



Big Society? The Impact of Public Spending Cuts on the VCS in Gloucestershire

“We have not seen evidence yet that the Big Society means anything in practice”

This report summarizes the results of a survey carried out by GAVCA during September to November 2011. A total of 49 organisations responded to the survey, which was promoted through the GlosHub e-bulletin and run as a Survey Monkey online survey.

Most of the organisations who responded employed fewer than 20 paid staff, and involved 5 – 10 volunteers on a regular weekly basis, which is typical of the VCS in Gloucestershire, according to the National Survey of Third Sector Organisations 2010, carried out by the Office of the Third Sector. They came from all 6 districts in the county and their activities covered a wide range of areas from youth services, to the arts, and advice services.

Paid Staff

Nearly 2/3 (65%) have either already reduced the number of paid staff they employ or are planning to this year with a further 8% planning to make reductions in 2012-13. It is notable that over ¾ (76%) did not know if they would have to reduce staff next year, indicating the high level of uncertainty that organisations are having to deal with.

Volunteers

29% are planning to increase the number of volunteers they involve in their organisation this year and a further 39% plan an increase next year. However, some reported planning to use volunteers to replace paid staff, raising questions about the quality of service that can be maintained.

Budget Reductions

Nearly ¾ (73%) of respondents had already made budget reductions with more planned this year and in the coming year. Anticipated levels of budget reductions varied with most anticipating anything up to a 50% cut in their budget.

What impact will these changes have on your ability to meet your organisations' objectives?

The main issues raised were:

- Reduced capacity to do the development work required to seek resources and become sustainable
- Continued uncertainty is hampering ability to make future plans and think creatively whilst having to concentrate on keeping existing services running

- Replacing paid staff with student work placements
- Increased demand for services due to the difficult economic situation , at the same time as cuts to staffing
- Increased referrals from statutory services who don't pay for these services
- Increasing use of volunteers but loss of the infrastructure to support volunteers effectively
- Many organisations are making reductions in level of services, the range of service provided with some facing possible closure.
- More pressure on staff is resulting in reduced ability to respond flexibly to changing circumstances and opportunities and the risk of detrimental impact on the safety of high-risk vulnerable client group and the reduction in quality of services
- The need to raise profile, become more enterprising and effective and work more collaboratively

All respondents raised concerns about their ability to continue to maintain the level and quality of services due to budget cuts. Several were worried about the morality and legality of replacing paid staff with volunteers, and the lack of capacity to support and involve volunteers effectively.

The loss of core grant funding to many organisations is felt to be hampering their ability to do the development work necessary to generate further income, an issue which was also highlighted at GAVCA's recent Funders' Fayre, and which appears to be resulting in a drop in grant applications to some local charitable trust, at a time when one would have expected applications to have risen. This suggests the need for investment in small core grants to enable greater voluntary activity to take place.

"Small organisations like ours can make modest amounts of funding go a long way. What we need is consistent modest funding. We make extensive use of volunteers, which makes the funding go a lot further, but managing those volunteers properly has significant costs which are increasing..."

There was a recurrent theme wanting to highlight the reality of the impact of the spending cuts in the experience of many VCOs – that reductions in funding are having a negative impact on the lives of very complex and vulnerable individuals.

"Failure to support individuals adequately now is not an effective method of saving costs - any savings now will be more than accounted for by the increased long term costs of intervention once crisis is reached and support is provided. This is regardless of the personal and human costs each user will pay."

Sally Pickering
December 2011

Appendix – Summary of responses

**Impact of Public Spending Cuts on the VCS in Gloucestershire
Results of Survey carried out by GAVCA in sep – Nov 2011**

Total number of respondents: 49

1. How many staff were employed by your organisation in 2010/11

	Percent	Count
Fewer than 5	20.40%	10
5 to 10	24.50%	12
10 to 20	24.50%	12
20 to 30	6.10%	3
30 to 40	4.10%	2
40 to 50	4.10%	2
50 to 60	2.00%	1
60 to 70	2.00%	1
70 to 80	0.00%	0
80 to 90	6.10%	3
90 to 100	2.00%	1
More than 100	4.10%	2

2. In a typical week, how many volunteers were involved with your organisation in 2010/11?
(Please include trustees).

	Percent	Count
Fewer than 5	16.30%	8
5 to 10	34.70%	17
10 to 20	16.30%	8
20 to 30	8.20%	4
30 to 40	8.20%	4
40 to 50	2.00%	1
50 to 60	0.00%	0
60 to 70	2.00%	1
70 to 80	2.00%	1
80 to 90	0.00%	0
90 to 100	2.00%	1
More than 100	8.20%	4

3. Has your organisation already reduced the number of paid staff?

	Percent	Count
Yes	46.90%	23
No	51.00%	25
Don't Know / no response	2.00%	1

4. Is your organisation planning to reduce the number of paid staff?

	In 2011/12	In 2012/13
Planning to Reduce Staff	18% (9)	8% (4)
No Changes Planned	39% (19)	16% (8)
Don't Know/ no response	43% (21)	76% (37)

5. Is your organisation planning to change the number of your volunteers?

	In 2011/12	In 2012/13
Plan to increase numbers	29% (14)	39% (19)
Plan to decrease numbers	0% (0)	0% (0)
No changes planned	24% (12)	10% (5)
Don't Know / no response	47% (23)	51% (25)

6. Has your organisation already made budget reductions?

Yes	73.40%	36
No	24.40%	12
Don't Know/ no response	2.00%	1

7. Is your organisation planning to make budget reductions?

	In 2011/12	In 2012/13
Reductions planned	29% (14)	27% (13)
No reductions planned	20% (10)	8% (4)
Don't Know / no response	51% (25)	65% (32)

If you are anticipating making reductions, what is the level of reduction planned (as a percentage of your overall budget)?

25%

30%

A general budget reduction in consumable spending and training (for non mandatory courses, only one staff member attends a course and cascades to others). Each staff member attends one training course per year which is agreed at Yearly review

10 - 20%

Could be anything up to 100%, unless further funding is identified.

We have met and developed plans for a range of scenarios and due to current uncertainty have discussed various different percentages.

We do not receive any grant income, all our income comes from donations, which is anticipated to rise by approx 10%

5%

About 10% in final qtr of 2011/12. 2012/13 could be 50%+

25%

We have ceased to deliver two services this year, our drop-in advice centres and our children's play projects We also had our City Council SLA terminated and so I would estimate that we had to reduce our budget by 35 - 40%

Overall budget not reduced, but budget for young carers groups has had to be adjusted resulting in a reduction in services due to the changing nature of our contracts.

25%

35%

Probably in the region of 5-10 %

5-10% needs to be cut from expenditure to match in part the 15%+ cut in funding we are experiencing this year (2011-12) and we anticipate additional revenue cuts for the next 3 years

10% in 2011/12, 2012/13 unknown

30%

15-20%

8%

Unless fees increase in line with costs, the reduction in services will be directly proportionate to the shortfall in funding

Turnover in 2010/11 was £125K. Projected Turnover in 2011/12 is £35K.

10%

25%

15%

8. What do you think will be the main impact of budget and staffing changes on your ability to meet your organisation's objectives?

will reduce ability to offer support and services and seek resources to be sustainable
Our organisation is being strategic with when our staff work (timing) - to ensure we have an even spread of staff over the hours we are open. We also work closely with the local University so have a number of students participating in their work placements here (volunteering), this ensures we have the correct number of people with young people, also provides training and support to youth workers of the future.

We will see fewer people and the service will be even more pressured

Increasing use of VCS services by statutory bodies (who seem to be unwilling to shoulder their burden to pay for services used) to the overall detriment of VCS

If we do not manage to bring in enough funding to continue the core objectives of the organisation ultimately we will close. In the meantime we are looking at reducing staff pay and hours in order to try and attain the funds we need to deliver our main functions.

Getting qualified members of staff when all grants for NVQ 3/4 or 5 have been withdrawn. Pre-School settings do not have the training budget to pay for new recruits to do these NVQ's and it is a lot of money and commitment to expect candidates to pay for the course themselves when the actual hourly wage does not justify their roles and responsibilities It is difficult to manage fluctuations in numbers attending the Pre-School and to sustain supply staff when set hours cannot be predicted term to term

We have to raise our profile and do more fundraising ourselves to become more sustainable

We may have to review and reduce the range of services we can offer.

Less capacity and capability will lead to more creative ways of achieving delivery along with a sharper focus on the "must do's" rather than the "nice to do's"

we have made cuts and changes in 209/10. The impact was that staff are working efficiently but at full capacity which makes it difficult to respond quickly to changes and opportunities.

At the moment I do not have plans to change anything on the Squadron.

Due to children numbers still be reasonably high for 2011/2012 I don't envisage any changes, however 2012/2013 still unsure at this time

We could lose a large part of the infrastructure that enables us to support the volunteers.

My service is already running at full capacity and we struggle to keep on top of the workload.

Cuts to budgets and staffing may have a detrimental impact on the vulnerable client group that we support and, because we work with high-risk clients, their safety may be compromised.

The difficult economic circumstances make achieving our planned increase in donation income difficult

The need for more efficiency and a pay-freeze on all staff

Wan have an increasing number of people wanting to volunteer with us and increasing level of requests for help. This requires an increased level of resource putting higher levels of

demand on reducing staffing levels.

our youth club may not run if we cannot attract enough volunteer youth workers or quality paid staff

GDVSAP have already reduced the hours our helpline operates and we no longer provide a weekend service. Operating a weekend service is one of our organisation's objectives to ensure that victims of domestic abuse are able to access support seven days a week.

supporting less families and less children in the county

We have had to undergo extensive reorganisation in order to meet our objectives. The lack of uncertainty around future funding from county council and the NHS/GP commissioners is hampering our ability to make meaningful future plans of support for the young carers.

We have already had to move to smaller premises to reduce costs. Further cuts could result in a reduction in staff.

We have a fairly high number of staff but most of them are part time and in fact our full time equivalent number of staff is only 6 including all our artists who deliver short sessional workshops. We will continue to deliver the same quality of service, but due to less funding, the availability of it will be vastly reduced unless we manage to offset the reductions with additional project funding.

We have stopped providing some services

More pressure on remaining staff. More time required to identify tasks/projects which can be offloaded. More support from line managers. Team dynamics change - reduced moral/higher workload/increased stress. Difficulties in employment legislation in using talented and skilled volunteers to fill loss of employed posts. We will not take our eye off our organisation's objectives - we may reduce the number of objectives to fit any streamlined staffing.

on track to increase staffing and contracts

Quality will be reduced

Inability to plan creatively. Focus has to be on maintaining current activities.

We have the potential to have to cease operating in areas where pay by results is implemented quickly and aggressively. We're not even that small, and we cannot incur costs before getting a return on them - which means if we're delivering to Individual Budgets and this requires us to capture the attention of the users, we have no ability to invest in that piece of marketing work and so are unlikely to get the volumes needed to sustain the regular income on a monthly basis. I worry that some LAs will have to see providers they like and respect fail before they realise that personalisation overnight can actually kill innovation and creativity, because the organisations that are too lean to function in that environment will automatically be eliminated.

The main impact of less income and reduced staffing is a dramatic reduction in parenting and family support services in Gloucestershire. We continue to have an increasing demand on our services and we know this is likely to increase as we face a difficult economic period.

The initial impact risked us going out of existence but we have a strong plan now which if we can pull off will make us stronger. Plans are afoot to share board and back office with other arts organisations.

The loss of significant funding pots makes the work more vulnerable affecting staff morale.

Restructure based on new strategic plan will mean we can meet our plan but maybe not as far reaching as we would like to!

Loss of staffing levels and ability to take on new work

Service users will not receive the support they are entitled to as costs for delivering that service are not being met

Devastating. All our highly successful weekly after school clubs were closed down at the end of March 2011 as was all music based mentoring for young people in challenging circumstances and our work with Looked After Children. We have had to go into a very minimal baseline mode - operating our commercial rehearsal and recording facilities, using

adult fees to subsidise access by young people who already have skills, but no longer providing activities for those who have not had previous opportunities.
We will need to develop more commercial, income generating activities to offset grant reductions.

Volunteers used more Less Hanging Baskets and floral displays in town
opening times reduced waiting times increased less capacity to take on case work

9. How could GAVCA most usefully help your organisation in this situation?

More grass roots focus and engagement

GAVCA have and are a brilliant support. The area we can not afford to spend money is training of volunteers and staff. GAVCA offer some great training, most of which is at a reduced rate, if this could continue it would help us. I recently went to the fundraising fair, this was brilliant! I was able to talk with potential funders face to face and find out how to complete the application so that we would be considered.

I don't think they can

Provide forums for Statutory bodies to explain why they are not putting funding into VCS services when they use them.

Help to find/earn more funding/income.

Seek grants for NVQ 3/4/5 training needs. Have a pool of qualified supply staff to work in Pre-Schools across county?

training on fundraising and marketing. Publishing where we can finding names and contact details of funding bodies

Funding advice and information sharing

Continue to provide general advice and guidance. Promote real collaboration and avoid the temptation to expand the range of GAVCA's work into the legitimate territory of others.

?

Promote us to young people in the 13 - 17 year old age group, as I would like to increase the number cadets on my Sqn.

No help required at present

Training in preparing Business Plans and Tenders.

GAVCA promotes partnership working which would be a beneficial way of looking at future services.

Advice on diversification of funding streams, marketing, and communications

Volunteer support

Keep on doing what you are doing!

help us find volunteers able to work with young people

Tap into funding streams other than the usual route of charitable trusts

fundraising, working in partnership

advocate for the VCS in getting early decisions from county council and GP commissioners and continue to raise the profile of the work undertaken by the VCS.

Don't know.

Identifying routes for non-arts organisations to work with the arts sector in the county. There appears to be a hesitance in Gloucestershire for some VCS organisations to work in partnerships with the arts sector and this needs to be addressed in order that services/provision is of the best quality and impact that they can possibly be for those who benefit from them.

Continued provision of up-to-date info

Provide some useful guidance on use of volunteers either: to replace staff who have left -

don't just re-recruit, but use volunteers - is this legal, or good practice? or to undertake tasks of a redundant post - if post is gone to get reduce staff numbers because you don't have the funding, how can you use vol support?

Unsure

I am not sure as we are dependent on LA social service funding, at present 80% of expenditure is direct staffing, the next largest expenditure item is food at 7% leaving 13% other costs so even if we cut all non food/staff cuts, we would still be short of achieving a sustainable balance

By continuing to keep us informed of changes locally and nationally, so that we can respond (especially to opportunities)

Bringing other VCS organisations together and discussing this - although you are already doing a great job at this. Key areas we'd love support with are: - Using volunteers to fill gaps, rather than to provide additionally when funding runs out - Managing a business model in a pay-by-results culture - Accessing funding - Creating links with other providers

Facilitating partnership opportunities for future commissions. Acting as a strong voice on behalf of the VSC within the local authority about emerging needs, now that many of these avenues/networking opportunities have gone. Continuing to be the centre point for dissemination of information to the VCS.

Lobbying. Raising awareness with the public and the government of the reality of these cuts. Any links to funding.

Provide information on funding bids, campaign for funding needed by local organisations

NA

1. By collecting data from services that shows the reduction in funding is having a negative impact on the lives of very complex and vulnerable individuals

2. By ensuring the commissioning authorities are aware that their failure to meet the reasonable and transparent costs incurred by voluntary sector organisations in delivering services on their behalf will lead to many Glos people not getting the help and support to which they are entitled, in some cases contrary to LAC guidance, legislation and accepted best practice

3. Failure to support individuals adequately now is not an effective method of saving costs - any savings now will be more than accounted for by the increased long term costs of intervention once crisis is reached and support is provided. This is regardless of the personal and human costs each user will pay.

Communicate to National and local Government that if they want services for both mainstream children and young people and those qualifying for targeted support then there needs to be some funding. Small organisations like ours can make modest amounts of funding go a long way. What we need is consistent modest funding. We make extensive use of volunteers, which makes the funding go a lot further but managing those volunteers properly has significant costs which are increasing CRB cost have gone up GSCB training is now charged, insurance has gone up. We have a strong track record in making a difference for young people who are struggling. We have had requests for services, but no one seems to have any money to pay for them. We need to get the money from somewhere. We have not seen evidence yet that the Big Society means anything in practice.

Advice on income generation / service diversification

Not sure

volunteer support funding support

Respondents who chose to leave their name:

SOUNDWORK Community Projects
The Rock
Gloucester Law Centre
Art Shape
FAIRFORD PRE-SCHOOL
The Veg-Out Zone Community Garden,
The Churn Project
Active Gloucestershire
PATA
2322 Dowty Sqn Air Training Corps
Gloucestershire Older Persons' Association
CARP domestic abuse helpline
Glosfolk
The Orchard Trust
Rodborough Youth Project
Gloucestershire Domestic Violence Support and
Advocacy Project
Home-Start Stroud and Dursley
Gloucestershire Young Carers
Cheltenham West End Partnership
Age UK Gloucestershire
Third Sector Services
Stroud Court Community Trust
Fair Shares Glos
Cool2Care in Gloucestershire
Family Lives
Artiephartie
Young Gloucestershire
Forest of Dean Music Makers
Newent in Bloom Margaret
Forest of Dean Citizens Advice Bureau