

Informing the Development of a new
Voluntary Sector and Volunteering
Strategy for The Merton Partnership

State of the Sector 2016

Merton's Voluntary Sector


ian beever
consultancy and training

Ian Beever & Sandra Vogel

Executive Summary

The Merton Partnership commissioned the 2016 State of the Sector Research, led by Merton Voluntary Service Council (MVSC); to gain greater insight into how the voluntary, community and faith sector (VCFS) in the borough is coping in the current economic and social environment.

The Merton Partnership is reviewing the local voluntary, community and faith sector and volunteering strategies, and will merge them into one, coherent strategy. In total 80 organisations participated in the research with 120 interactions across the various methods used.

The Sector Locally

The voluntary, community and faith sector in Merton comprises of charitable and organisations that are not required to register as a result of their size and turnover. Most boroughs have double the amount of community groups that are not registered as charities, since the threshold requiring registration increase to £10,000.

- 394 registered charities in Merton with an income of £113.1m
- 2,183 trustees of registered charities
- 3% growth in clients supported between 2013 and 2016
- 813,680 people supported in 2015 across 80 organisations
- Large increase in Charitable Incorporated Organisations (CIOs) as a new legal entity
- Almost a quarter of organisations are unincorporated exposing trustees to more risk
- 16% of organisations engaged were established in the last 3 years
- Merton has a long established resilient sector with 46% having been established over 21 years
- Compared to the 2013 research, the percentage of social enterprises and Community Interest Companies has risen by almost 5 percent in this 2016 sample. This could be an indicator of people trying new models of sustainability and job creation, advocated by successive governments since 1998.

Funding

2016 has seen the greatest reduction in funding from Merton Council but was timed to take money out of the system at the end of a commissioning cycle, rather than making cuts. Despite having to make such drastic savings, Merton Council has maintained its funding for small grants managed by MVSC in 2016. Recognising the importance of community activity delivered by small groups and a need to invest in fabric of the sector.

The 25% of organisations that do not receive funding, support their activities through membership fees, subscriptions, sponsored events, donations and fundraising. The 'goodwill of volunteers' was also important for many organisations in order to keep going.

The research highlighted that as reductions in public sector funding continue, across all sectors; more vulnerable members of the community, will increasingly rely on smaller groups and less formal volunteering structures. New approaches to supporting smaller groups and less formal volunteering will need to be explored to help organisations successfully navigate the future.

40% of organisations expect income from unrestricted sources to grow despite it having been reasonably static for the last three years. There is a need to provide support for this desired change. In particular organisations need access to a number of areas of support including:

- Skill development in fundraising methods needs to be addressed
- Support in formulating fundraising strategies
- Support in identifying funding sources

More effort should be put into maximising the Merton Community Fund which could be a significant resource, particularly for smaller groups.

Clearer messaging from public sector agencies about the opportunities for funding the VCS over the next three years, so organisations can plan and respond in good time.

Premises

67% of organisations identified finding suitable and affordable premises as a challenge. As organisations experience reduced funding, they are charging for, or increasing prices for space hire. These charges often put room hire out of the reach of small groups. At a time when communities are being asked to do more following reductions in the state this is seen as a self-defeating policy.

These are also issues around inconsistent policy and practice in meeting the premises requirements of the VCFS. A more coherent, cross sector approach is required.

Meeting Community Needs

70% of organisations identified increasing demand compared to 62% in 2013 with Pollards Hill, Lavender Fields, Figge's Marsh, Cricket Green and Colliers Wood Wards presenting increased demand for support.

Mental health, dementia, older people with complex need and young adults (16-24) were identified as those presenting greater need for the VCFS.

Groups with income below £10,000 are reporting the greatest pressures, marginally greater for those with income below £1k. Groups with incomes between £10,000 and £100,000 are the next group reporting increasing demand.

The People

Expectations of trustees can be high, with more in depth knowledge and expertise required today than had been the case in the past, and organisations are demanding more of trustees than previously. Getting trustees with of the right calibre is a challenge for local organisations.

Half of respondents reported an increase in the number of volunteers they engage. At the same time many organisations stated they do not have the capacity to recruit, support and training more volunteers.

Collaboration

There are mixed views about the value of networks, small groups placing greater importance on them than their larger partners; although 71% attend networks and forums in Merton.

Small groups often feel undervalued, and evidence suggests larger groups need to be mindful of their interaction and engagement of smaller groups.

There has been a 14% increase in partnership work since 2013 but lack of trust, transparency and risk were identified as reasons for not working more together. Organisations feel less inclined to share information in a time of reduced funding and increased competition for resources.

Key Findings

1. Improved collaboration between all sectors

All public sector agencies need to take a more collaborative approach to service definition and delivery (co-production) with the VCFS to maximise the impact of resources for local people.

2. Review the terms of reference of the Interfaith Forum

The Interfaith Forum plays a crucial role in supporting sector activity, and all the evidence points to this role becoming more important in the immediate future. Reviewing the terms of reference of the Interfaith Forum can kick-start the process of greater involvement of faith organisations in strategic decision-making.

3. Understand, involve and resource small groups

Throughout the research, the role and importance of small groups was highlighted. The challenge of supporting joint work between large and small groups is not exclusive to Merton but needs to be addressed to increase trust and mutual understanding.

4. Recognise the value of unfunded groups and prioritise supporting them

A quarter of organisations who took part in our online survey are unfunded, while our faith groups' focus group and numerous of our one to one interviews highlighted that many groups sustain themselves without ever securing funding through grants and contracts. They are often small but their work and social value of equal value to the larger organisations.

5. Revitalise the approach to training

A better approach to maximizing investment in developing people (staff and volunteers) needs to be created through joint working in Merton.

6. Fundraising and Strategic Planning

The whole sector needs to be supported and developed in its approach to fundraising. The Merton Community Fund could play a vital role but there is no capacity at present to maximise its potential. Areas of intervention required around fundraising are: -

- Support to develop skills in fundraising (not just grants, trusts and foundations)

- Focused support in strategic planning (not just writing a business plan)
- Improved partnerships for tendering

7. A More Strategic Approach to Premises

67% of organisations engaged in the research are experiencing challenges associated with premises. For many small organisations, venue hire is their biggest expenditure. A more strategic and coordinated approach between agencies to maximising the use and reach of buildings and facilities in Merton is required.

