

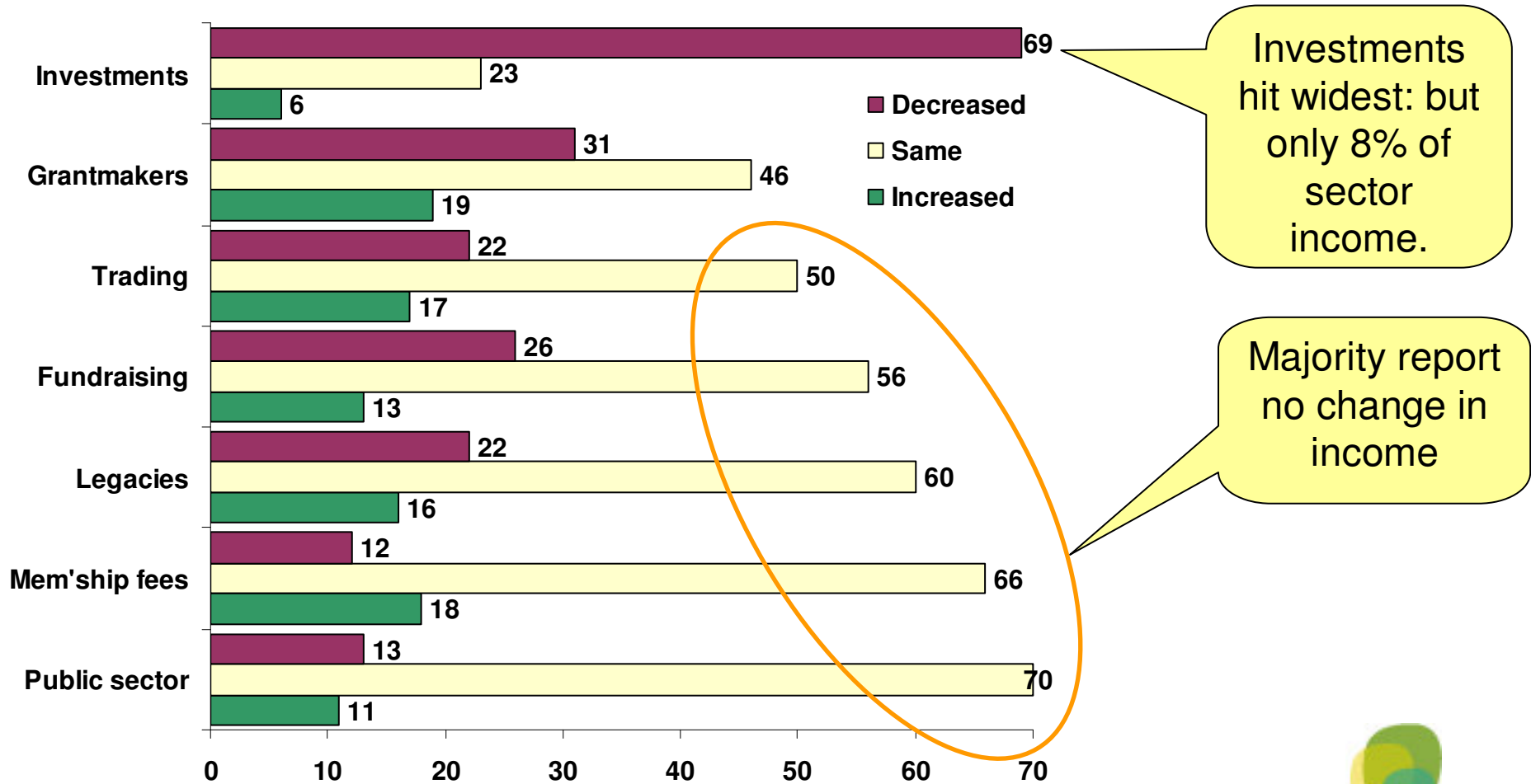
The New Economic Reality

Belinda Pratten
Head of Policy NCVO



- Economic turbulence – impact of the recession
- Political turbulence
- What NCVO is doing
- What you can do

Many charities are reporting no change in *most* income streams



Has income changed over the last 12 months?

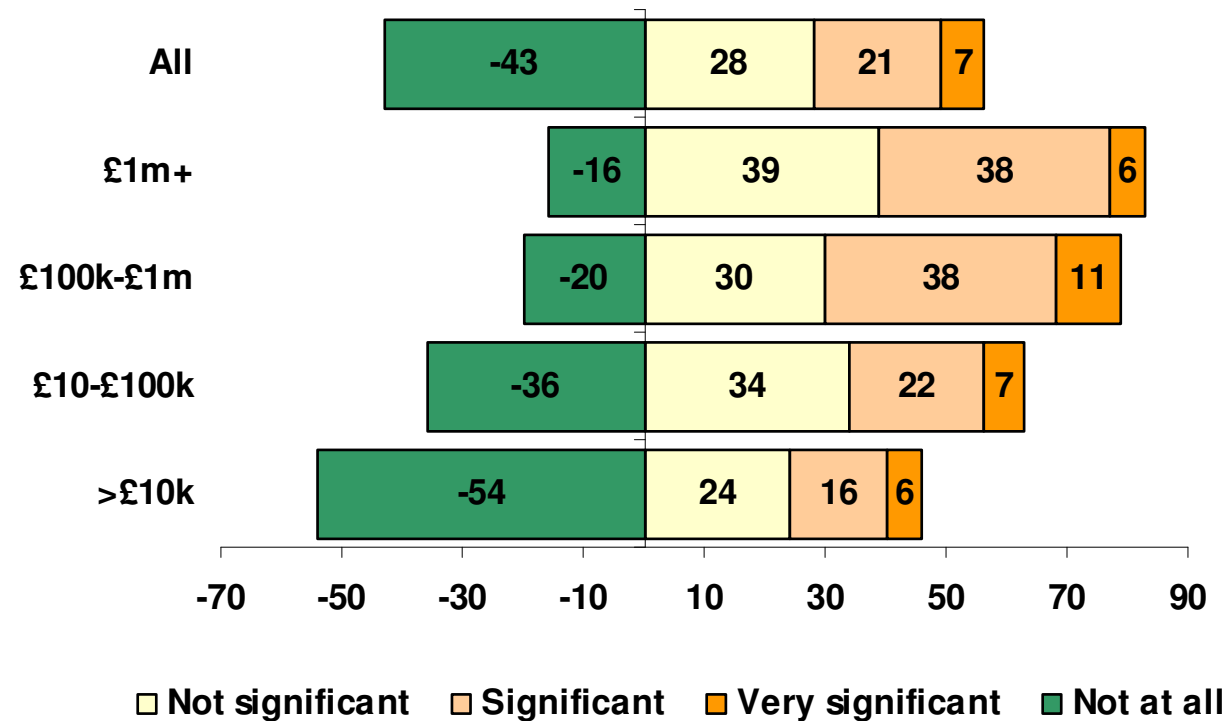
Charity Commission recession survey, August 2009

(D/Ks excluded)

1 in 4 report significant concerns: local surveys report greater problems

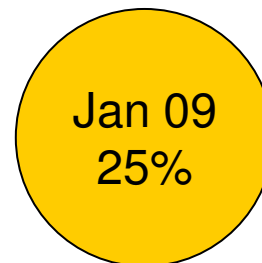
What has been the overall impact of the economic downturn?

Charity Commission recession survey, August 2009
(D/Ks excluded)



Is there a change?

% reporting a significant/ very significant impact



...and perceptions of the medium term are more pessimistic

Public spending cuts 'could amount to billions', says Charity Finance Directors' Group

Third Sector Online, 13 January 2010



Office of the Third Sector: provides funding for charities to carry out public services

Office of the Third Sector: provides funding for charities to carry out public services

A new report paints a bleak picture for the charity sector. David Ainsworth reports

The charity sector could face cuts of billions of pounds because of reductions in public spending, a report from the [Charity Finance Directors' Group](#) has warned.

Public Funding Cuts in the Third Sector: Scale and Implications, written by Kate Hand, policy and campaigns officer at the CFDG, and Antonis Papsolomontos, a researcher seconded to the umbrella group from the Liberal Democrats, says that even in the best-case scenario the sector's funding would be cut by hundreds of millions of pounds.

Voluntary sector organisations receive about £11bn a year from the public sector, according to the report.

The report says the main factors that will affect the size of the cuts will be whether NHS funding is maintained or increased, how cuts are split between departments, whether the third sector remains a priority within government departments and how quickly growth returns to the UK economy.

It is not clear whether the Government will restrict cuts to low-priority areas or

Political Turbulence

- Uncertainty over the result of the election - & many new MPs, whoever wins
- All parties see us as key players - how do we see our role?
- Public service delivery: invention driven by necessity as cuts bite
 - Total Place
 - Personalisation
 - Payment by results

In a recession:

- Government should take sensible steps to ensure sector can cope
- Commitments to fair funding and contracting must be met
- Government must not act in ways that create additional financial problems for the sector
- Sector must be involved in discussions about future shape of our society
- We need to be able to monitor ongoing impact

What is NCVO doing?

- Highlighting the value of the sector – & how we can help build the good society
- Promoting the Compact
- Calling for better funding practice: Gift Aid; VAT; lottery funding; grants & contracts
- Funding Commission
- Funding Central

What can you do?

- Start planning now
- Highlight your full value: what difference do you make?
- Focus on your mission & the needs of those you work with - can you do more
 - with other VCOs?
 - with the statutory sector?
- Make the Compact work for you; your partners and for local people

Resources

www.fundingcentral.org.uk

www.ncvo-vol.org.uk/dontstopthemusic

www.compactvoice.org.uk/files/102264/FileName/SafeguardSectorstabilityduringpublicsectorcuts.pdf

Belinda.pratten@ncvo-vol.org.uk

