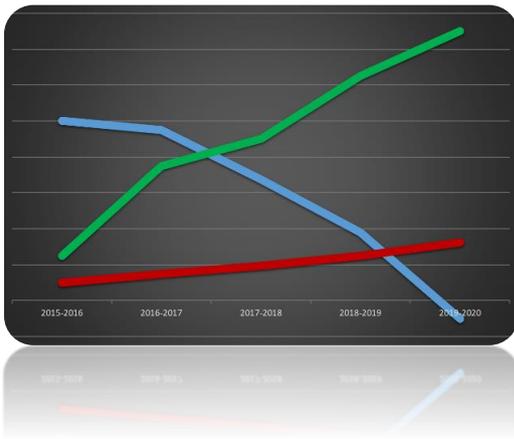


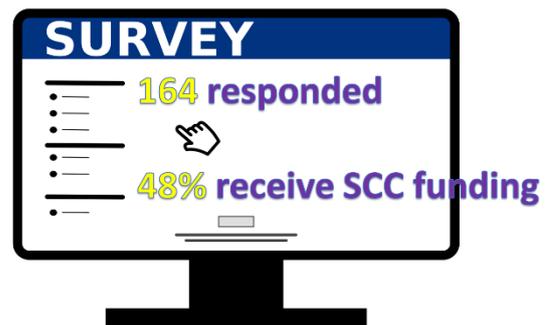
Understanding the potential impact of cuts to Surrey's Voluntary, Community and Faith Sector



There is no doubt that Surrey County Council (SCC) is facing extreme financial pressures, and that cuts are inevitable. It is also the case that some of these cuts may have to be applied to Surrey's Voluntary Community and Faith Sector (VCFS) organisations, despite the VCFS's ability to deliver high quality services that represent excellent value for money.

While we all accept that cuts may be necessary, and hard choices must be made, there is little data available about the indirect impact of such cuts beyond immediate cost savings for the funder. For example, cutting a £50,000 grant to a VCFS organisation may stop another £100,000 match income from coming into the county, and the beneficiaries affected by the initial £50,000 cut might then need to rely on Surrey County Council for their support at a cost much greater than £50,000. This scenario is illustrative, but very possible.

To find out more, Surrey Community Action carried out a survey during February and March 2017, to try and gauge the impact of SCC cuts to the VCFS, and to provide this insight to SCC. Hopefully, this can be useful when cuts are being considered, and may help minimise the impact of any such cuts.



The survey was distributed to around 1,500 VCFS organisations and received 164 responses. Of those, 48% receive or have recently received funding from SCC.

The 78 SCC funded respondents tended to be larger charities compared to the overall VCFS population. The median income across all respondents receiving SCC funding was £240,000 versus £95,269 for others. This is to be expected as smaller VCFS organisations tend not to apply for SCC funding (particularly contracts), and those affected by potential cuts were more likely to respond.

The survey asked about the overall impact a loss of SCC funding would have on their organisation. Unfortunately, over a third of SCC recipients expected that they would have to cease operating if they lost their SCC funding. 47% said they would have to stop one of more services, and 40% would have to scale back one or more services.

Only 2% of those in receipt of SCC funding were confident that could maintain their services without SCC support.



As well as offering a challenge to SCC, it also offers a challenge to Surrey Community Action and peers: How can we work with vulnerable organisations on reducing reliance on individual funding streams?

The types of services that rely on SCC funding are many and varied, and include, amongst other things:

- Post Natal Depression support
- Employment support
- Day services for profoundly disabled people
- Respite care
- Supported housing
- Health advocacy
- Home based care
- Dance workshops

Respondents were also asked how many people would be impacted by a loss of services. Averaged across all respondents, 991 beneficiaries would be adversely affected per organisation, not including staff and volunteers who may lose their position.



Beneficiaries impacted per affected organisation

The loss of a vital service to a small number of people could be felt deeper than a less vital loss to many. This would be a factor in any decision-making process, but this survey could not quantify the relative “importance” of different services.

One VCFS strength is bringing in match funding from other sources. The multiplier effect can be huge in terms of cash, but also in in-kind contributions and social value.



match funding potentially lost per affected organisation

While the survey limited itself to cash match, respondents reported that £274,989 in cash match funding alone could be jeopardised if the SCC component was lost.

When asked whether alternative provision exists for the beneficiaries of lost services, only 4% knew that there is, while 53% said no and 31% did not know. The 53% saying “no” is probably an overestimate given the overall size of Surrey’s VCFS.

If services are lost



believe that SCC would have to intervene directly

Are there alternative services in Surrey?



| | |
|-------------------|------------|
| Yes | 4% |
| No | 53% |
| Don't Know | 31% |

SCC intervention may be required immediately if a beneficiary has sufficient need, or may be required later if VCFS support in the community prevented the beneficiary from requiring more significant intervention immediately.

Finally, respondents were asked whether, if their services stopped or reduced, the beneficiaries would have to look to SCC for support.

The survey cannot tell us the costs of additional services that may fall back onto SCC, but it would be prudent for SCC to take this into account when evaluating cuts to VCFS grants. It would be a real problem if the cost savings were immediately negated by cost increases elsewhere.

53% of respondents expected that, if their service stopped, their beneficiaries would have to seek support from SCC (or other statutory bodies).

This research was carried out by Surrey Community Action with the support of the Surrey Charities Chief Executives Group, Surrey’s Councils for Voluntary Service and Surrey County Council. Its sole intention is to provide data that may be useful to SCC and others when considering cuts to the VCFS.

For more information about this report, please contact Jason Gaskell, Chief Executive at Surrey Community Action via jasong@surreyca.org.uk or 01483 447 100.

Surrey Community Action, www.surreyca.org.uk, is a countywide independent charity, providing a range of services to help voluntary and community groups to help others. We work to build a better relationship between the VCFS, local government, funding bodies, businesses, health & well-being providers, and a wide range of other partners, sharing information that enhances mutual understanding and influences the future agenda.

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