A TIME TO THRIVE

Learning from Voluntary Sector Challenges & Finding Opportunities in 2026/27

Foreword

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In a recent conversation with a colleague on a national wellbeing group, they said these words, "If I hear the word resilient used to describe our sector one more time...". This resonated with me deeply as I too, often feel that way. It has become the leading adjective I hear to describe the VCFSE sector – resilient.

A few years ago I wrote a piece about what I called 'the resilience baseline'. The premise being there is a baseline for any organisation or group where we 'tick along'. No major changes, doing what we do (and doing it well), providing services, no shocks, but also, no growth. For me, being resilient is the ability to come back up to that baseline when something happens – something goes wrong, drives us off course, unsettles the norm – the ability to 'right' our path. Resilience is fine, it's still delivering our purpose when things are tough and in those moments, it is often quite an achievement to reach; but it's not an aspiration. It's not the action of being resilient I take issue with, it's the presumption that it is enough, that resilience is the ultimate achievement the sector deserves praise for. It isn't, the sector deserves praise for the incredible services, activities, outcomes and impact it delivers, the adaptability and flexibility it shows on a daily basis, and the passion, dedication and aspiration of those working and volunteering within it that deserves the praise.

There are more than 11,000 organisations and grassroot community groups in Suffolk's VCFSE sector supporting residents and communities across the county every day and, in 2026, in some of the most difficult operating environments I've seen in a 20 year VCFSE career. This paper is about the challenging landscape and what that means for the sector. It covers recent organisation closures and crisis, and what the sector and our stakeholders can do to get ahead of them.

But as you read on, I urge you to keep in mind, this does not represent the whole sector – the vast majority of the sector continue to deliver services and many are thriving in their spaces, places and communities. It is intended to support stakeholders to understand what is happening, inspire conversation and take action to ensure the sector continues to be responsive, to support Suffolk's residents, and to thrive for years to come. Do get in touch if you would like support to identify actions that your organisation could take.

Hannah

Executive summary

As the Local Infrastructure Organisation (LIO) for Suffolk's Voluntary, Community, faith and Social Enterprise sector, Community Action Suffolk has carried out this research to build on the State of the Sector Report published jointly with Suffolk Community Foundation in early 2026, and understand recent impacts of the challenges the report identified. Its purpose is to provide the sector, its stakeholders and wider system partners with a comprehensive analysis of recent closures and prompt consideration of action that could be taken in these spaces to help prevent crisis and provide support for the sector.

Recent voluntary sector closures in Suffolk show that organisation closure is rarely caused by a single event. The examples used in this paper point instead to a pattern of cumulative pressure: falling or insecure income, rising operating costs, exhausted reserves, reduced statutory or grant funding, governance and succession challenges, increased demand for services, and in some cases sudden operational shocks. These pressures are not unique to Suffolk, but the local examples show how quickly national conditions can become visible in communities when trusted local services disappear.

The closures reviewed here include organisations working across youth provision, homelessness, disability support, food poverty, service user voice, animal welfare, older people's services, specialist support for vulnerable service users, social and community enterprise. Their circumstances differ, but together they illustrate an environment where organisations are being asked to absorb more need while carrying greater financial and operational risk.

For Suffolk, the message is clear: crisis management cannot begin at the point of closure. The State of the VCFSE Sector 2026 highlights falling income, reduced grant availability, contract cuts and delayed decision-making, limited reserves among some organisations, and overdue reporting as practical warning signs. The sector needs earlier warning systems (often accomplished through best practice governance), full cost recovery funding, better succession planning, practical collaboration and partnership routes, and support for trustees and leaders before financial or governance strain becomes irreversible.

The Current Landscape

In 2026, VCFSE organisations are operating in a complex environment with multiple considerations.

Political changes nationally and locally create policy and relationship changes to navigate. Policy shifts to prevention and place-based approaches through health and social care, devolution and local government reform can enable strength in positioning - the sector is already at the heart of local place and prevention in communities. However, navigating local policy, service delivery and personnel changes can mean changing relationships, building new ones and additional need to raise sector and organisation profiles and awareness of established services and opportunities.

Economically, compounding pressures from the pandemic, cost of living crises, and inflation has led to increased financial pressure. Increased cost, decreased viability of funding due to inflation and cuts, and use of reserves puts the sector in a challenging financial environment. **A key part of Suffolk's economy, registered charities reported income levels of circa £500m in 2024/25, with charity commission registered volunteers delivering an economic impact of £87.5m alone**.

Socially, the sector is operating in an environment of increased national unrest. Tensions are high and recent policy making and public opinion on campaigning has left the sector unsettled. Local and national media reporting has caused some concern in public trust and donations/public giving has decreased although is showing some early signs of recovery. Trustee, staff, and volunteer recruitment is also of concern and could be exacerbated by decline in trust.

In addition, there are further pressures with the pace of technological advances particularly in AI; cyber security; climate change; and regulatory and administrative burdens.

However, while challenging, the environment also invites opportunity:

· Local knowledge and expertise is vital in place based approaches and presents an opportunity to help shape and design services as well as increasing sector voice and awareness

· National advocacy for full cost recovery models in commissioning and grant-making supports local advocacy, and local awareness for strategic commissioning has increased

· The Civil Society Covenant and related funding is providing space in Westminster for sector voice to be heard and shape working principles for the future with local and national government

· Social Value and impact measurement recognition is increasing across the funding landscape and is an opportunity to demonstrate sector value

· The role of partnership and collaboration is increasing for future sustainability and together with technological advances enable cost efficiency in operating models

· Voluntary sector awareness is high bringing opportunity for profile raising and public relations

Suffolk Charity Closures: warning signs for crisis preparedness

Local evidence shows closures are rarely caused by one problem — they build from cumulative pressure.

£33.4m **fall in Suffolk charity income** Less money available while need and costs rise.	**9%** **With no monetary reserves** Little financial cushion if funding drops or costs increase.	**200+** **Suffolk charities accounts filing overdue** A possible sign of governance strain, inactivity or capacity problems.

What is driving closures?

Financial pressure Rising wages, National Insurance, energy, rent, inflation and operating costs. Increased cost but expenditure decreased by c£63m suggesting service closure.	**Insecure funding** Short-term grants, reduced donations, lost contracts and fewer grant opportunities.	**Governance and succession** Trustee shortages, founder/leadership dependency and burnout, volunteer/staff recruitment/retention decreasing, and limited capacity at senior levels.
Demand rising faster than resources More people need help with increasing complexity in Suffolk communities. 61% expect demand to continue to increase in 2026/27.	**Underfunded delivery** Organisations absorb management, safeguarding, premises, finance, data, training and staffing costs. Inflationary uplifts are rare on multi-year funds & reserves are utilised to provide shortfall.	**Sudden operational shocks** Administration, service withdrawal or immediate continuity risks can require emergency response.

The core message

Crisis management must begin before closure is announced.

Spot risk earlier Track income drops, reserves, overdue reporting, deficits and service dependency.	**Fund the true cost** Build in core costs, management, safeguarding, premises, staffing and monitoring/evaluation.	**Plan safe transitions** Prepare partnership, collaboration, merger, and/or transfer, and emergency continuity routes before crisis point.

Infographic summary based on sample local closure cases, Charity Commission indicators and Suffolk State of the Sector 2026 data.

Why Closures Matter

When a voluntary sector organisation closes, the loss is not only organisational. Communities lose specialist knowledge, trusted relationships, accessible activities/services and often, premises, volunteering routes, local employment and preventative support. In some cases services can be transferred to other providers, but continuity is rarely automatic and the disruption can be significant for people already facing difficult situations and challenging circumstances.
Voluntary, community, faith and social enterprise (VCFSE) organisations and groups are usually founded according to a need or gap in provision for something they have been personally affected by. Those that volunteer and work in these organisations are driven by passion and determination so closure can have severe consequences for their own wellbeing.

The Suffolk examples used in this research sit within a wider national picture. Charity Commission data reported 4,279 removals from the register across England and Wales in the four quarters of 2025, while the register still contained more than 171,000 charities at the end of December 2025. This means closure is part of normal sector churn and sometimes merger, but the concern is whether current closures are increasingly linked to avoidable financial fragility, underfunded delivery, leadership exhaustion and lack of timely support.

This paper draws on the collected local articles, statements, sector commentary and national context to identify the most common reasons for Suffolk charity closures and what they suggest about crisis preparedness across the sector.

Local statistics from Charity Commission & sector data

The local picture is not only visible through named closure cases. The State of the Sector 2026 by Community Action Suffolk and Suffolk Community Foundation points to a wider financial-resilience problem, finding charity income in Suffolk had dropped by £33.4 million over the previous year, while the number of grants awarded had also fallen by 77% in the previous 2 years. In the same timeframe, grant award size fell by c65%. The same evidence base reported that 9% of organisations had no monetary reserves, leaving them with very limited ability to absorb income shocks, rising costs or delayed funding decisions and a further 4% were unlikely to meet their contractual obligations should they have to close.

Charity Commission compliance data also gives an early-warning indicator of possible fragility. The research notes record that more than 200 charities registered in Suffolk have previously been flagged as overdue with their annual reporting. Overdue reporting does not automatically mean an organisation has closed or that it is in crisis, but persistent non-filing can indicate governance strain, trustee capacity problems, inactivity or administrative concern. For crisis-preparedness work, these “ghost” or dormant entries matter because they can mask the true level of local organisational decline.

Local indicator	Statistic from the research extract	Why it matters for closure risk
Drop in Suffolk registered charity income	Income decrease £33.4 million in the previous year.	Shows that organisations are operating with less income at the same time as costs and demand are rising.
Grant availability	Number of grants awarded reported as down and grant award size has also fallen significantly.	Suggests greater competition for funding and fewer opportunities to stabilise services.
Organisations with little or no monetary reserves	13% of organisations.	Indicates a group with little or no financial cushion if income drops, costs rise, a funding stream ends, or an unexpected other cost pressure arises
Overdue Suffolk charity reporting	More than 200 charities previously flagged as overdue.	Provides a potential early-warning sign for governance strain, inactivity, trustee fatigue or administrative collapse.
Decreased Expenditure	Registered charity expenditure decreased by £63m.	Organisations belt tightening and limiting investment but can also indicate service/project closure, redundancies and strategic cutbacks.

Taken together, these indicators suggest that closure risk in Suffolk should be monitored before organisations announce closure. A fall in income, reduced grant availability, lack of reserves, overdue accounts and visible operating deficits are all practical warning signs. **In isolation they do not prove that a charity will close**, but they help identify where earlier support, funding conversations, governance advice or business continuity planning may be needed.

Sample Suffolk Case Studies

Organisation or service	Reported timing	Main stated reasons	Community implications
Case Study 1	2026	Operational challenges, rising expenditure and an unsustainable hospitality model.	Loss of a local income-generating and community-facing presence, while wider services continued.
Case Study 2	2026	Difficulty securing long-term operational funding and sustaining services in the current financial environment.	Loss of practical services, employment, and community support activity across Suffolk and beyond.
Case Study 3	2026	Trustee recruitment and succession challenges, with key people retiring and no replacements coming forward.	Loss of long-standing independent provision and social activities.
Case Study 4	2020	Financial difficulties worsened by the Covid-19 pandemic and loss of income.	Loss of a countywide charity, with concern for staff, volunteers and older residents.
Case Study 5	2025	Rising wages, National Insurance, inflation and unsustainable operating costs.	Closure of a long standing charity, with some services transferred to other providers.
Case Study 6	2026	Falling income, reduced cash and goods donations, lower statutory grant funding and rising costs.	Loss or transfer risk for physical health and wellbeing support reaching thousands of people.
Case Study 7	2026	Loss of key funding and formal winding-up process.	Disruption to service user voice and representation, with a replacement being established.
Case Study 8	2026	Sudden closure and administration affecting commissioned services.	Emergency response required to protect physical space and safeguard vulnerable residents, staff and service users.
Case Study 9	2024	Funding too insecure and services no longer sustainable.	Loss of specialist local support.
Case Study 10	2025	Founder succession, health and operational challenges.	Closure of a long-standing charity with displacement of service users.

Common reasons for closure

Financial pressure and rising costs
The most visible theme is financial pressure. Several Suffolk cases explicitly cite rising expenditure, inflation, higher staffing costs, National Insurance pressures, energy costs, reduced donations or declining grant income. In practice, these pressures interact: a charity can withstand a single difficult year if reserves are strong, but repeated deficits, fixed-price funding, increased demand and higher core costs can quickly remove opportunity to continue.

Insecure or withdrawn funding
Some closures appear to be linked less to falling public support for the cause and more to the structure of funding. Short-term grants, restricted project funding, expired contracts, insecure continuation funding and competition for limited pots can leave organisations exposed. Case study 7 shows the impact of a single critical funding stream being withdrawn. Case studies 2 and 9 also point to the difficulty of sustaining specialist or community-based work without secure long-term funding.

Governance, succession and volunteer capacity
Not all closures are primarily financial. Case studies 3 and 10 show the importance of succession planning where long-standing trustees, founders, volunteers or specialist staff carry much of an organisation's operational collateral. When those people retire, suffer burnout, experience long term absence, or step down, replacement leadership can be hard to find. In smaller charities, governance capacity is often the difference between effective service transition and sudden closure.

Demand rising faster than resources
Several of the organisations affected were working with people experiencing poverty, homelessness, disability, caring responsibilities, trauma or isolation. These are areas where demand tends to rise during wider economic hardship. The challenge is that increased need does not automatically bring increased funding. VCFSE organisations may therefore carry more referrals, complexity and safeguarding risk without matching investment.

Underfunded delivery and cost-shifting
A recurring concern in the sector is that organisations can be expected to deliver activity that relieves pressure on statutory services, but without funding that covers the full cost of management, safeguarding, supervision, premises, finance, monitoring, digital systems and staff wellbeing. In addition, some organisations have cited examples where a funded service ends but referrals back in to statutory systems is not possible.
When unrestricted income, reserves or fundraising are used to subsidise commissioned or referred work, the organisation may look resilient from outside while becoming increasingly fragile internally.

What this means for Suffolk

The Suffolk pattern suggests a sector that remains deeply committed but increasingly exposed. The local statistics reinforce this: falling income, reduced grant availability, limited reserves and overdue reporting all point to pressure building before an organisation formally closes. Closures are occurring across different parts of the voluntary sector rather than being confined to one cause area. That matters because local organisations are often interconnected: a foodbank closure affects advice agencies; a youth provision closure affects schools, councils and families; a homelessness charity closure requires emergency public-sector intervention; and the loss of a specialist support charity can shift demand onto already-stretched neighbouring organisations.

The cases also show that some closures are orderly and responsible, with services transferred and liabilities covered, while others create immediate risk and require emergency coordination. This distinction is important. Crisis preparedness is not only about preventing every closure; it is also about ensuring that when closure is unavoidable, it happens safely, transparently and with continuity planning and wellbeing support for service users, staff, volunteers and partners.

Practical ways to strengthen crisis preparedness

· **Earlier warning conversations**: create safe routes for organisations to flag financial, governance or workforce concerns before crisis point, without fear that openness will damage funder confidence or leave them exposed financially.

· **Full core cost funding**: commissioners, funders and partners must recognise the true cost of safe delivery, including management, premises, safeguarding, data, monitoring, reporting, insurance, finance, training and staff support. This includes inflationary uplifts in multi-year finance arrangements.

· **Reserves and scenario planning**: Boards of directors/trustees and management committees should be supported to model income loss, rising costs, funding delays, contract withdrawal, asset risks and leadership absence. This includes good use of strategic and operational risk registers and business continuity planning.

· **Succession planning**: organisations should identify future trustees, chairs, treasurers and operational leads before founder or volunteer fatigue becomes a closure risk.

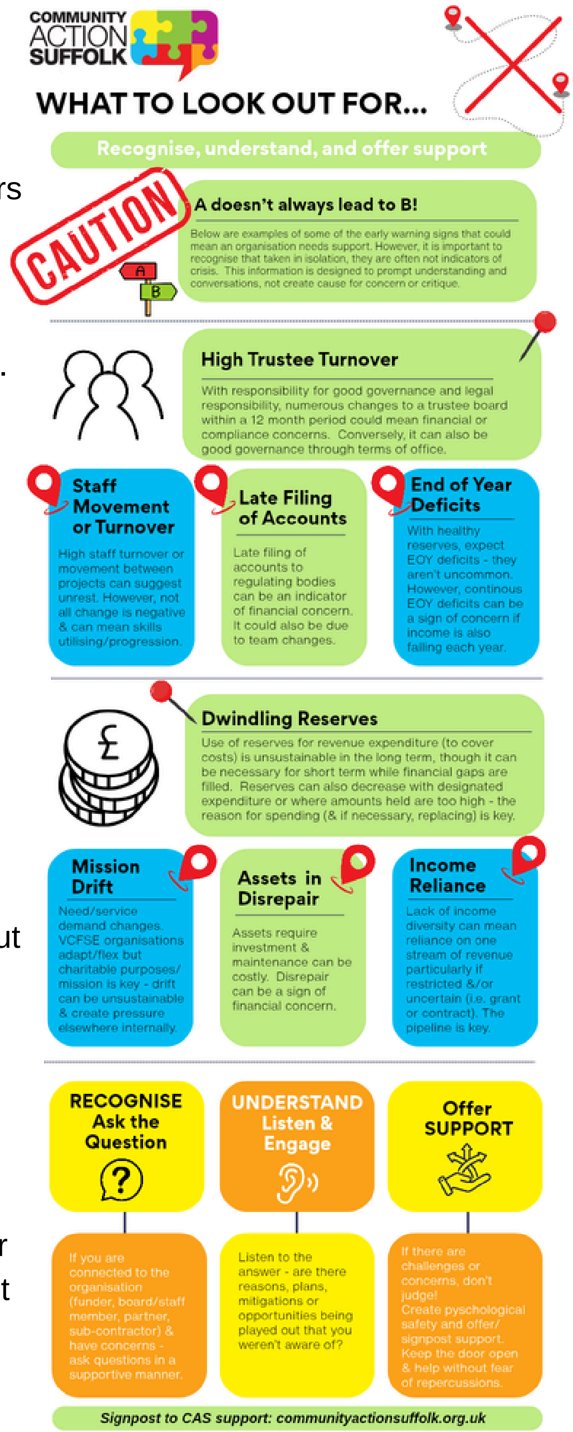
· **Partnership & Collaboration**: normalise conversations about collaboration, formal partnerships/consortia, shared infrastructure and resources, service transfer, asset transfer and if applicable, merger, as positive resilience options rather than signs of failure.

· **Commissioning risk checks**: where public bodies depend on a voluntary organisation for critical services, build in regular financial health and continuity reviews and board/management committee updates alongside proportionate support.

· **Emergency continuity**: agree local arrangements for what happens if a provider closes suddenly, especially where vulnerable service users may be affected.

· **Training & support**: invest in local infrastructure to ensure independent support is available for organisations at the earliest opportunity for concern intervention.

· **Better local intelligence**: maintain a live picture of closures, near-closures, dormant charities, overdue reporting, funding gaps and service dependencies across Suffolk.



Demonstrating Impact:

Measuring and showcasing impact enables organisations to demonstrate the difference they make. This is essential for maintaining and building trust in the sector & should form part of everyday practice.

Suffolk’s recent closures should not be read simply as isolated organisation failures. They are warning signs about the operating environment facing local VCFSE organisations. Financial strain, insecure funding, rising demand, workforce, volunteer and trustee recruitment and retention, and underfunded delivery are combining in ways that can overwhelm even long-standing and valued organisations.

The core lesson for crisis management is that preparedness must begin while organisations are still functioning, not when closure has already been announced. Suffolk has a long standing wealth of experience in supporting local organisations and communities, and a resilient sector that does and will always support local residents to the best of its ability. We should be proud of, and build on, our culture where organisations can seek help early, funders and commissioners understand true delivery costs, trustees are supported to plan for succession and risk, and local partners are ready to protect communities when services are threatened.

The message is not that every closure can be prevented or that Suffolk’s VCFSE sector is in crisis as a whole – of a sector that has more than 11,000 organisations and groups across the county we have discussed a very small number here - but that the sector and its partners can do more to spot risk earlier, act sooner, and reduce harm when valued organisations reach breaking point.

...on Commissioning and Grant Making in Suffolk

A recurring theme throughout this paper; finance is at the heart of effective operations and efficiency. As with any organisation in any sector, robust and sustainable finance is required to support delivery and VCFSE organisations must recognise the importance of a diverse funding mix. Reliance on grants and/or contracts is rarely sustainable and in the last 2 years, sector organisations have increased trading and fundraising activity to reduce this reliance.

However, to deliver services that support residents alongside statutory provision, grant funded projects and commissioned services will always be required. The State of the Sector 2026 explored commissioning practices in further detail and found that only 12% of responding organisations (381) had engaged in a 'meet the commissioner/procurer' or market development event with a procuring authority. With many small organisations in the sector, it would be reasonable to assume that this was due to the size of responding organisations and therefore relevance, yet only 5 of the responding organisations had not engaged due to size/relevance.

Sector concerns regarding commissioning and procurement for the next 12-24 months are noted as follows:

· **Lack of opportunities/awareness**: fewer tenders available locally and concern that contracts will be awarded to regional or national organisations bypassing local groups. Many organisations were not aware of engagement events or how to keep informed of opportunities available

· **Structural uncertainty**: changes in approach and frameworks due to local government reform, health system change and devolution

· **Competition and disadvantage for small organisations**: larger national providers with professional bid writers dominating tenders, and increased competition locally

· **Administrative and compliance burden**: complexity of processes, payment by results, increased expectations for monitoring and evaluation, and a lack of time/resource/capacity to bid

· **Funding pressures**: rising cost of delivery and tight budgets, short term funding and changes in funding priorities despite growing need, lack of inflationary uplifts and cashflow concern

· **Capability and confidence gaps**: inexperience and/or lack of knowledge demonstrates a need for practical support, engagement, training and guidance to become contract-ready and able to bid

· **Negative past experiences**: reluctance to try again, perceived unnecessary bureaucracy, delayed decision making and lack of transparency

In order to overcome this, respondents ask commissioners and procurement teams to consider:

o Allowance for Full Cost Recovery

o Provision of longer-term, multi-year funding

o Simpler, shorter and where possible, standardised application and monitoring processes

o Increased flexibility and fewer restrictions to enable accuracy of budgeting as costs and/or operational need changes

o Improved speed of decision making and notification of tendering

o Realistic cost expectations

o Improved equity and fairness for smaller organisations with a commitment to upskill for contract readiness and promote collaboration

o Better engagement and trust with contract holders to enable safe conversations and understanding of delivery in action

o Support with applications and bid development

o Transparency and considered explanation of procurement necessity

o And; Consideration for operational needs and sustainability (i.e. resource and capacity)

In summary, the spotlight highlights the needs for improved relationships built on 2-way trust and understanding. The current landscape summary at the beginning of this report highlighted concern for future relationships and it is clear from the findings that the sector is uncertain how this will progress in the next 2-3 years. The opportunity is now to build on existing relationships, and begin forming new ones but with acknowledgement that this in itself requires capacity and resource.

What commissioners and procurement teams told us

Key Concerns/Signs of Crisis experienced:

- Incomplete or late financial reporting and filing.
- Sub contractor payment concerns - the commissioning relationship is often with the lead partner, not those sub-contracted for work.
- Difficult relationship with senior leader(s) - the balance of trust is hard to strike when finance is involved. Commissioners are keen to reiterate that removal funds is a last resort and there are interim arrangements that can be made to support if honesty is given.
- Rapid and/or significant changes to Boards/Management Committees with little or no explanation.
- Service provision monopoly - if crisis strikes, service users can lose multiple support mechanisms at once.
- Lack of lived experience on boards/management committees.
- Regularity of staff movement between projects and services without necessary skills or experience for the role.

We asked what advice they would give colleagues...

- Understand good governance
- Robust contract management & financial checking
- See the organisation in action - speak to staff
- Consider risk mitigation & independent audits
- Ask for Board updates & meet the Chair
- Look for mission drift
- Raise fund awareness & be transparent
- Encourage partnership
- Regularly review tender processes
- Focus on the outcomes & impact

Conclusion

Suffolk's VCFSE sector is facing a myriad of challenges and for some, as noted in this report, they have proved too much. However for many, service demand and delivery continues as usual, is increasing and provides essential impact in our communities with a high return on investment.

At a time of significant change across the county, there is also significant opportunity – sector profile is high, sector importance is understood more than ever, and system partners recognise sector value and impact. This must be acted upon to ensure resilience moves on to the ability to thrive and in turn, effectively support Suffolk's residents, communities, systems and partnerships.

For further research, to read The State of the Sector 2026, or for support and guidance visit: www.communityactionsuffolk.org.uk

With sincere thanks to...

All the VCFSE organisations and groups across Suffolk that responded to the State of the Sector Survey 2026

Natalie Lomas - Research Officer at Community Action Suffolk

Procurement officers and commissioners at East Suffolk and Suffolk County Councils involved in this research

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