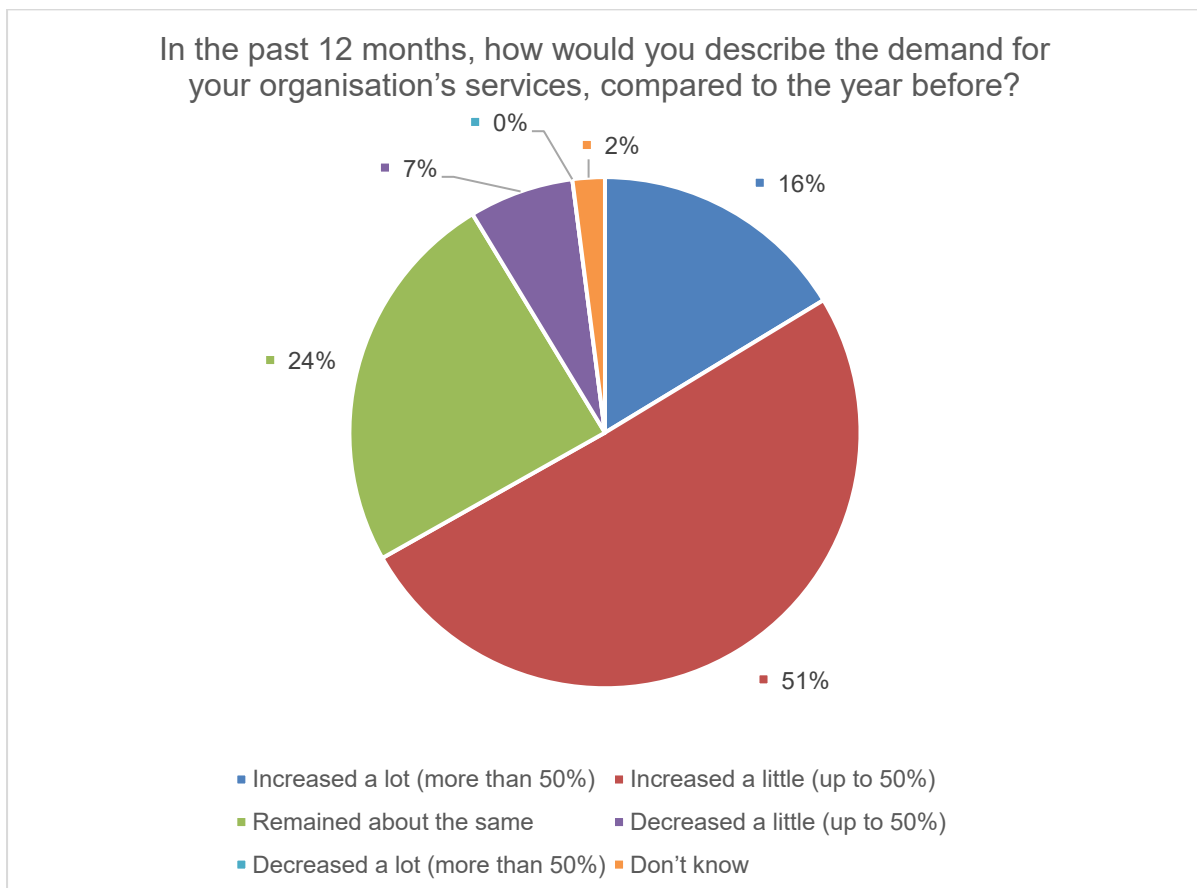


Just some of the comments received in response to this question are below.

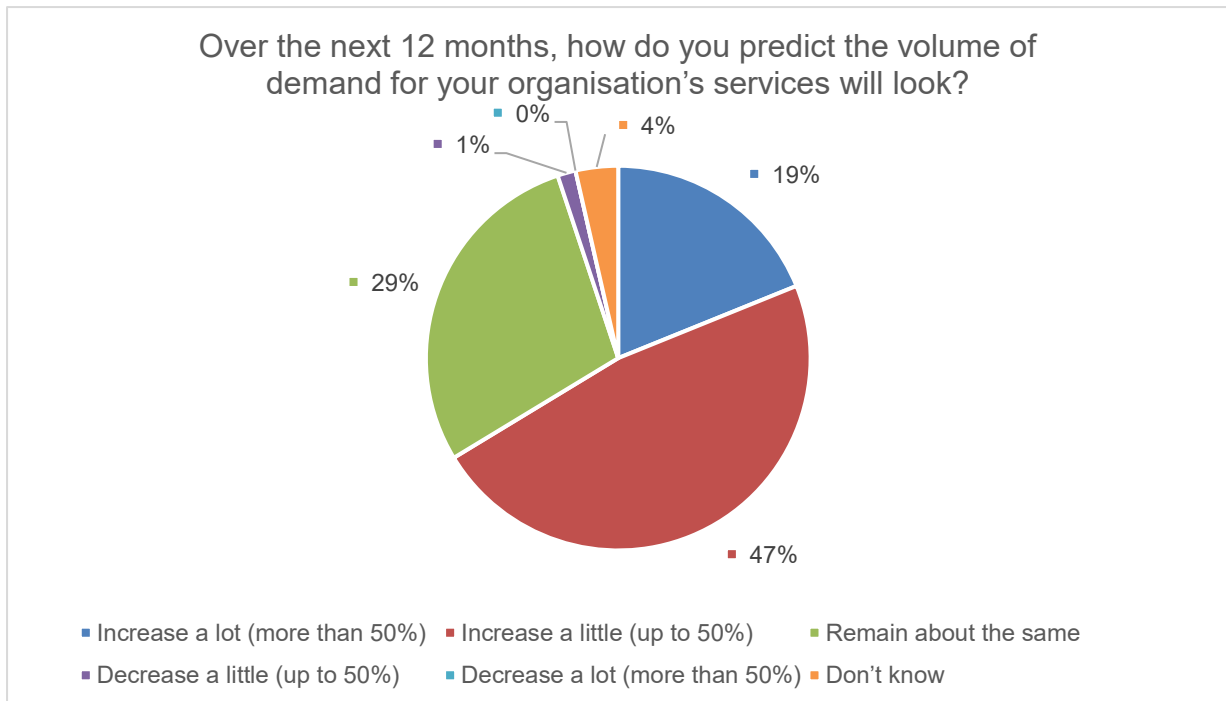
- We are designed to be an early intervention, volunteer led service working alongside other statutory agencies such as health, education, SCC and mental health teams etc. We are finding more and more that we are being asked to complete work that would previously have fit under their own remit as they don't have the staff/time/funds to do it. They are dealing with high end concerns meaning the level of work coming to us is also higher. We cannot expect volunteers to manage some of these difficult situations. We have had to recruit paid staff to reflect the increasing level of work and are having to be firmer on declining work as it's not our role. We are seeing families really struggle as we signpost them to other services who cannot help or say there is a huge waiting list. This leaves us in a difficult position as we want to help but do not have the skills/expertise or statutory clout to achieve anything. It is soul destroying for the volunteers and workers who can then feel they are not doing a good enough job and, in some cases, leave the organisation.*
- Many services users need help because those that are put in place to help aren't. Example, I have recently taken over the care of a married couple who have been paying for care for years from a reputable company. The care involves support with cooking a specific diet & cleaning. The house was FULL of black mould & cobwebs, you could hadn't move for piled up boxes and the dietary needs weren't being met. I also help with form filling, legal matters & liaising between service users & social workers because there's an mis communication. This takes me away from activities in our centre and problem solving in there.*

- *Mental Health services are at breaking point, with huge gaps in the support available, and long waiting lists. We are providing a service to help improve wellbeing and provide tools to help those experiencing mental health challenges. We have citizens using our services for the long term because the community does not have the services available to further support immediate crisis's*
- *The system should be finding ways to eliminate poverty. This effort should be approached with a plan that spans decades. Such long-term thinking is practically non-existent. It will be difficult to tackle poverty effectively without the political &/or social will to think far more long-term...*
- *No, but we could possibly stray into this area on the basis that we do not and will never 'means test' our members. We think it is more important to help people NOW rather than go through official bureaucracy by which time some members could have died but in reality, this has rarely occurred.*

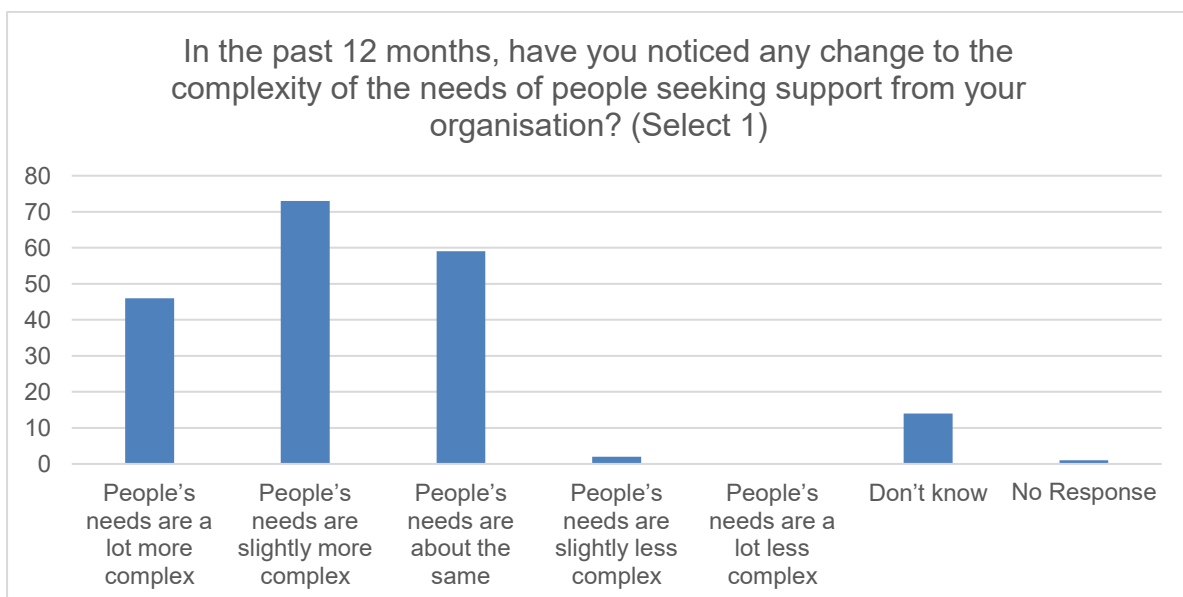
When asked about the demand for services comparing to demand levels 12 months previously, just over 50% of respondents indicated that they had increased a little, with a further 16% indicating that demand had increase a lot.



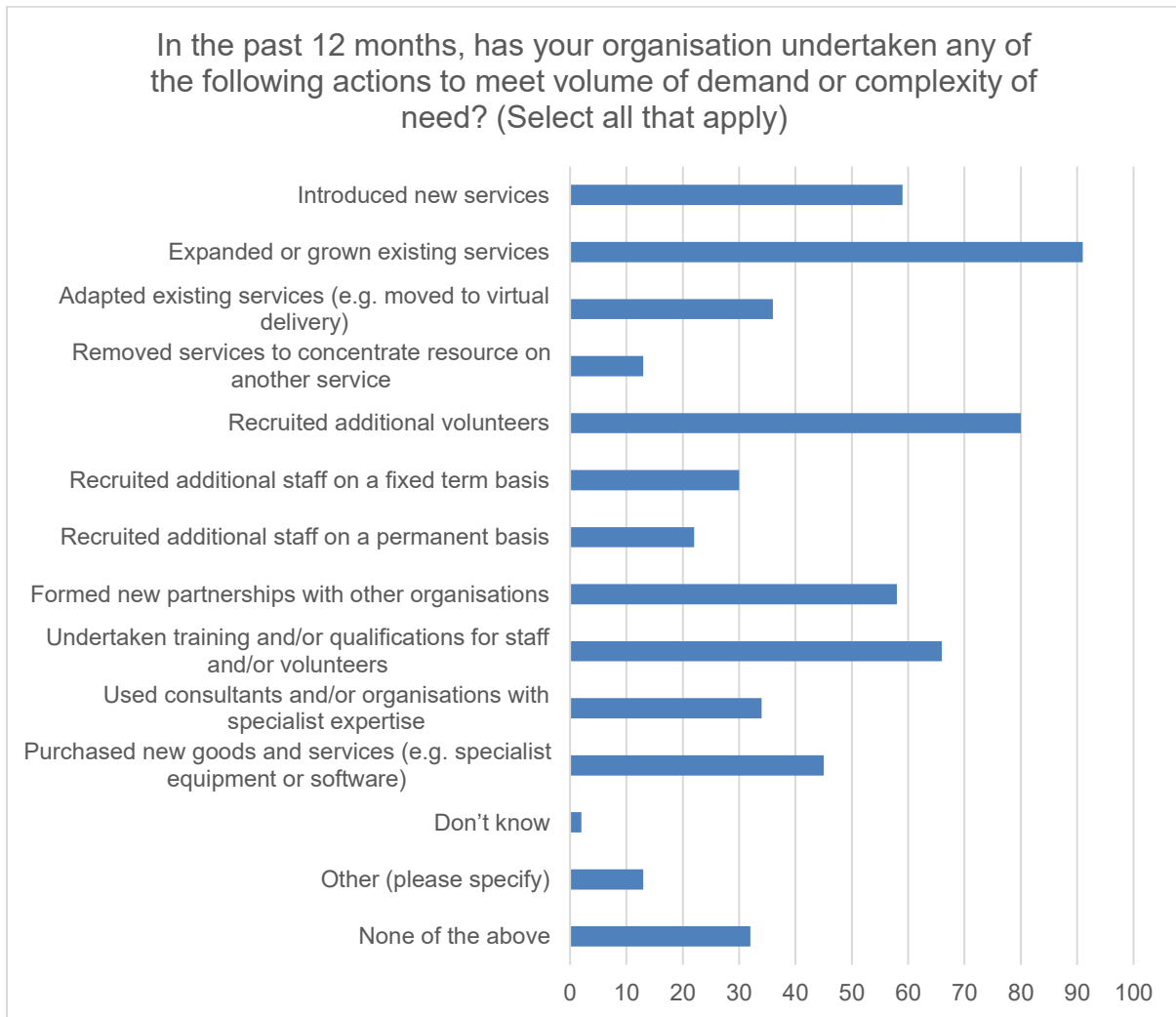
When asked to turn that question into a forecast for the next 12 months predicted volumes of demand for their organisation's services looked very similar, with just under half (47%) stating they predicted demand to increase a little and 19% forecasting demand would increase a lot.



The complexity of the needs of people seeking support from organisations over the past 12 months was queried, with people's needs becoming slightly more and a lot more complex throughout that time. The complexity of the needs of people certainly hasn't decreased in the past year for responding organisations.

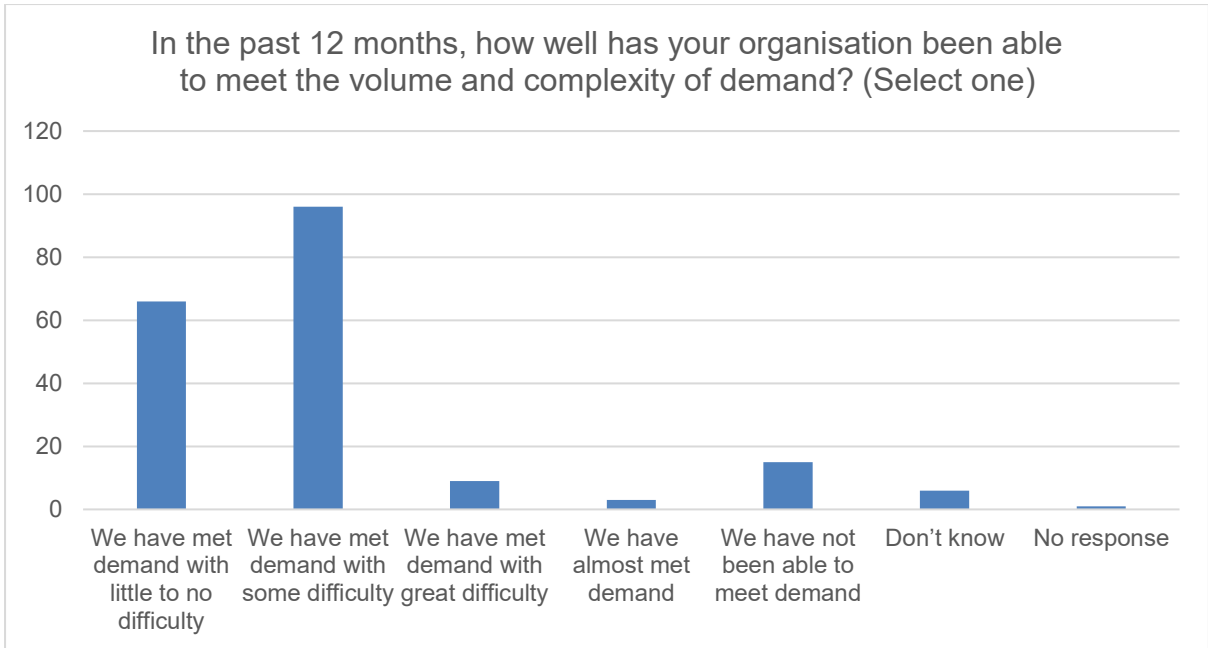


When asked further, whether organisations had taken actions to meet the volume of demand or complexity of need, the responses were as follows, with the majority of organisations finding that they had to expand or grow existing services, recruit additional volunteers and undertake training and/or qualifications for staff and/or volunteers to meet the volumes and complexity of need.

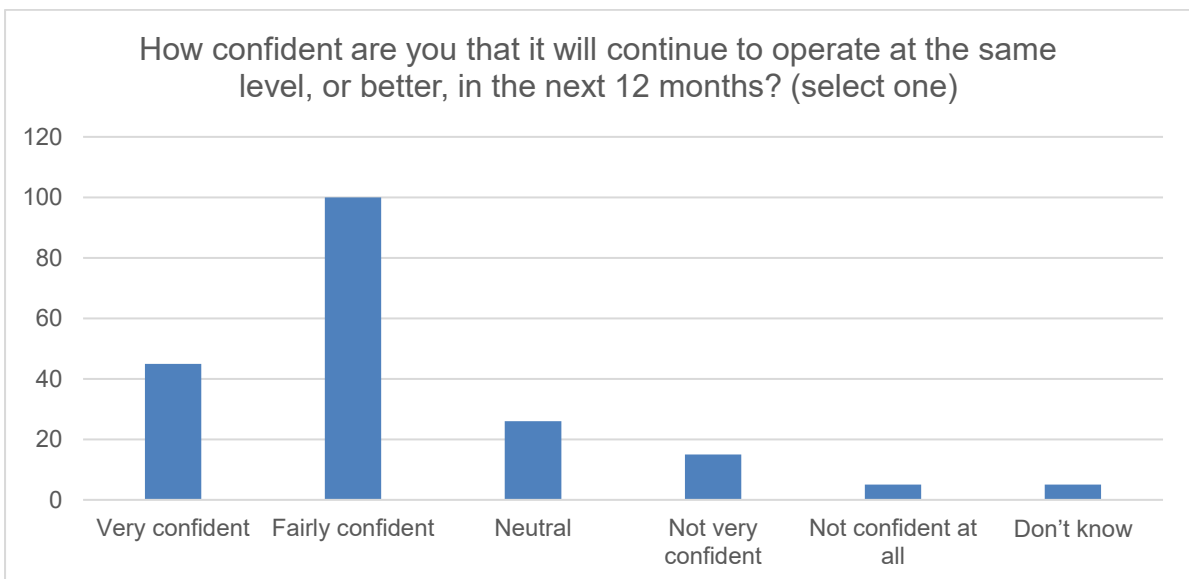


Organisations were asked how well their organisation had been able to meet the volume and complexity of demand in the past 12 months. The majority of respondents confirmed that their organisations had been able to meet the volume and complexity of demand with some difficulty, or with little or no difficulty.

There were a small number of organisations (under 20) however, who had almost met demand or had not been able to meet demand.



When looking forwards to the coming year, organisations were asked how confident they were that it would be able to continue to operate at the same level, or better, in the next 12 months. The majority were fairly confident or very confident that they would be able to do this, however, there was a small minority that indicated they were not very confident or not very confident at all.



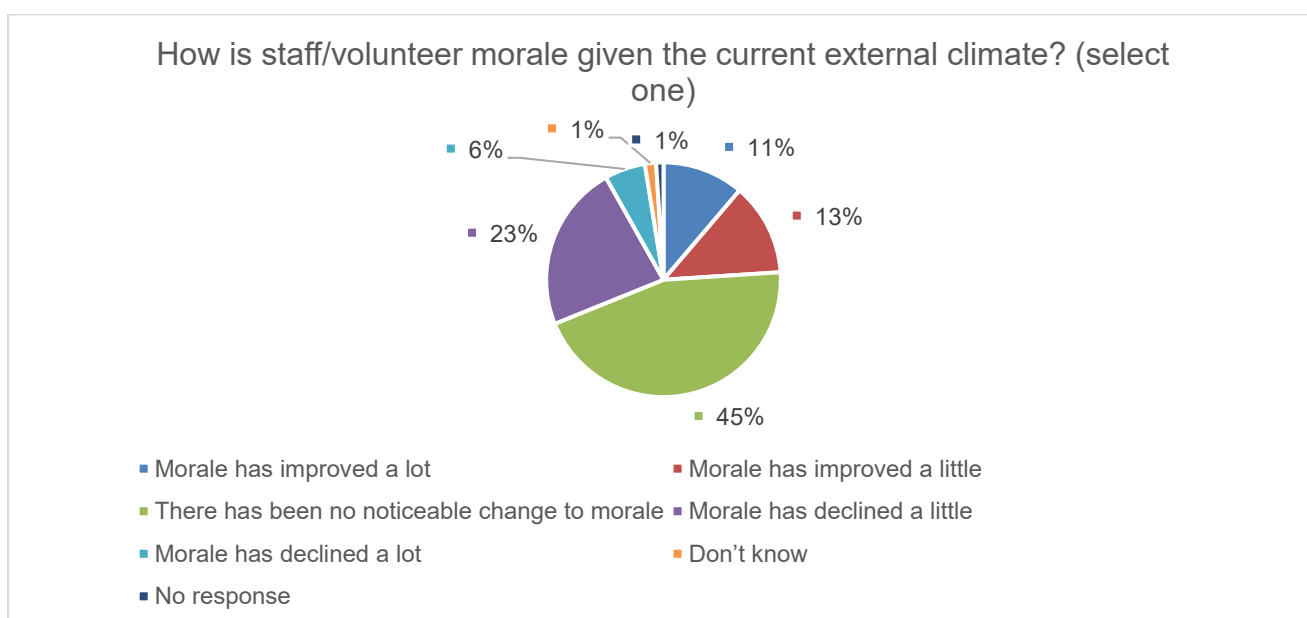
7. Workforce Wellbeing

There have been various press and media reports over recent years about VCFSE sector stress and burnout. In October 2023, Pro Bono Economics published *A Tale of Two Sectors – An analysis of the VCSE Sector Barometer*, in partnership with NTU National VCSE Data and Insights

Observatory¹⁶, which highlighted that 30% of charity employers said that reports of burnout or exhaustion have risen in the last year, [and in the 12 months previous to the report] 60% of charity employers have provided their staff with access to mental health support.

Another such survey was picked up by Civil Society¹⁷ last year (23 May 2024), which found that the vast majority of charity and not-for-profit staff experience anxiety, tiredness and trouble sleeping due to their work, according to a newly published survey by a worker's union. In response to a Unite survey of 1,891 sector employees in December [2023], 69% of workers said they suffered from anxiety due to their work, while 68% reported continual tiredness and 66% sleeplessness.

In the State of the Sector survey conducted for this report, organisations were asked how their staff /volunteer morale was given the current external climate.



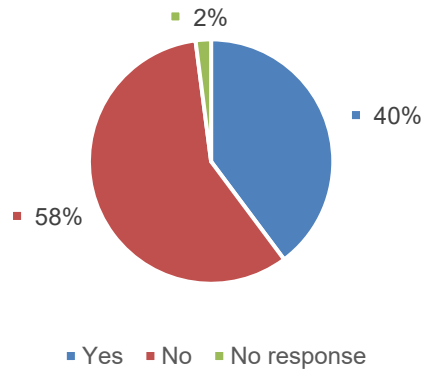
Just under a half of responses (45%), state there had been no noticeable change to morale within their organisation.

Respondents were then asked, considering their organisation's current circumstance regarding expenditure, income, and the volume and complexity of need, whether they had witnessed any instances of staff or volunteer burnout in the last 12 months.

¹⁶ <https://www.probonoeconomics.com/Handlers/Download.ashx?IDMF=5ad510a3-aca2-4929-a733-a8b36567d2b9>

¹⁷ <https://www.civilsociety.co.uk/news/most-charity-staff-suffer-from-anxiety-due-to-their-work-union-survey-finds.html>

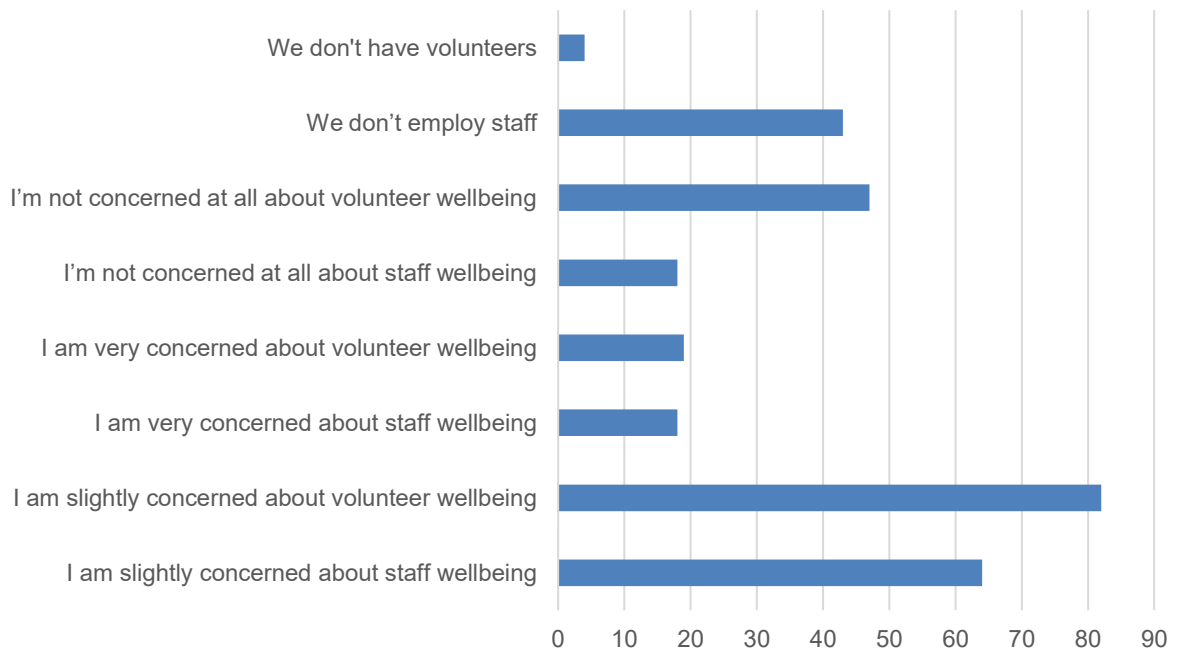
Considering your organisation's current circumstance regarding expenditure, income, and the volume and complexity of need, have you witnessed any instances of staff or volunteer burnout in the last 12 months?



Over a third of responding organisations confirmed that they had witnessed such burnout in the last 12 months.

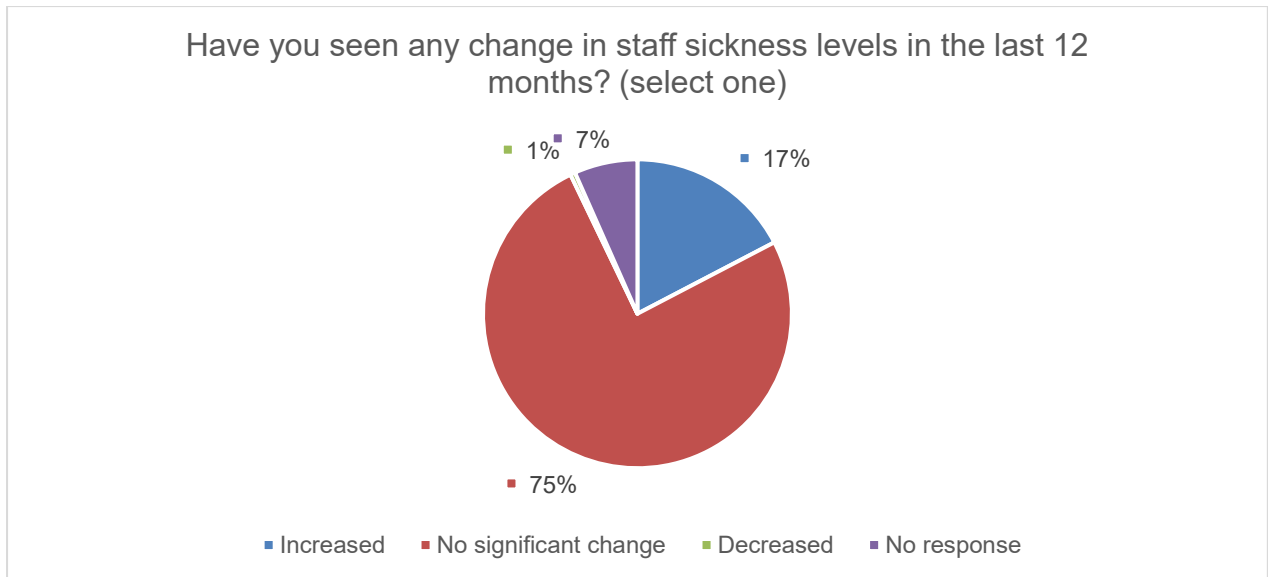
Groups were then asked whether they had any concerns about staff or volunteer wellbeing in their organisation.

Do you have any concerns about staff or volunteer wellbeing in your organisation? (tick all that apply)



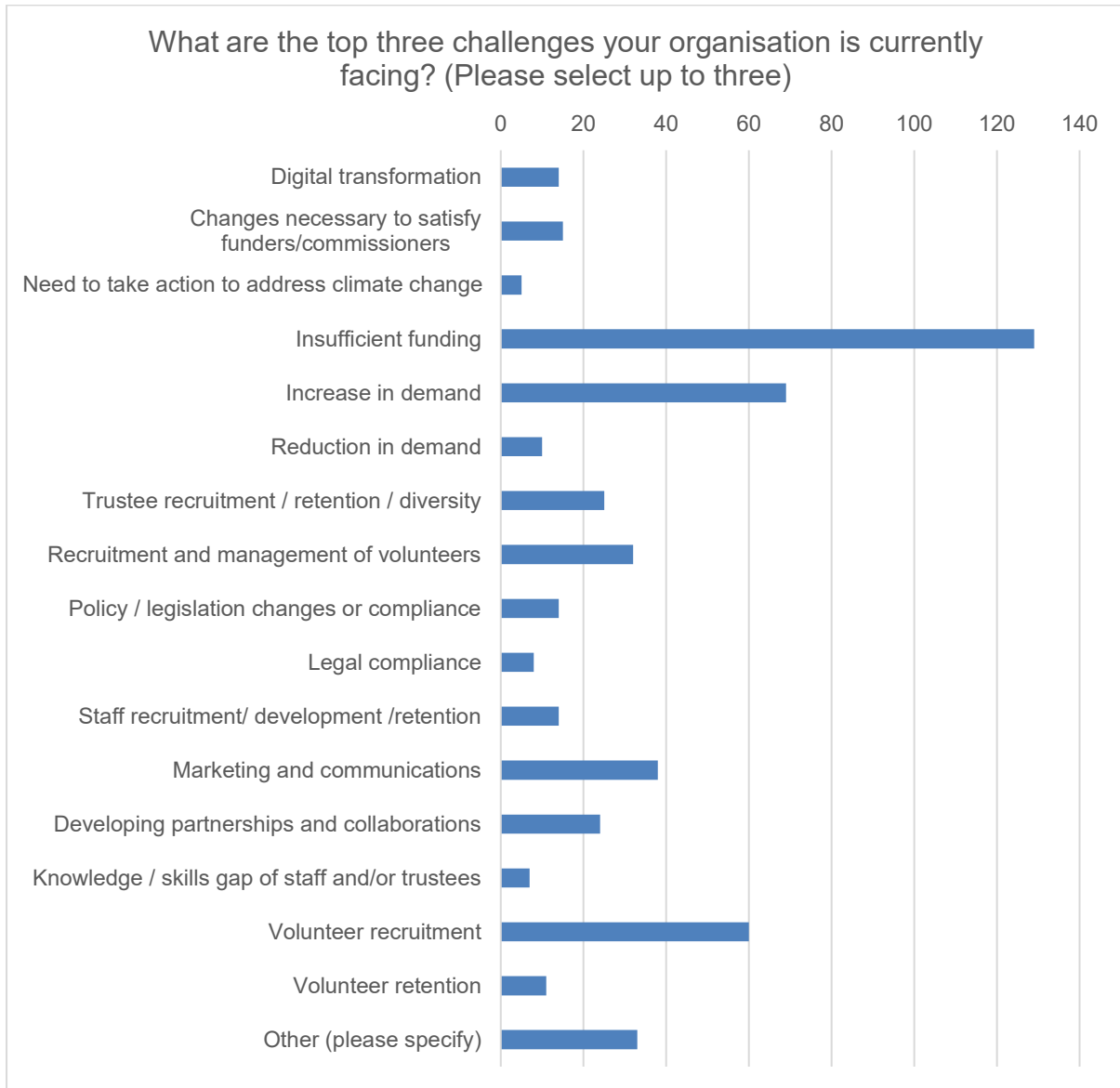
101 responding organisations indicated that they were slightly or very concerned about volunteer wellbeing. 82 organisations were slightly or very concerned about the wellbeing of their staff.

The organisations were then asked whether they had seen any change in staff sickness levels in the last 12 months. 17% of organisations confirmed that they had seen an increase, however, a much larger three-quarters of respondents had seen no significant change in these levels of sickness.



8. The Big Challenges

The top three challenges faced by responding VCFSE organisations are firstly, that of insufficient funding, secondly, the increase in demand and thirdly it is volunteer recruitment.



The following image is a wordcloud of the most frequently raised phrases when asked what the respondents Biggest Challenge currently being faced as a professional in the VCFSE sector.

HighWorkload/DemandOnTime/LackOfTime/BurnOut/Time/TryingToDoltAll/WorkLifeBalance



A chart of all of the responses is on the following page, but just from this wordcloud image, it is clear to see that the biggest challenge affecting the VCFSE Sector is that of Funding.

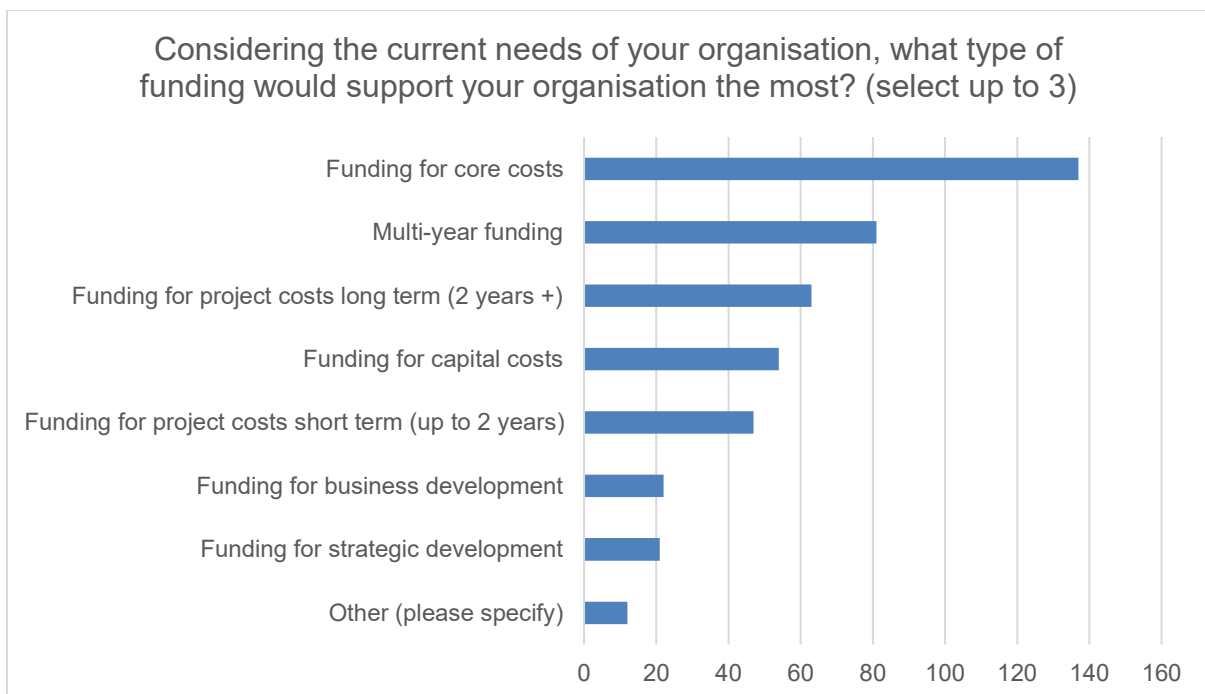
The chart below shows the Top Biggest Challenges mentioned by the VCFSE Sector Respondents.



The top three biggest challenges of VCFSE Sector professionals are Funding and Cash Flow; Volunteer Recruitment; and Long-Term Funding. Interestingly though, the fourth highest challenge is the High Workload/Demand on time/ Lack of time/ Burn Out/ Time/ Trying to do it all/ Work Life Balance. To contextualise the concern this raises, this comes above Core Funding as a professional concern.

These responses are interestingly reflected in a national research report *Breaking Point: The Mental Health Crisis in Small Organisation Leadership* which found that 85% of respondents feel their mental health has been negatively impacted by their role¹⁸.

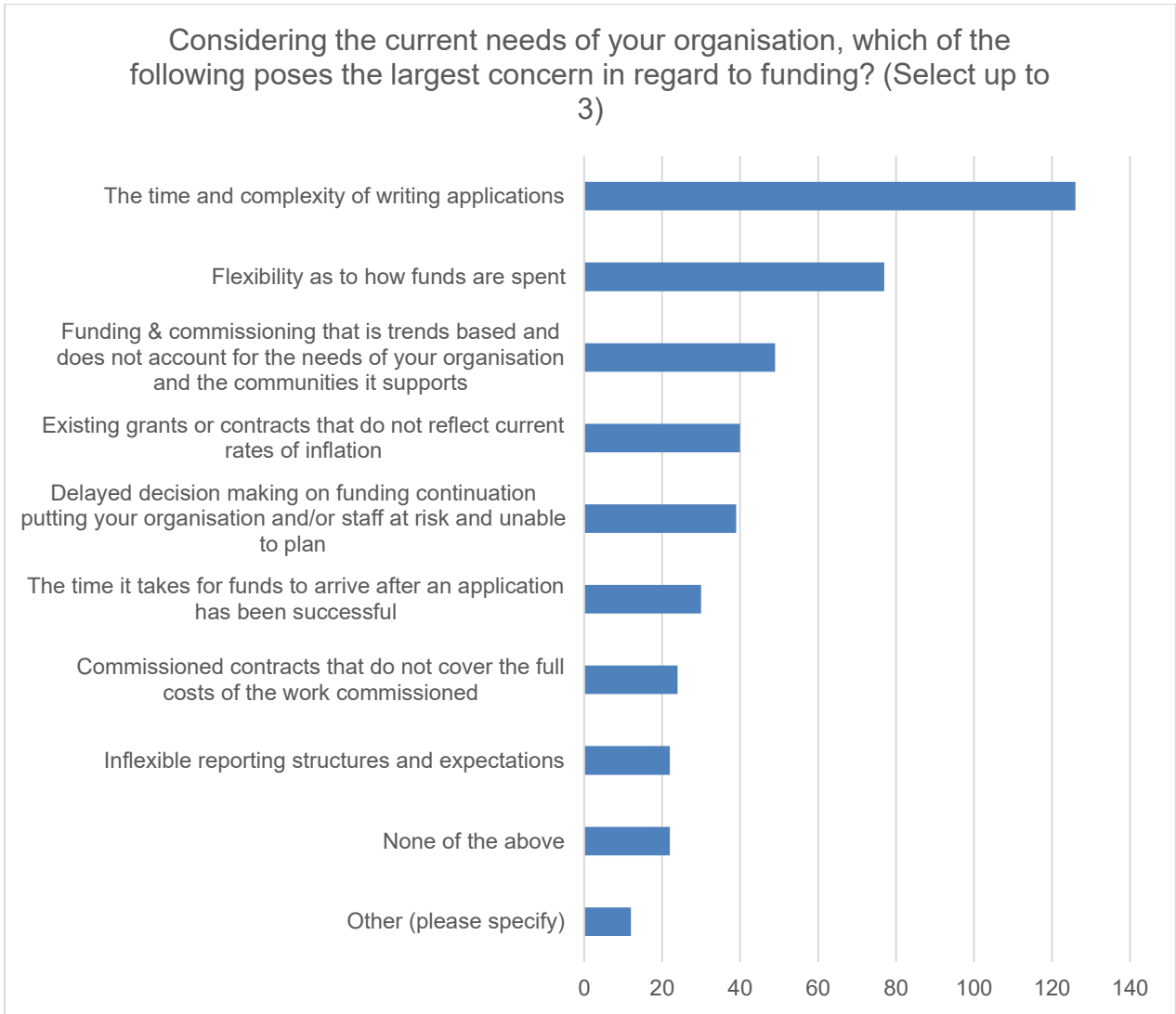
Survey respondents were asked, considering the current needs of their organisation, what type of funding would support your organisation the most.



Funding for core costs is clearly the most necessary type of funding required by organisations, closely followed by funding for a period longer than a year, to provide more stability and security in the constantly changing world the sector finds itself in.

State of the Sector survey responding organisations were then asked, considering the current needs of their organisation, which of the following, posed the largest concern in regard to funding.

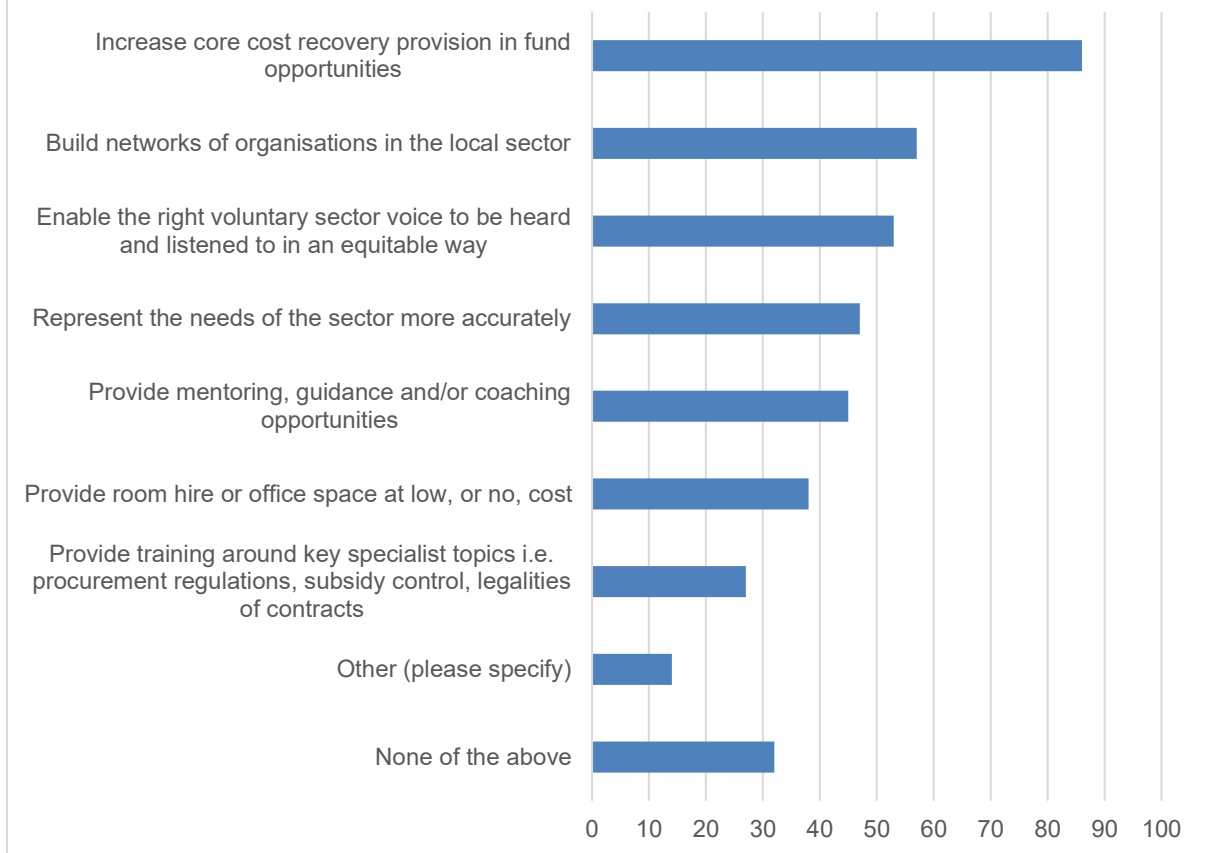
¹⁸ *Breaking Point: The Mental Health Crisis in Small Organisation Leadership* accessed 05/03/2025 - <https://www.faircollective.co.uk/breaking-point-report>.



Marrying up with the previous request of funders to make application forms and application processes simpler, the most frequently raised concern was the time and complexity of writing applications. This was followed by the desire for more flexibility in how funds could be spent.

Organisations were questioned again, asking, aside from monetary support, what else could sector partners and/or funders do that would assist their organisation’s needs.

Aside from monetary support, what else could sector partners and/or funders do that would assist your organisation's needs?
(select up to 3)

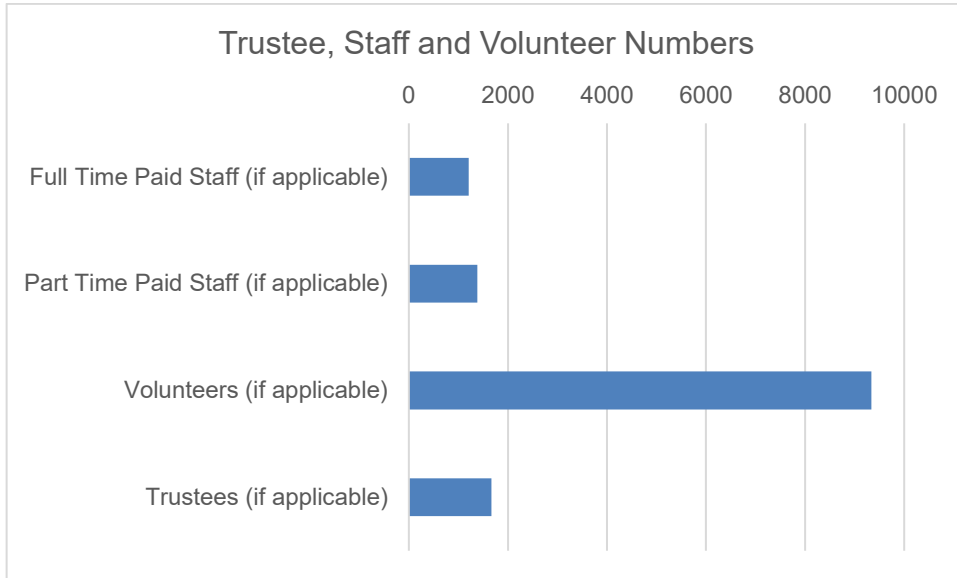


As can be seen, the majority responded with a request for an increase in core cost recovery provision to be made in funding opportunities. As one respondent said earlier...

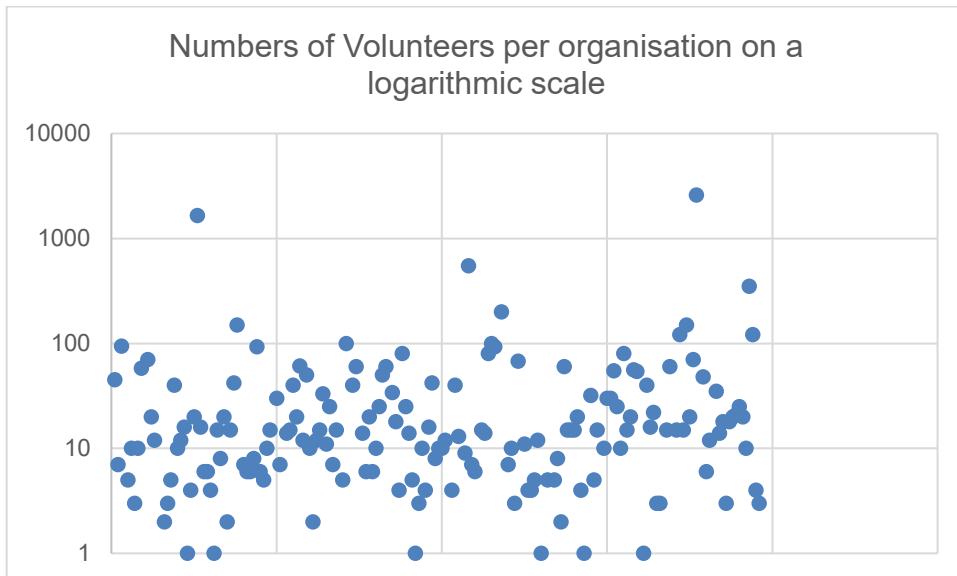
The boring parts of the charities are vital and necessary, and project cannot run without them. You can't run a car with no engine!

9. Spotlight on Volunteering in Suffolk

VCFSE Sector respondents to the State of the Sector Survey varied in size. They were asked the numbers of paid full time and part time staff, along with the numbers of Trustees and Volunteers that they had. The various sizes of organisation can clearly be seen in their responses below.

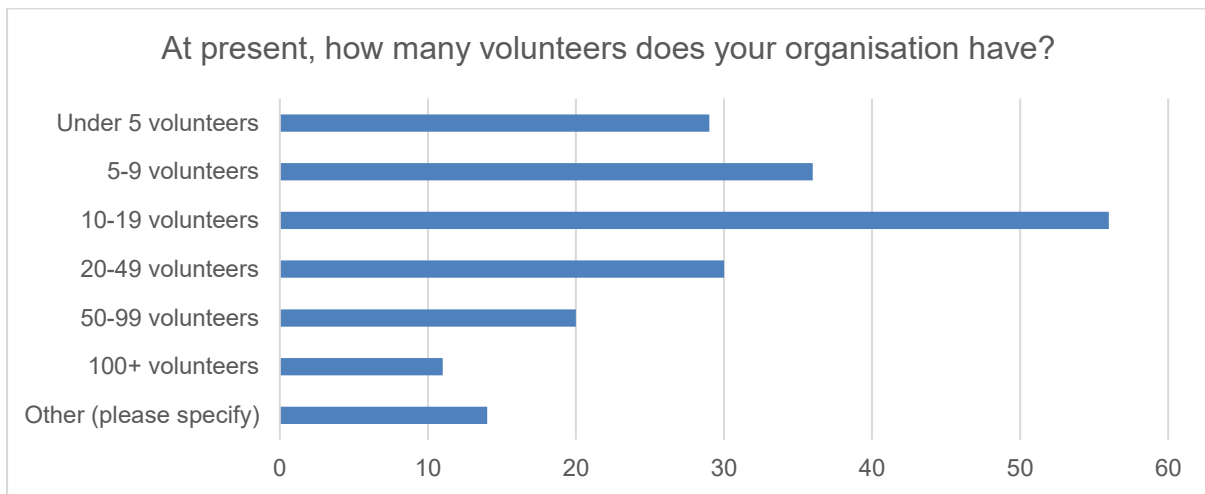


Because there is clearly such a large difference between the numbers of volunteers and the other options, a logarithmic scaled chart helps with context.



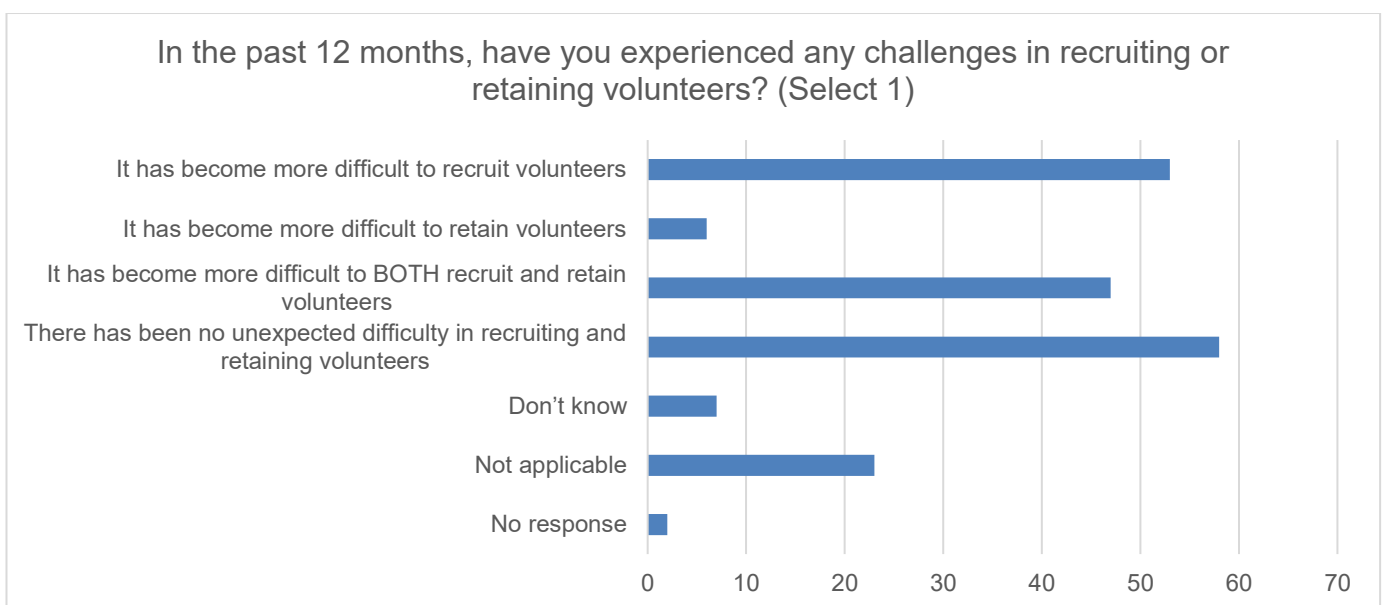
It is now clear to see (above) that the vast majority of VCFSE Groups who responded to the survey have under 100 volunteers. There are a small number who have between 100 and 1000 volunteers, and there are only two respondents who have over 1000 volunteers.

When asked in detail to be more specific about the number of volunteers their organisation has, the following responses were received.

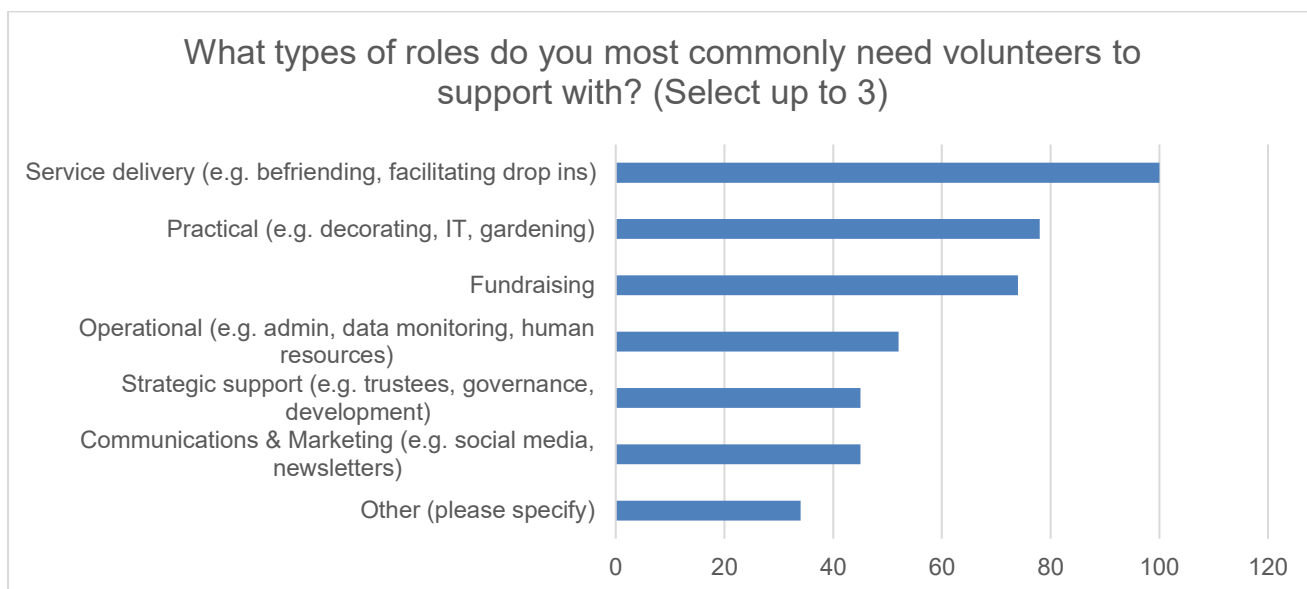


According to the latest reported figures to the Charity Commission, Charities in Suffolk have 223,585 volunteers, and not all charities report this number to the Charity Commission, so this is likely to be under-counting the number in the county. This figure also does not account for any of those volunteers that work so hard in their communities, volunteering for small grassroots organisations that are too small to register with an accountable body.

Survey respondents were asked whether in the past 12 months they had experienced any challenges in recruiting or retaining volunteers. As can be seen below, over 50 respondents indicated that there had been no difficulty in recruiting and retaining volunteers. However, more than 50 felt it has become more difficult to recruit volunteers, and just under 50 respondents felt it has become more difficult to both recruit and retain volunteers.

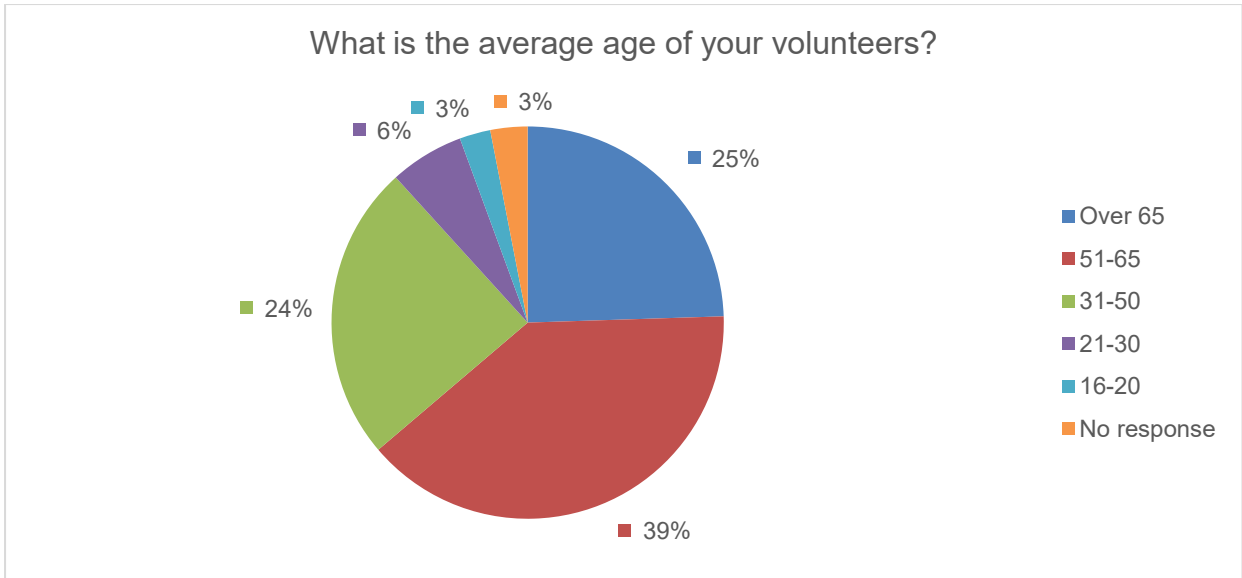


The types of roles organisations most commonly needed volunteers to support with service delivery, (for example through befriending, facilitating drop ins, etc.), closely followed by practical support, (for example, decorating, IT support, gardening etc.). Support with fundraising was the third highest type of role most required by responding organisations.

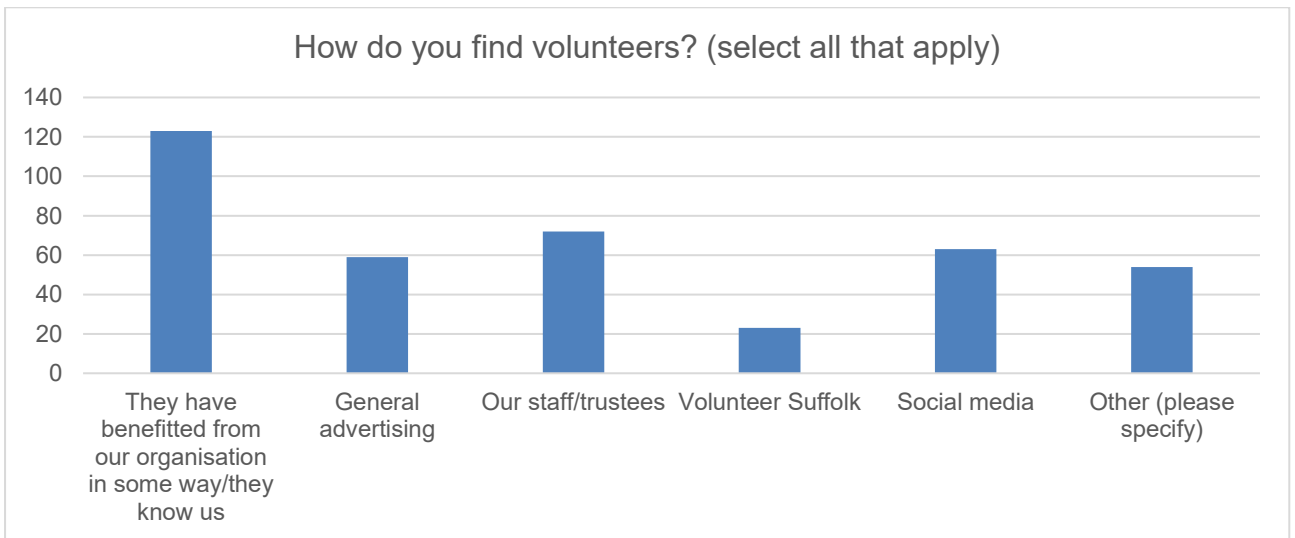


When it comes to the age of volunteers, the NCVO Almanac 2024¹⁹ found that for formal volunteering, people aged 65 to 74 have the highest levels across all age groups, with recent declines seen among those under 65. The lowest levels of formal volunteering are among those aged 25 to 34. A very similar experience seems to be in existence in Suffolk, with 25% of State of the Sector survey respondents indicating that the average age of their volunteers is over 65, however a great 39% of respondents confirmed that the average age of their volunteers was in the bracket below of 51-65 years of age.

¹⁹ <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/volunteering/what-are-the-demographics-of-volunteers/>

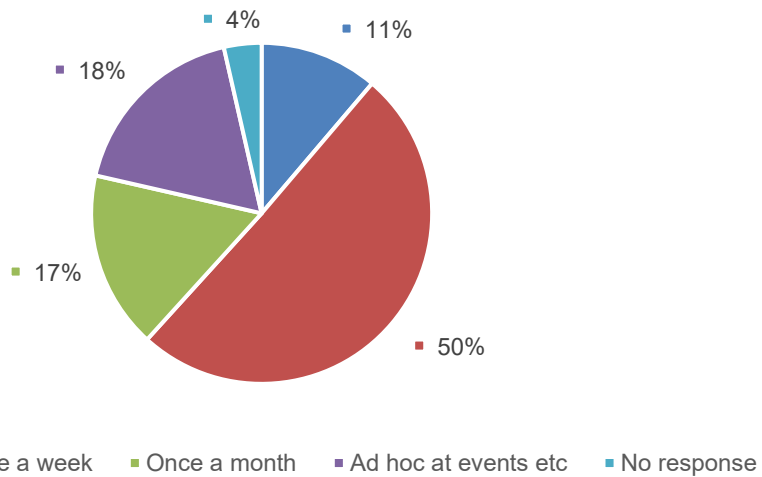


Respondents were then asked how organisations go about finding volunteers. Their responses are as follows, though by far the best way of finding volunteers seems to be through an organisation’s service users, or beneficiaries, where the volunteers “know” an organisation.



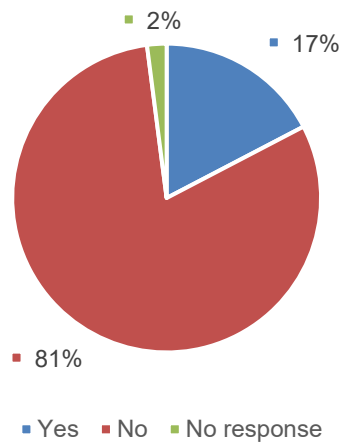
Survey respondents were asked on average, how frequently someone volunteered with them. There clearly seems to be a once-a-week regular volunteering frequency, with 50% of respondents choosing this option.

On average, how frequently does someone volunteer with you?



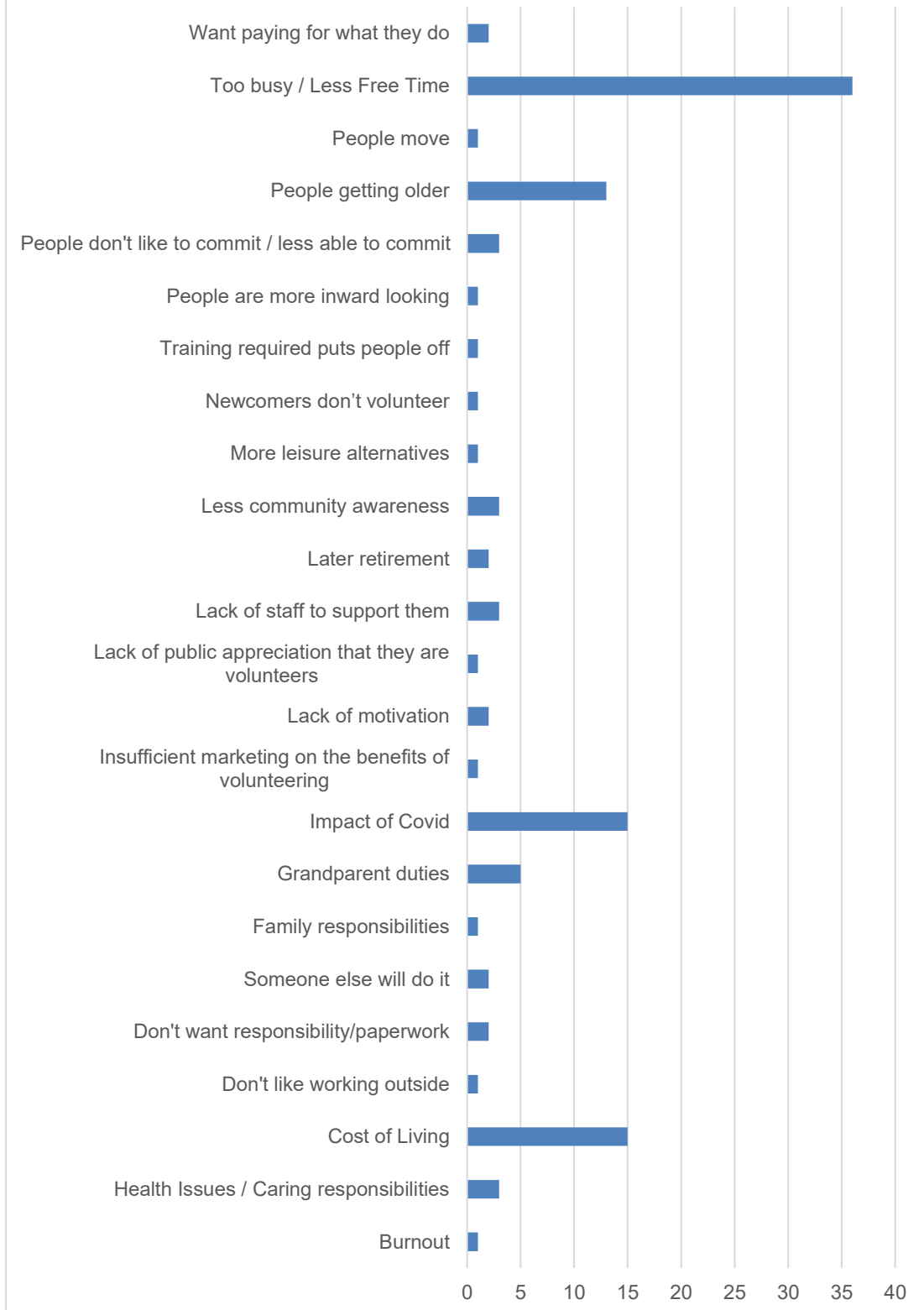
Organisations were then asked whether they had a specific role dedicated to finding and retaining volunteers in their organisation. The majority of respondents (81%) do not, which is where more understanding of the support that Volunteer Suffolk can provide may be worth investigating and promoting.

Does your organisation have a specific role dedicated to finding and retaining volunteers?



Respondents were asked if they had noticed a decline in volunteer levels in recent years, why they thought this could be. A number of suggestions were put forward. As can be seen, the majority felt this was down to people leading such busy working lives.

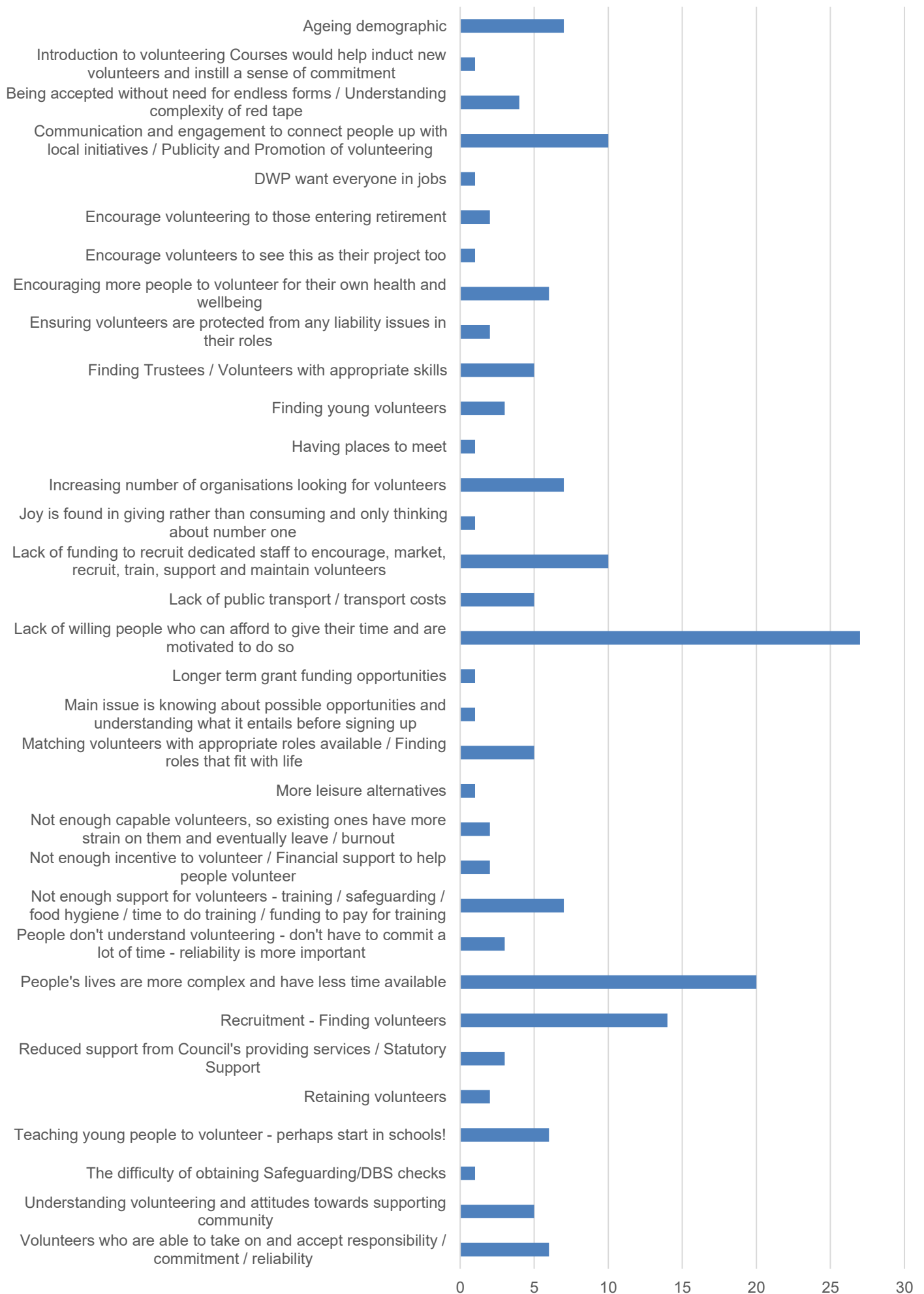
Reason for Decline in Volunteer Numbers



There may be an opportunity here for the private sector to help out and upskill their employees, by increasing their own CSR and ESG and gifting their staff time more regular time for volunteering – employer supported volunteering.

Survey respondents were asked what they thought was the most important or urgent issue affecting volunteering in Suffolk at the present. The responses are over the page.

What do you think is the most important or urgent issue affecting volunteering in Suffolk currently?



Volunteer recruitment and finding volunteers with the right skills and the ability to commit and be reliable were all frequently raised. The need to have volunteer managers or coordinators and the funding to pay for them and training the volunteers was also referred to. Other comments included:

- *For us, getting people entering retirement (especially incomers to the area) to consider volunteering, as a benefit to themselves as well — such as the social side, getting to know people, wellbeing from doing useful work, building friendship and support networks in their community.*
- *Increasing number of organisations expecting volunteers to deliver services and all competing in a small pool.*
- *People fail to appreciate the value of volunteering - thinking they don't have skills or the time, leading busy lives, so unable to give commitment. They don't realise the wide range of flexible opportunities and the benefits volunteering brings not only to the recipient, but also to themselves and their self-worth.*
- *People generally don't understand volunteering - there is an assumption that it's only for people who are retired and there is an assumption that you have to commit a lot of time - not the case at all - reliability is more important.*
- *People have been hugely affected by the increase in essentials and energy bills, which has increased stress, and means they're trying to work more and spend less on non-essentials, so they have less time to physically partake in voluntary positions, but as they face more stress, they have less overall bandwidth to consider or emotion energy to put towards volunteering.*
- *Rising age of retirement, including people having to go on working into retirement, so the pool of valuable early retirees is shrinking.*
- *Teaching young people to volunteer - perhaps start in schools! People today have a completely different worldview ... and it tends to centre around them, and not other people, or community etc How do you change this? Education at an early age. I learned to volunteer from a young age. We are all naturally selfish and need to learn to think about others and how we can help them, how we can serve or give to others. If we don't learn this as young people, it's much harder to become a volunteer when you're older. People think they don't have time to do this, but it's about developing a habit. We're so sucked in to the digital world, we find it hard to look past this. 'It's all about me' mentality and how I am personally affected. Learning to be more outward focused would help.*
- *The lack of professionals with up-to-date skills recognising that they have really important skills that they could offer charities. This volunteering does not need to be in person and can be done remotely around existing work commitments.*

- *We are looking for businesses to take on our juniors to give them work experience within the industry they think they want to work. However, it appears even offering free labour the feedback is that they don't have the time to train people. Volunteering within our shop of senior mentors hasn't been an issue either. We offer volunteering to ex-prisoners giving them a chance to change. The elderly have lost their confidence since Covid & these used to be the volunteers in charities. If they struggle to find volunteers, they need to look at other options rather than what they are used to.*

10. National Comparisons with the Suffolk VCFSE Sector

This State of the Sector report has found a number of trends though data collection and analysis that we need to be mindful of as a sector, and that our partners will need to be aware of and to take action on. These trends include:

- 69% of identified registered VCFSE organisations in Suffolk are registered charities.
- 100 or 6.7% of charities at the end of 2021/22 financial year had an income of over £500k, with a total income across them all being £399,999,185
- At the end of 2022, Suffolk had less micro size charities than the national average at 8.69% compared to 48.92% nationally, though has more than double the number of small size charities than the national average at 63.03% compared to 30.95% nationally.
- 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.
- In Suffolk, 4.03% of charities are in the Large, Major and Super-Major income buckets, 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.

11. Recommendations

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.

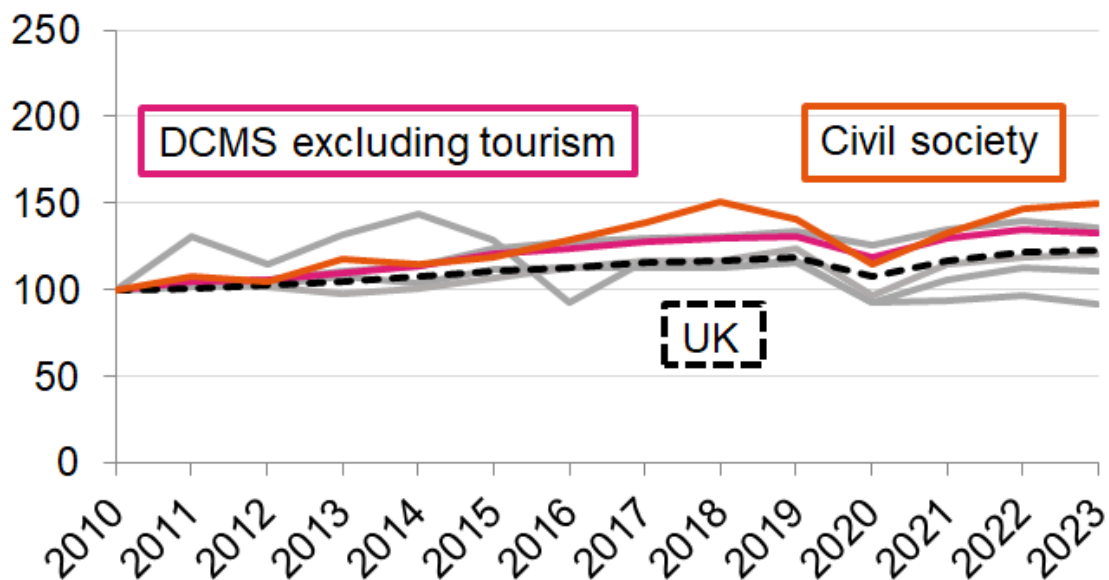
Appendices

Appendix 1 – Civil Society Sector Gross Value Added – value to the economy

Civil Society²⁰

Civil society contributed an estimated £18.5bn in 2023, accounting for 0.8% of the UK economy. Civil society grew by 2.3% from 2022 to 2023, leaving it 6.5% higher than in 2019, prior to the pandemic, and 49.8% higher than in 2010, in real terms.

Figure 3. Index chart (2010=100), in chained volume measures (CVM) showing growth of civil society, from 2010 to 2023.



These estimates are based on the non-profit institutions serving households (NPISH) data. This is likely to be an underestimate for the Civil Society sector as it does not encompass the full spectrum of the sector. Further information on the Civil Society definition can be found in the technical report.

Note that volunteering, a key element of Civil Society, has not been included in the figures due to being part of the informal economy. As estimated in the ONS published [Household Satellite Account](#), volunteering contributed £14.6 bn in 2021, the last available year (this includes only formal volunteering activities).

²⁰ <https://www.gov.uk/government/statistics/dcms-economic-estimates-gva-2023-provisional/dcms-economic-estimates-annual-gva-2023-provisional>